

Pulses

January 05, 2011

CHANA

Market Analysis:

- Most of the chana spot markets witnessed weak sentiments.
- Uncertainty over chana futures (NCDEX) has forced spot buyers to stay away from the market.
- Fresh arrival in AP is expected to be on full swing from second week of January and it will exert pressure on domestic chana prices.
- Standing crop is in good condition in other producing states and this will further support bearish sentiments.
- Trade participants believe that demand for the commodity will improve in next few days due to the festive and marriage season but fresh arrival is expected to offset the improved demand factor.

Chana prices have increased during past few days due to the improvement in Chana's future prices but major uptrend is not expected due to the prospects of bumper crop.

Technical Analysis:

- Candlestick formation in the chart indicates that prices could not sustain at higher levels.
- Closing of prices above short term EMA (9 days) suggests firmness in prices.
- RSI is moving down in neutral region, hinting for weakness.
- MACD is moving up in negative territory thus hinting bullish trend.
- Chana futures are likely to remain range bound with weak bias.

Trade Recommendation – Chana NCDEX (Jan.)

Call	Entry	T1	T2	SL
SELL	<2560	2548	2539	2570
Support & Resistance				
S2	S1	PCP	R1	R2
2500	2512	2553	2570	2578



Spot Prices of Chana at Key Markets

Centre	Grade/Variety/Origin	Prices		Change	Arrivals		Change
		04-Jan-11	03-Jan-11		04-Jan-11	03-Jan-11	
Mumbai	Australian (Imported)	2500	2500-2505	-5	-	-	-
	Rajasthan	2400-2470	2475-2480	-10	35-40	35-40	-
Delhi	Madhya Pradesh	2450	2475-2480	-30	35-40	35-40	-
	Desi	2430	2450	-20	-	-	-
Bikaner	Kantewala	Closed	2380	-	Closed	3000	-
	Desi	2510	2500-2510	-	-	-	-
Indore	Gauran	2100-2500	-	-	300	-	-
	Annagiri	2500-2600	-	-	50	-	-
Kanpur	G-12	2250-2300	-	-	100	-	-

*all prices are tax paid except Bikaner which is loose prices *arrivals of chana in all the markets are in bags (1 bag = 100 Kg) except Delhi where the arrivals are in motors/trucks.

PEAS

Market Analysis:

- Major peas cash markets mostly witnessed steady to weak trend.
- Limited trading activities for imported peas have restricted further improvement in domestic prices.
- Diversion of peas area to other crops has raised the concerns of lower output during current year.
- Although, peas acreage has reduced but prospects of better yield are expected to compensate the lesser acreage.

Peas prices are likely to trade with slight firm bias in near term.

Centre	Prices		Chg
	04-Jan-11	03-Jan-11	
Mumbai White Canadian	1721-1725	1731	-6
Mumbai White American	1800	1800	-
Mumbai Green Canadian	1975-2100	1975-2100	-
Mumbai Green American	2300-2450	2300-2450	-
Kanpur Desi	1990	2000	-10

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TUR**Market Analysis:**

- Majority of tur cash markets witnessed steady to weak tone.
- Trade participants are forecasting bumper domestic crop during year.
- Continuous improvement in domestic prices during past few days and projections of bumper crop has made buyers hesitant to pay higher prices.
- Moreover, buyers are also not ready to pay premium for Burmese quality.
- However, commencement of fresh arrival from AP will further exert pressure on its prices in near term.
- Reports of entry of state run agencies for procurement in near term have supported domestic tur prices.

Tur prices are expected to remain range bound with slight firmness in near term due to the improvement in demand.

Tur Spot Market Prices

Centre	Origin/Variety/Grade	04-Jan-11	03-Jan-11
Mumbai	Burmese lemon	2970-2980	3100-3125
Delhi	Burmese Tur	3075	3100
Chennai	Burmese lemon	3100	3000
Gulbarga	Red	-	3200
Latur	Red	3250-3650	-
Jalgaon	Red	-	3000-3400

MOONG**Market Analysis:**

- Moong prices remained mostly weak in most of the markets.
- Absence of demand from millers has restricted upward movement in its prices.
- Non availability of bold quality moong has resulted in steady movement in moong prices during past couple of weeks.
- Burma is expected to have a better crop but regular buying from China is expected to further support the international moong prices in near term.

