

## PULSES

May 05–May 12, 2007

### Highlights

#### Spot Markets

- MMTC offered tender to sell 4,400 tonnes Tur.
- PEC Ltd. Invited Tenders to Import 12,000 tonnes Pulse.
- STC offered Tender to Import 1,55,000 tonnes Yellow Peas.
- Economic Coordination Committee in Pakistan Decided Not to Export Surplus Pulses.
- Harvest has finished in Rajasthan

### Highlights

#### Futures Market

- NCDEX changed contract specifications for Chana futures expiring in May 2007 and thereafter. In these contracts Rajasthan and MP desi are deliverable in Delhi, Rajasthan is deliverable in Bikaner and MP Kantewala is deliverable in Indore.

## Fundamentals

### URAD:

The Urad prices remained slightly weak during the most part of the week on psychological pressure of prospective government imports and strong domestic currency. PEC Ltd. invited tender to import 3000 tonnes FAQ Urad recently in accordance with the government decision to import 15 lakh tonnes of pulses to improve supply condition in the country. Subdued looking demand also helped support the easing in prices. Some firmness towards the end of the week was seen in urad prices in conformity with the other pulses. Unfavourable weather led weak arrivals towards the end of the week in AP also underpinned the prices. As the domestic harvesting season is over, off-season premium is likely to come into play in the coming time. Further, some weakness in rupee was seen towards the end of the week, if it continues further, costly imports might get translated into higher domestic prices eventually. Arrivals are expected to shrink with time, which would add further pressure on the prices. However, demand is sagging at this stage, which might limit the gains.

#### Urad Prices in Delhi and Mumbai (Rs/qty.)

Date	Burma FAQ (Delhi)	Burma spot FAQ (Mumbai)
07.05.07	2600	2600
08.05.07	2600	2600
09.05.07	2600	2500-2550
10.05.07	2625	2550
11.05.07	2700	2550
12.05.07	2700	2601

#### Urad Prices in secondary markets

QUALITY	12.05.07	05.05.07
Akola	2650-2700	2750
Indore	2800	2750-2800
Jalna	2700	2800

#### International Price Offer For Urad, FAQ, SQ New: \$/MT CNF (Mumbai/ Chennai) 90 Days

Date	F A Q	S Q
05.05.07	600	640
12.05.07	585	630

### TUR:

Tur prices also declined during the week in conjunction with the other pulses. Shortage of supply of tur on account of lower production resulted in higher prices in domestic market. However, continued firmness in rupee during last one month resulted in cheaper imports, which pressured the prices gradually during this period. Recently floated import tenders for Tur and other pulses by MMTC and PEC also added some bearish sentiments in the market. However, shrinking arrivals in production centers in the off-season is still supportive for the prices.

#### Tur Prices at Delhi / Mumbai (Rs/qty.):

Date	Burma Spot Delhi	Burma Spot Mumbai (New)
07.05.07	2275	2300
08.05.07	2300	2250-2275
09.05.07	2251	2225
10.05.07	2300	2250
11.05.07	2400	2275
12.05.07	2300	2275-2301

### Tur Prices in secondary markets

Centres and Grade	12.05.07	05.05.07
Gulbarga - Red Tur	2400	2400
Latur Red tur (Mh Line)	2450	2475
Latur White tur (Mh Line)	2400	2350-2400
Jalna Red	2200-2250	2200-2300
Jalna White	2200-2300	2250-2400
Jalna BDM	2375	2400
Akola Red Vidharbha Line (motor cut)	2390	2400

### International Price for Tur USD/MT CNF (Mumbai) 90 Days

DATE	Burmese FAQ new	Burmese ( Lemon Tur, Weeviled 15%)
05.05.07	540-550	570
12.05.07	520-530	550-560

### MOONG:

Moong prices prevailed almost in the same position in the spot markets due lower trading on the commodities in these days. Supply-Demand balance also made the price unmoved in the spot market. Further, MMTC invited bids for import of 1000 tonne of Moong to be delivered in May-June. Buyers are little hesitant over aggressive buying due to news of import of pulses, though presently supply status of Moong in the country is not so good. It is expected that the arrivals of the imported Moong in the country will ease the price to some extent in coming days.

### Latest prices in Delhi (Rs/qt.)

Date	(Delhi)	Indore
05.05.07	3100	3050-3100
12.05.07	3050-3100	3100

### Prices at Secondary Centres (Rs/qt)

Centres	12.05.07	05.05.07
Jalna	2750-2800	2900
Akola	2750-2850	3000
Kanpur	3000	3200

### International Price Offer for Moong USD/MT CNF (Mumbai) 90 Days

Date	Burmese Pokako	Burmese Annashewa	Burmese Pedishwar
05.05.07	665	NA	690
12.05.07	NA	680	680

