

## Pulses Fortnightly Report

January 07, 2010

### Fundamentals: Chickpeas (Chana)

Chana prices traded weak during the fortnight starting in major cash markets. Sluggish demand in most of the domestic markets along with reports of increased acreage kept weighing on its prices. However, consistent increase in chana prices at NCDEX had tried to influence the spot market but dull demand of the commodity limited the gains in spot markets.

Favorable weather condition till date in all major producing regions has supported the sentiments of record crop this year. Total acreage under chana till 24 Dec, 2010 is reported at 87.79 lakh hectares compared to the last year's acreage of 81.89 lakh hectares during the same period. Moreover, harvesting of crop has started in AP and few local markets of AP have already received fresh crop and trade participants believe that fresh arrivals from AP will keep pace from next 8-10 days which will further exert pressure on domestic prices. Although, acreage in AP during current year has reduced by around 16.88% compared to the last year but output is expected to remain equal with the normal production level.

However, floods in Australia's main chickpea producing regions have reduced the yield forecast for current year's crop and this will result in tight supplies of the commodity in the international market despite of the increased forecast of production in Canada and USA. If we will have a good domestic crop during current year then we might not need imported chana and hence domestic prices will remain on the softer note.

Considering the above factors, chana prices are likely to remain range bound with slight weakness in coming days due to the reports of increased of acreage from all the major producing regions.

### Chickpeas Prices at Key Centers (Rs/Qtl)

Origin/Grade	Centre	07.01.11	22.12.10
Chana (Australia)	Mumbai	2500-2525	2460-2465
Rajasthan Desi	Delhi	2430-2435	2400-2425
M.P. Desi	Delhi	2430-2435	2470
Desi (Loose)	Bikaner	2400	2500
Kantewala	Indore	2370-2380	2495-2500
Gauran New	Latur	2100-2500	2100-2500

### International Price Offer for Chana (Indicative) USD/MT C&F

Date	Tanzania Chickpeas (Mumbai)	Australian Chickpeas (Mumbai)	Australian Chickpeas (Chennai)
07.01.11 (Nov-Dec)	-	-	-
22.12.10 (Nov-Dec)	-	-	-

### Other Pulses: Black Matpe / Black Gram (Urad)

Urad gradually declined during the fortnight. Limited availability of the bold quality urad along with reports of crop damage from AP has supported the domestic prices of urad and compensates the early losses.

According to the market participants, fresh crop from Andhra Pradesh which is likely to arrive from mid January has been affected by the excess rainfall and traders are anticipating considerable decline in the yield of the new crop. On contrary, good rabi sowing is reported from AP but despite of this prices moved in the northwards direction as this crop will arrive in March and till that we do not have sufficient stock of bold quality urad. Area covered in AP till 29 Dec, 2010 is reported at 2.78 lakh hectares compared to the last year's 2.84 lakh hectares during the same period.

If we talk about the global front then Burma is expected to have better crop during this year compared to the last year along with good carry-in stock but market participants still believe that Burmese exporters will not offer fresh crop below current levels for the reason that domestic desi urad prices are high and we don't have a stock of bold quality urad.

We expect urad prices to remain range bound with slight firmness in coming days.

### Urad Price (Rs/Qtl) & Arrival (Bags) at Different Centers

Centre / Origin / Grade	07.01.11	22.12.10	Arrival 07.01.11	Arrival 22.12.10
Mumbai Burma FAQ	4000-4050	3611	700	1000
Delhi Burma FAQ	4050	3700		
Indore Desi	3800-4000	4000		
Vijayawada Polished	5200	4500		
Jalgaon Desi	3500-4100	3400-3500	300	200
Latur Desi	2800-3400	3000-3400	300	500

## International Price Offer for Burmese Urad FAQ & SQ (Indicative) USD/MT C&F

Date	FAQ (Mumbai)	SQ (Mumbai)	FAQ (Chennai)	SQ (Chennai)
07.01.11	860	-	860	1060
22.12.10	850	1050	860	1060

### Pigeon Pea / Red Gram (Tur / Arhar)

Mostly a steady to weak tone featured in major Tur cash markets during the period. Good demand from traders and millers for fresh tur and reduction in moisture level have lent support to the prices of desi tur. Moreover, reports of crop damage from Maharashtra have also supported the bullish sentiments.

