

Pulses

January 08, 2011

CHANA

Market Analysis:

- Most of the chana spot markets witnessed mostly steady to firm sentiments.
- Little buying support for desi chana has resulted in slight improvement in its prices and erased the losses of past couple of days.
- Increase in the chana prices in NCDEX has also moved up spot chana prices.
- Reduction in the arrivals in the spot markets has also lent support to its prices.
- Acreage under Chana in AP till 05 Jan, 2011 is reported at 5.84 lha compared to the last year's acreage of 6.32 lha during the same period.

Chana prices are expected to trade with weak bias in near term in anticipation of increased acreage along with favorable weather conditions.

Technical Analysis:

- Candlestick formation in the chart indicates firmness in the market.
- Closing of prices above short term EMA (9 days) suggests firmness in prices.
- RSI is moving up in neutral region, hinting for firmness.
- MACD is moving up in negative territory thus hinting bullish trend.
- Chana futures are likely to remain range bound with firm bias.

Trade Recommendation – Chana NCDEX (Jan.)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| BUY | >2538 | 2552 | 2561 | 2527 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2512 | 2521 | 2548 | 2560 | 2575 |



Spot Prices of Chana at Key Markets

| Centre | Grade/Variety/Origin | Prices | | Change | Arrivals | | Change |
|---------|-----------------------|-----------|-----------|--------|-----------|-----------|--------|
| | | 07-Jan-11 | 06-Jan-11 | | 07-Jan-11 | 06-Jan-11 | |
| Mumbai | Australian (Imported) | 2500-2525 | 2500-2515 | +10 | - | - | - |
| | Rajasthan | 2430-2435 | 2420-2425 | -10 | 35-40 | 35-40 | - |
| Delhi | Madhya Pradesh | 2430-2435 | 2435-2450 | -15 | 35-40 | 35-40 | - |
| Bikaner | Desi | 2400 | 2400 | - | - | - | - |
| Indore | Kantewala | 2370-2380 | 2340 | +40 | 1500 | 4000 | -2500 |
| Kanpur | Desi | 2510-2515 | 2450 | +65 | - | - | - |
| Latur | Gauran | 2100-2500 | 2100-2500 | - | 300 | 300 | - |
| | Annagiri | 2500-2600 | 2500-2600 | - | 50 | 50 | - |
| | G-12 | 2250-2300 | 2250-2300 | - | 100 | 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 is in motors/trucks.

PEAS

Market Analysis:

- Major peas cash markets mostly witnessed firm trend.
- Uncertainty about crop condition is currently supporting the peas prices as some market participants are projecting crop damage due to the cold weather.
- Moreover, non-availability of the desi peas is further moving its prices in northwards direction.
- However, traders are hesitating in paying higher prices for peas.

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

| Centre | Prices | | Chg |
|-----------------------|-----------|-----------|------|
| | 07-Jan-11 | 06-Jan-11 | |
| Mumbai White Canadian | 1741 | 1731 | +10 |
| Mumbai White American | 1800-1821 | 1780-1790 | +31 |
| Mumbai Green Canadian | 2200-2250 | 1975-2100 | +150 |
| Mumbai Green American | 2550-2600 | 2400-2500 | +100 |
| Kanpur Desi | 2000 | 1970 | +30 |

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TUR**Market Analysis:**

- Majority of tur cash markets witnessed firm tone.
- Strong buying support for desi tur has further moved up its prices.
- Government has declared a bonus of Rs 500/qtl on procurement of tur and this has further increased the domestic tur prices.
- However, market participants believe that prospects of good crop might restrict upward movement in near term.
- Market participants are not expecting severe loss to the new crop in Karnataka.
- Moreover, government has opened its centers for procurement and procurement will start soon and this has also increased its 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 | 07-Jan-11 | 06-Jan-11 |
|----------|----------------------|-----------|-----------|
| Mumbai | Burmese lemon | 3250-3260 | 3250-3275 |
| Delhi | Burmese Tur | 3275 | 3250 |
| Chennai | Burmese lemon | 3250 | 3100 |
| Gulbarga | Red | 3400 | 3300 |
| Latur | Red | 3675-3700 | 3250-3650 |
| Jalgaon | Red | 3600-4100 | 3500-4000 |

MOONG**Market Analysis:**

- Moong prices remained steady in most of the markets.
- Few enquiries from the buyers has moved up the domestic prices of moong.
- Market participants believe that moong prices will go up in near term as fresh arrivals from Rajasthan will decline in coming days.
- Floods in Australia have damaged the moong crop and this has further sparked the international moong prices.
- Moreover Chinese buying is further restricting the downtrend in international moong prices.