### CHICKPEAS:

Chana prices experienced weak sentiment across the board during the week starting March 7 on account of sluggish demand. Demand especially from stockists remained subdued during the period looking at government stand on stock limits. Further, government's initiative to curb prices of essential commodities by timely imports of

different pulses kept the market under psychological pressure. MMTC, PEC Ltd. and State Trading Corp invited tenders this week to import pulses. MMTC invited tender to import 4,400 tonnes of pulses, PEC is seeking suppliers of 12,000 tonnes of pulses, whereas STC has invited tenders to import 1,55,000 tonnes of yellow peas. Further, supplies in different markets were comfortable especially looking at subdued demand. Weakness in demand for pulses during this time of the year is a normal phenomenon. Meanwhile, Economic Coordination Committee in Pakistan decided not to export surplus of pulses at any cost to curb the domestic prices of pulses in Pakistan. However, the decision is not likely to affect the Indian supplies much. So, in such a scenario of subdued demand and normal supply, Chana prices are likely to remain range bound in the coming week. Firmness in other pulses on off-season premiums would limit the downside potential of Chana prices.

### Desi Chickpea Price Change in Delhi and Indore (Rs/qt.)

Date	Delhi (Rajasthan)	Indore (Kantewala)
07.05.07	2225	2300
08.05.07	2225	2300
09.05.07	2200-2225	2250
10.05.07	2225	2200-2225
11.05.07	2170	2225
12.05.07	2200	2325

### Prices in Mandis of Maharashtra/ UP/ Karnataka

Centres	12.05.07	05.05.07
Bikaner (Desi)	2050-2080	2110
Latur (Gauran)	2300	2275
Latur (Annagiri)		2350
Latur (G-12)	2275	2300
Jalna (Gauran)	2200	2200
Jalna (Pila)	2300	2300
Akola (Mixed) motor cut	2300	2325
Akola new (Chapa) motor cut	2375	2375
Kanpur (mandi rates)	2400	2400

### MASOOR:

Masoor prices managed to hold the previous levels during the week despite the fall in the prices of other pulses. Shrinking arrivals and healthy demand of the commodity kept underpinning the prices. However, tenders floated by MMTC and PEC to import Masoor managed to ease the sentiments in masoor markets. Arrivals from major producing states MP and UP are continuously declining after the completion of harvest, which would keep the supplies tight. Despite government imports, lower production expected this year on account of lower acreage and poor weather conditions, is not likely to let the prices ease much.

#### Prices in UP/ Indore (Rs/qrt.)

Date	Kanpur	Indore
07.05.07	2700	2540
08.05.07	2700	2530
09.05.07	2700	2530
10.05.07	2700	2510
11.05.07	2710	2510
12.05.07	2730	2580

#### FIELD PEAS:

Field peas prices also remain steady to slightly weak during the week starting May 7, on the back of weakness in other pulses. Tender floated by STC to import 1,55,000 tonnes of yellow peas also pressured the prices to some extent. Subdued demand from millers and stockists did not let the prices of Desi peas to go higher despite tight supply position in production centers. The harvesting of the crop in major producing states is over and thus arrivals are gradually falling. The total production of desi peas is expected lower this year, as acreage of the crop has dropped by 12%. In Mumbai market too, imported peas prices remained range bound during the period on subdued demand and comfortable supply.

#### Peas Price Movement (Rs/qt)

Offers	Kanpur New	Mumbai Peas(WC)
05.05.07	1875	1675
12.05.07	1880	1670

#### NEWS

##### MMTC Offered Tenders to Sell Imported Pulse

MMTC offered tenders to sell 4,400 tonnes imported pulse from Myanmar and Mozambique today. Bid to sell 1,000 tonnes imported Tur or Pigeon pea has been invited by the state run house in Mumbai. MMTC also floated two other tenders to sell 2,400 tonnes Tur and 1,000 tonnes Tur (Black Matpe) imported from Myanmar.

##### PEC LTD. Invited Tenders to Import 12,000 tonnes Pulse in June-July.

A tender to import 12,000 tonnes of pulses for June-July was invited by PEC Ltd. in Mumbai on late Wednesday to deliver at Mumbai port. 3000 tonnes FAQ Urad (black matpe), 3000 tonnes Tur (Whole) or Pigeon Pea and 3000 tonnes of Moong (whole) will be imported from the current crop according to the document. In addition, Urad (superior quality), Green Moong (pedishewa quality) and Lemon Tur of 1,000 tonnes each were also offered to supply.

##### State Trading Corp Offered Tender to Import 1,55,000 tonnes Yellow Peas

On late Wednesday, the State Trading Corp invited tender to import 1,55,000 tonnes of Yellow Peas. The delivery will be in two phases spread over five months. 50,000 tonnes Yellow Peas of European origin were sought by State Trading Corp to deliver in July-August and rest 1,05,000 tonnes were sought to deliver in September-November according to the tender document. The deliveries were sought in Mumbai, Kolkata and Visakhapatnam.

#### Economic Coordination Committee in Pakistan Decided Not to Export Surplus Pulses

According to a newspaper daily, Economic Coordination Committee of Cabinet of Pakistan Govt. headed by Prime Minister Shaukat Aziz, decided Thursday, not to export excess pulses at any cost. It was informed in the meeting that some people are purchasing pulses from the farmers at higher prices than that of Procurement Price fixed by the Govt. for the current year in anticipation of rising of prices due to export. But meeting decided to ban on export of pulses to curb the rise of prices of pulse in domestic market in Pakistan for the benefit of the common people.