Central government has allocated funds to two state run procurement agencies (NAFED and MMTC) for procurement of tur. Central government has also announced a bonus of Rs 500/mt and this is expected to further move up the domestic tur prices. Since domestic tur prices are continuously increasing and this has also influenced the Burmese tur offerings in the international market.

However, market participants believe that domestic prices of tur will further move up in near term despite of the projections of better crop during current season. Although, Burma is expected to have a good stock position along with better crop prospects and this might limit the gains of domestic tur.

As per the aforesaid, we expect tur prices to remain range bound with firm bias in coming days.

### Tur Prices (Rs/Qtl) & Arrival (Bags) at Different Centers

Centre / Origin / Grade	07.01.11	22.12.10	Arrival 07.01. 11	Arrival 22.12. 10
Burmese Lemon New Mumbai	3250-3260	2850		
Burmese Lemon New Delhi	3275	2850		
Red Tur Gulbarga	3400	3100	15000	4000
Red Tur Latur	3675-3700	3000-3300	800	700
White Tur Latur	3300-3600	3650	300	200
Red Tur Indore	3700	3250		
Red Tur (New) Jalgaon	3600-4100	3400-3500	2000	-

### International Price for Tur (Indicative) USD/MT C&F

Date	Burmese (Red Lemon Tur) Mumbai	Tanzania (Tur Arusha) Chennai
07.01.11	770	575
22.12.10	630	575

## Masoor (Lentil)

A steady to slightly firm tone featured in masoor cash markets during the period. Slight reduction in acreage in major producing states along with good demand of the commodity at lower levels has supported the domestic masoor prices. Masoor acreage till 24 Dec, 2010 is reported at 14.82 lakh hectares compared to the last year's acreage of 15.90 lakh hectares during the same period. Recent gains in masoor prices have erased the losses of past few weeks.

Good offtake by millers and traders has resulted in around 12% increase in its domestic prices during last 20 days. Since, masoor prices were ruling at the lowest levels and this had encouraged millers to enter in the market and refill the stock level at lower levels. However, market participants are still not expecting any major uptrend in masoor prices due to the good sowing reports from major producing states along with firm stock position of desi masoor.

At the global front, US is also expected to witness considerable increase in lentils production during current year along with Canada and this will further exert pressure on lentil's international offerings.

Masoor prices are likely to witness steady to firm tone in near-term.

### Masoor Prices (Rs/Qtl) & Arrival (Bags) at Different Centers

Centre / Origin / Grade	07.01.11	22.12.10	Arrival 07.01.11	Arrival 22.12.10
Mumbai ( Red Lentil)	3050-3150	2900-3000		
Delhi-Chanti Export	4600-4700	4400-4500		
Delhi- New MP/kota Line	2900	2750-2800		
Delhi-UP Sikri Line	3450	3250-3300		
Kanpur local mill delivery	3085-3100	2850		
Kanpur -Bareilly Delivery	3160-3200	2920		
Indore- Masra	3400	3010-3015		
Indore- Medium	3450	2975		

### International Price for Masoor (Indicative) USD/MT C&F

Date	Yellow Lentil (Laird)	Yellow Lentils (Richlea)	Red Lentils
07.01.11	-	-	-
22.12.10	-	-	-

## Moong

Moong prices witnessed a steady to slightly weak tone during the period. Consistent decline in the arrivals along with limited availability of the bold quality moong has moved up domestic moong prices. Although, weak demand is reported from most of the major markets but non-availability of good quality moong has overshadowed the former factor.

However, rabi acreage under moong has increased during current year but this has also failed to keep the prices under control as we still have 2 months for fresh arrival of the commodity. Acreage under moong till 24 Dec, 2010 is reported at 3.76 lakh hectares compared to the last year's acreage of 3.51 lakh hectares during the same period.

If we talk about the global front, then China is consistently buying moong from Burma and due to this international moong prices remained steady from last few weeks and it is further expected that China will remain in buying side during next coming days and it will strengthen the international offerings.

We expect moong prices to remain range bound in coming days. However, quality issue in Kharif crop arrivals coupled with increasing area in this Rabi may keep weighing on prices. On the contrary, higher parity to imported moong may limit the downside.

