

Pulses

January 19, 2011

CHANA

Market Analysis:

- Most of the chana spot markets witnessed mostly steady to weak sentiments.
- Since chana prices have improved during past few days but traders are uncertain about the coming crop and this has made them hesitant to pay higher prices.
- Despite of the reduced arrivals in the Delhi market, chana prices have moved down as buyers feel that chana is trading at its higher levels.
- Although traders are expecting some damage to the crop but still they are optimistic for better output due to the increase in acreage.
- Moreover, chana prices have declined at NCDEX on second consecutive day and this has also influenced the spot market.

Chana prices are expected to witness marginal increase in its prices in near term in anticipation of projections of crop damage in key producing states.

Technical Analysis:

- Candlestick formation in the chart indicates bearish sentiments in the market.
- Closing of prices above short term EMA (9 days) suggests firmness in market.
- RSI is moving down in neutral zone, thus warranting the bulls.
- MACD is moving up in positive territory thus hinting bullish trend.
- Chana futures are likely to remain range bound with weak bias.

Trade Recommendation – Chana NCDEX (Feb.)

| Call | Entry | T1 | T2 | SL |
|----------------------|-------|------|------|------|
| SELL | <2622 | 2608 | 2598 | 2634 |
| Support & Resistance | | | | |
| S2 | S1 | PCP | R1 | R2 |
| 2572 | 2587 | 2612 | 2665 | 2680 |



Spot Prices of Chana at Key Markets

| Centre | Grade/Variety/Origin | Prices | | Change | Arrivals | | Change |
|---------|-----------------------|-----------|-----------|--------|-----------|-----------|--------|
| | | 18-Jan-11 | 17-Jan-11 | | 18-Jan-11 | 17-Jan-11 | |
| Mumbai | Australian (Imported) | 2650 | 2650 | - | - | - | - |
| | Rajasthan | 2470-2475 | 2470-2475 | - | 50 | 70 | -20 |
| Delhi | Madhya Pradesh | 2470-2475 | 2470-2475 | - | 50 | 70 | -20 |
| Bikaner | Desi | 2480 | 2450 | +30 | - | - | - |
| Indore | Kantewala | 2490 | 2510 | -20 | 5000 | 2000 | +3000 |
| Kanpur | Desi | 2675-2680 | 2700 | -20 | - | - | - |
| Latur | Gauran | 2100-2500 | 2100-2500 | - | 300 | 300 | - |
| | Annagiri | 2500-2600 | 2500-2600 | - | 50 | 50 | - |
| | G-12 | 2275-2300 | 2275-2300 | - | 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 loose form

PEAS

Market Analysis:

- Major peas cash markets mostly witnessed weak trend.
- Trade participants in Canada believe that peas prices are expected to rise by around \$7 to \$8 per bushel in near term.
- Since India depends on import and if international prices rise then we might also witness some improvement in domestic prices also.
- Moreover, consistent improvement in prices of desi peas has also supported the improvement in the prices of imported peas.

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

| Centre | Prices | | Chg |
|-----------------------|-----------|-----------|-----|
| | 18-Jan-11 | 17-Jan-11 | |
| Mumbai White Canadian | 1811 | 1821 | -10 |
| Mumbai White American | 1890 | 1900 | -10 |
| Mumbai Green Canadian | 2225 | 2225 | - |
| Mumbai Green American | 2625 | 2601-2611 | +14 |
| Kanpur Desi | 2135 | 2150 | -15 |

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TUR**Market Analysis:**

- Most of the cash markets mostly steady trend.
- Reports of supply crunch situation in the local markets of Maharashtra have geared up its prices.
- Moreover, traders are expecting crop damage in Maharashtra and this has also moved up its prices.
- As per traders, procurement of tur has started in AP and this has supported spot prices of tur as NAFED is procuring tur at Rs 3500/qtl.
- However, traders are still uncertain about the availability of the commodity in near term as some traders are still optimistic for better output along with firm carry-in stock and this has made them to pay lower 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 | 18-Jan-11 | 17-Jan-11 |
|----------|----------------------|-----------|-----------|
| Mumbai | Burmese lemon | 3750 | 3775-3800 |
| Delhi | Burmese Tur | 3800 | 3450-3550 |
| Chennai | Burmese lemon | 3700 | 3700 |
| Gulbarga | Red | 3800 | 3800 |
| Latur | Red | 3800-4025 | 3800-4025 |
| Jalgaon | Red | 4000-4400 | 4000-4400 |