#### MMTC Offered Tender to Import 40,000 tonnes Desi Chana and 6,000 tonnes Massor

MMTC Ltd invited fresh tender today, to import 40,000 tonnes Desi Chana and 6,000 tonnes Massor from the current crop at Mumbai, Chennai and Kolkata port to deliver during July-August. Government has asked NAFED, STC, MMTC and PEC for detailed marketwise and month wise plans to import 0.75 million tonnes Urad, Tur, Moong, Masoor and Gram with 0.75 million tonnes of Yellow peas and other pulses.

#### Futures Market (NCDEX)

##### Chana

Chana futures recovered towards the end of the week after initial losses. The prices dipped initially, however, increased buying interest at lower level pushed the prices up. The most active June contract at MCX dipped to the lows of Rs 2226 on Thursday, and then the prices surge to Rs 2309 towards the end of the week. Similarly, most active June contract at NCDEX traded in the range of Rs 2275-2372 per quintal. The volume traded has increased and open interest also edged marginally higher.

##### PRICE DRIVERS:

MMTC offered tender to sell 4,400 tonnes Tur.

PEC Ltd. Invited Tenders to Import 12,000 tonnes Pulse.

STC offered Tender to Import 1,55,000 tonnes Yellow Peas.

Economic Coordination Committee in Pakistan Decided Not to Export Surplus Pulses.

NCDEX and MCX Chana stock reached more than 25,000 tonnes

##### OUTLOOK:

**Short Term (One Week):** Steady to slightly firm on declining arrivals from Rajasthan

**Medium Term (One Month):** Firm on reducing arrivals amid stable demand

**Long Term (Three Months):** Bullish on off-season premiums

**Chana (MCX May Contract)**

Support-1	2220	Support-2	2180
Resistance-1	2380	Resistance-2	2420
<b>Strategy</b>	Buy on major dips		

**Chana (NCDEX May Contract)**

Support-1	2227	Support-2	2240
Resistance-1	2407	Resistance-2	2450
<b>Strategy</b>	Buy on major dips		

**Forex as on 14.05.2007**

Country/ Continent	Currency	Value in Rupees
USA	Dollar	40.93
European Union	Euro	55.42
Japan	100 Yen	34.03
United Kingdom	GBP	81.20

**Latest Vessel Position**

Rm Mahanaim vessel reached Mumbai port on 4<sup>th</sup> May to discharge 48784 MT of Bulk Peas. Vessel Dynamic G has arrived at Mumbai port to offload 5054 MT of bulk peas.

**Weather Outlook For The Week Ending On May 16th 2007**

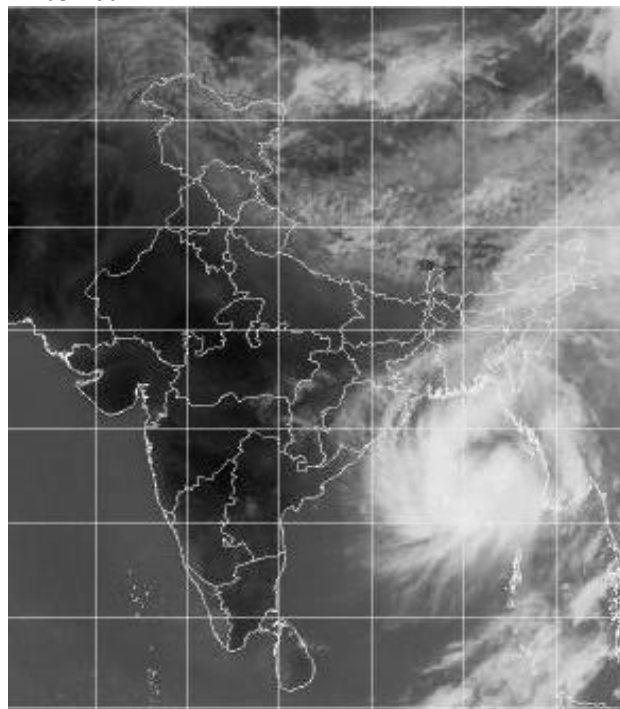
- Conditions are favourable for onset of southwest monsoon over south Andaman Sea and adjoining southeast Bay of Bengal during next 72 hours.
- A low-pressure area is likely to form over east central Bay of Bengal and adjoining north Andaman Sea around 12th.
- Fairly widespread rainfall with isolated heavy falls is likely over Andaman & Nicobar Islands and northeastern States during the week.
- Rise in day temperature over south India during first half of the week and fall thereafter. Rise in day temperature over central and east India and fall over northeastern States during the week.

### Crop -Weather Impact

Commo dity	States	Crop Stage	Impact	
<b>Urad</b> (Kharif + Rabi)	Andhra	Harvesting complete		
	Orissa	Harvesting Complete		
<b>Chana</b> (Rabi)	Rajasthan	Harvesting Complete		

### Weather Map

14-05-2007



Source-IMD

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