### Moong Prices (Rs/Qtl) & Arrival (Bags) at Different Centers

Centre / Origin / Grade	07.01.11	22.12.10	Arrival 07.01.11	22.12.10
Mumbai Pedishewa	-	-		
Chennai Moong Pedishewa	4700	4600		
Delhi-UP Line	-	-		
Delhi -Moong Mertha City	4650-4700	4800		
Indore- Chamki	4500-5000	4000-4200	800	700
Kanpur Desi	3500-4000	3500-4000	-	25
Jalna New Moong	3000-5000	2500-4000	500	-
Akola Chamki	3700-4500	3500-4200	1500	1500
Jaipur Moong	3500-4500	3300-4100	25000	35000

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

Date	Moong (China)	Moong Annashewa (Burma)	Moong Pedishewa (Burma)
07.01.11	-	-	
22.12.10	-	-	-

## Field Peas

Mostly a steady to slightly weak tone featured in key peas cash markets. Reports of reduction in acreage of the commodity in major producing regions had supported the bulls. Moreover, tight stock position of desi peas has also moved up its prices in major trading centers.

Consistent increase in the prices of desi peas had also supported the price of imported peas and Canadian peas shoot up by around Rs 100/qlt in Mumbai market. Despite of the weakness in chana, peas prices have improved during last couple of weeks due to the limited availability of the desi peas. However, we still have good stock of imported peas in Mumbai and this might restrict any major uptrend in near term. Acreage under peas till 24 Dec, 2010 is reported at 6.92 lakh hectares compared to the last year's acreage of 7.22 lakh hectares during the same period.

According to the Canadian Grain Commission, visible stocks of pea in Canada till 28 Dec, 2010 are reported at 2.34 lakh tonnes compared to the last year's stock of 2.217 lakh tonnes during the same period. Canada has exported 10.81 lakh tonnes of peas till 28 Dec, 2010 compared to the last year's figure of 6.447 lakh tonnes.

Given the above factors, peas prices are likely to continue steady to weak in near -term.

### Peas Prices (Rs/Qtl.)

Date	Mumbai Canadian White Peas	Mumbai White American	Kanpur Desi New (Factory delivery)
07.01.11	1741	1800-1821	2000
22.12.10	1631-1641	1701-1711	1890

The current offer for Canadian yellow peas is USD 325-330 per MT C&F Indian ports respectively.

### Weather Watch:

#### Main Features

Cold wave/severe cold wave conditions are prevailing over most parts of Madhya Pradesh, Chhattisgarh, Jharkhand and interior Orissa, many parts of Uttar Pradesh and isolated pockets of Punjab, Haryana, Delhi and Rajasthan.

Isolated rain/thundershowers would occur over Coastal A.P. South Interior Karnataka, Kerala and Lakshadweep.

Dry weather would prevail over plains of northwest, west, central and east India.

### Kharif 2010 Pulses Production Report (Unit Million Metric Tonnes.)

Crops	4 <sup>th</sup> Adv. Est. 2009	1 <sup>st</sup> Adv. Est. 2010	% Change
Tur or Arhar	2.55	3.27	+28.23
Urad or Black Gram	0.85	1.08	+27.05
Moong or Green Gram	0.44	0.88	+100.00
<b>Total Pulses</b>	<b>4.30</b>	<b>6.00</b>	<b>+39.53</b>

### Key Finding:

1. Tight supplies of desi peas are expected to further increase the price of peas in domestic markets.
2. Significant increase in acreage is reported in Chana.
3. China is continuously buying moong from Burma and this has supported international moong prices.

### Forex as on 07.01.11

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.37
European Union	Euro	58.93
Japan	100 Yen	54.34
United Kingdom	GBP	70.03

### Technical Outlook:

- Chana futures mixed trend during the fortnight.
- Candlestick pattern shows selling support in the market from the higher levels.
- Closing of prices above short term EMAs (9 & 18 days) suggests firmness in prices.
- RSI is moving up in neutral region, suggests firm market ahead.
- MACD is moving up thus hinting bullish trend.
- It is advisable to sell from higher levels.

### Trade Recommendation – Chana NCDEX (Jan.)

Call	Entry	T1	T2	SL
<b>SELL</b>	<2568	2540	2520	2590
Support & Resistance				
S2	S1	PCP	R1	R2
2500	2512	2548	2575	2590



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