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 | 07-Jan-11 | 06-Jan-11 |
|---------|----------------------|-----------|-----------|
| Mumbai | Pedishewa | - | - |
| | Moong Australia | 6200 | 6500 |
| Chennai | Pedishewa | 4700 | 4700 |
| Delhi | Mertha City | 4500-4650 | 4500-4650 |
| | Raj Line | 5000 | 5000 |
| Indore | Chamki | 4500-5000 | 4700 |
| Kanpur | Desi | 3500-4000 | 3500-4000 |
| Jaipur | Moong | 3500-4500 | 3500-4500 |

URAD**Market Analysis:**

- Urad cash markets witnessed mostly firm trend.
- Consistent demand of desi urad is supporting its prices.
- Reports of good crop condition in Burma have raised the prospects of better crop and this might put pressure on international prices to some extent.
- Moreover, good rabi crop condition is reported from AP but for this we still have atleast 2 months and till date major weakness is not expected in domestic prices.
- Early sown urad crop in AP is at vegetative to flowering stage and is expected to hit the market from first week of February.
- Rainfall in AP during December has resulted in crop damage in early sown and this has further support its prices.

Prices are expected to remain range bound with firm bias.

Urad Spot Market Prices

| Centre | Origin/Variety/Grade | 07-Jan-11 | 06-Jan-11 |
|------------|----------------------|-----------|-----------|
| Mumbai | Burmese FAQ | 4000-4050 | 4000-4011 |
| Delhi | Burmese FAQ | 4050 | 4000 |
| Chennai | Burmese FAQ-SQ | 4175-5100 | 4100-4975 |
| Indore | Desi | 3800 | 3900 |
| Vijayawada | Polished | 5200 | 5100 |
| Jalgaon | Desi | 3500-4100 | 3500-4000 |

MASOOR**Market Analysis:**

- Masoor prices witnessed mostly firm tone.
- Uncertainty about crop condition is currently supporting the masoor prices as some market participants are projecting crop damage due to the cold weather in UP & MP.
- Moreover, lower level buying has also lent support to its declining prices.
- Since acreage under masoor has increased in MP and this might compensate the loss if occur due to the lower yields to some extent.

Masoor prices are likely to trade in range with firm bias in anticipation of lower yields.

Masoor Spot Market Prices

| Centre | Origin/Variety/Grade | 07-Jan-11 | 06-Jan-11 |
|--------|----------------------|-----------|-----------|
| Mumbai | Red Lentils | 3350-3150 | 3100 |
| | Chaanti export | 4600-4700 | 4500-4700 |
| Delhi | MP/ Kota Line | 2900 | 2850-2900 |
| | UP/Sikri Line | 3450 | 3450-3500 |
| Kanpur | Mill Delivery | 3085-3100 | 3070 |
| | Bareilly Del. | 3160-3200 | 3160 |
| Indore | Masra | 3400 | 3300 |

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

| Commodity | Origin | Port | Prices as on 07-01-11 |
|----------------------------|-------------------|-----------|-----------------------|
| Tur Arusha | Tanzania | Chennai | 575 |
| Tur Lemon | Burmese | Mumbai | 770 |
| 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 | 860 |
| 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 | Value in Rupees |
|-------------------|----------|-----------------|-----------------|
| | | 06-01-11 | 07-01-11* |
| USA | Dollar | 45.31 | 45.37 |
| European Union | Euro | 59.56 | 58.93 |
| Japan | Yen | 54.48 | 54.34 |
| United Kingdom | GBP | 70.26 | 70.03 |

Source: RBI; *xe.com

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