Moong prices are likely to trade range bound in coming days on subdued demand and quality issue in new moong.

Moong Spot Market Prices

Centre	Origin/Variety/Grade	04-Jan-11	03-Jan-11
Mumbai	Pedishewa	-	-
	Moong Australia	6200-6250	6500
Chennai	Pedishewa	4700	4800-4900
Delhi	Mertha City	4500-4650	4500-4650
	Raj Line	5000	5000
Indore	Chamki	-	4200
Kanpur	Desi	3500-4000	3500-4000
Jaipur	Moong	3400-4200	3200-4200

URAD**Market Analysis:**

- Urad cash markets witnessed mixed trend.
- Thin trading activities have restricted further improvement in desi urad prices in Mumbai market.
- Sluggish demand for the Burmese quality has moved down its prices in domestic markets.
- Market participants are not expecting any major downtrend in domestic urad prices in near term due to the reports of crop damage in AP.
- Since we still have 3 months for the fresh rabi crop and till date we will have to depend on Burmese urad and this is expected to move up the international as well as domestic prices.

Prices are expected to remain range bound with firm bias.

Urad Spot Market Prices

Centre	Origin/Variety/Grade	04-Jan-11	03-Jan-11
Mumbai	Burmese FAQ	3925-3950	3925
Delhi	Burmese FAQ	4100	4100
Chennai	Burmese FAQ-SQ	4025-4900	4000-5000
Indore	Desi	-	3800
Vijayawada	Polished	4825	-
Jalgaon	Desi	-	3500-3900

MASOOR**Market Analysis:**

- Masoor prices witnessed mostly firm tone.
- Weak demand for Canadian masoor has moved down its prices.
- Since we have good stock of desi masoor and this has made buyers hesitant to pay higher prices.
- Although masoor acreage has declined during current year but prospects of better yield are expected to offset the former factor.
- Favorable weather till date will further support bearish trend.

Masoor prices are likely to trade in range with firm bias on lower level buying support.

Masoor Spot Market Prices

Centre	Origin/Variety/Grade	04-Jan-11	03-Jan-11
Mumbai	Red Lentils	3000-3025	2950-3000
	Chaanti export	4500-4700	4500-4700
Delhi	MP/ Kota Line	2850-2900	2850-2900
	UP/Sikri Line	3450-3500	3450-3500
	Mill Delivery	3020-3025	3025-3030
Kanpur	Bareilly Del.	3115-3120	3100
Indore	Masra	-	3200

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Indicative International Prices (C&F, \$/MT)

Commodity	Origin	Port	Prices as on 04-01-11
Tur Arusha	Tanzania	Chennai	575
Tur Lemon	Burmese	Mumbai	71 0
Tur FAQ	African		-
Tur	Malawi/Mozambique	Chennai	-
Yellow Lentils (Richleas)*	Canadian	Tuticorin	-
Yellow Lentils (Laird)*	Canadian	Tuticorin	-
Red Lentils (Oct-Nov)	Canadian	Mumbai	-
Yellow Peas*	Canadian	Chennai	-
Yellow Peas	Ukrainian		365
Yellow Peas*	U.S.	Chennai	-
Urad FAQ*(New)	Burmese	Mumbai	850
Urad SQ*(New)	Burmese	Mumbai	-
Chickpea*(Nov-Dec)	Australian	Mumbai	-
Moong Pedishewa*	Burmese	Mumbai	-
Moong	Tanzania	Mumbai	-
Moong Annashewa	Burmese	Mumbai	-

(*Last Traded)

FOREX

Country/Continent	Currency	Value in Rupees 03-01-11	Value in Rupees 04-01-11*
USA	Dollar	44.67	44.84
European Union	Euro	59.37	59.79
Japan	Yen	54.97	54.56
United Kingdom	GBP	69.44	69.32

Source: RBI; *xe.com

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