MOONG**Market Analysis:**

- Moong prices remained steady in most of the markets.
- As per trade sources, stock of moong has finished in Mumbai and this has increased the demand of Rajasthan moong.
- Since moong prices have reduced during past couple of days and this has encouraged buyers to purchase the commodity.
- Unseasonal rainfall in China had damaged the crop and this has forced buyers to fill the stock level, thus supporting the international 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 | 18-Jan-11 | 17-Jan-11 |
|---------|----------------------|-----------|-----------|
| Mumbai | Pedishewa | - | - |
| | Moong Australia | - | - |
| Chennai | Pedishewa | 5000 | 4750 |
| Delhi | Mertha City | 4800 | 4800 |
| | Raj Line | 5200 | 5200 |
| Indore | Chamki | 5000 | 5000 |
| Kanpur | Desi | 3500-4000 | 3500-4000 |
| Jaipur | Moong | 3800-4500 | 3500-4300 |

URAD**Market Analysis:**

- Urad cash markets witnessed firm trend.
- Regular buying by traders and millers has supported its domestic prices.
- Fresh crop from AP is expected to hit the market from Jan last but this is a small crop and can fulfill the demand of AP only, hence it is not expected to weigh on rising prices.
- Earlier easy availability of the inferior quality urad was restricting uptrend but continuous decline in stock of inferior quality urad has failed to put cap on rising prices.
- According to the market participants, Burma is expected to harvest 7.5 lakh tonnes of urad during current year and with the projections of 1.5 lakh tonnes of carry-over stock.

Prices are expected to remain range bound with firm bias.

Urad Spot Market Prices

| Centre | Origin/Variety/Grade | 18-Jan-11 | 17-Jan-11 |
|------------|----------------------|-----------|-----------|
| Mumbai | Burmese FAQ | 4250 | 4250 |
| Delhi | Burmese FAQ | 4300 | 4200 |
| Chennai | Burmese FAQ-SQ | 4350-5151 | 4351-5125 |
| Indore | Desi | 3900 | 3900 |
| Vijayawada | Polished | Closed | Closed |
| Jalgaon | Desi | 3500-4000 | 3500-4000 |

MASOOR**Market Analysis:**

- Masoor prices witnessed mostly steady tone.
- Declining stock of desi masoor is supporting the domestic masoor prices.
- In addition to the declining stock, firm demand has also moved its price in northwards direction.
- As we will have to wait for atleast 30-40 days for the new crop and during this period weather will play a crucial role in deciding its price movement.

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

Masoor Spot Market Prices

| Centre | Origin/Variety/Grade | 18-Jan-11 | 17-Jan-11 |
|--------|----------------------|-----------|-----------|
| Mumbai | Red Lentils | 3250 | 3400 |
| | Chaanti export | 4750-4850 | 4750-4850 |
| Delhi | MP/ Kota Line | 3050-3075 | 3050-3075 |
| | UP/Sikri Line | 3500-3550 | 3500-3550 |
| Kanpur | Mill Delivery | 3260 | 3250 |
| | Bareilly Del. | 3350 | 3350 |
| Indore | Masra | 3600 | 3600 |

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

| Commodity | Origin | Port | Prices as on 18-01-11 |
|----------------------------|-------------------|-----------|-----------------------|
| Tur Arusha | Tanzania | Chennai | 575 |
| Tur Lemon | Burmese | Mumbai | 860 |
| 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 | 380 |
| Yellow Peas | Ukrainian | | 365 |
| Yellow Peas* | U.S. | Chennai | - |
| Urad FAQ*(New) | Burmese | Mumbai | 920 |
| Urad SQ*(New) | Burmese | Mumbai | 1120 |
| Chickpea*(Nov-Dec) | Australian | Mumbai | - |
| Moong Pedishewa* | Burmese | Mumbai | 1300 |
| Moong | Tanzania | Mumbai | - |
| Moong Annashewa | Burmese | Mumbai | - |

(*Last Traded)

FOREX

| Country/Continent | Currency | Value in Rupees 17-01-11 | Value in Rupees 18-01-11* |
|-------------------|----------|-----------------------------|------------------------------|
| USA | Dollar | 45.59 | 45.53 |
| European Union | Euro | 60.73 | 60.62 |
| Japan | Yen | 54.99 | 55.18 |
| United Kingdom | GBP | 72.31 | 72.55 |

Source: RBI; *xe.com

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