

Pulses Fortnightly Report

Fundamentals: Chickpeas (Chana)

Chana prices traded firm during the fortnight starting in major cash markets. Firm demand of the commodity ahead of projections of lower output has moved the domestic prices in northwards direction. Moreover, weak stock position of the commodity in the Mumbai market has further supported the bullish sentiments.

Market participants are projecting severe loss in Bhopal but they also believe that if temperature will rise in near term then it might reduce the crop damage to some extent. However, fresh arrivals have started in Maharashtra but still new crop has failed to create supply pressure in the markets. Fresh crop from Maharashtra and Karnataka has delayed by around one month during current year and non-availability of the commodity has spurred the domestic chana prices. Although total acreage under chana has increased during current year as till 14 Jan, 2011 chana area is reported at 93.60 lakh hectares compared to the last year's acreage of 85.30 lakh hectares during the same period but cold waves during early January has raised the fears of decline in yield and forecasts of lower output has forced the buyers to refill their stock level.

Since India is expected to produce more than 6 million tonnes of chana but we will still have to rely on imports to fulfill the domestic consumption. India mainly imports chana from Australia but floods in Australia have also raised the concerns of lower output and projections of tight global supplies have further supported domestic chana prices.

Considering the above factors, chana prices are likely to remain range bound with firm bias in coming days.

Chickpeas Prices at Key Centers (Rs/Qtl)

Origin/Grade	Centre	22.01.11	07.10.11
Chana (Australia)	Mumbai	2750	2500-2525
Rajasthan Desi	Delhi	2725-2730	2430-2435
M.P. Desi	Delhi	2725-2730	2430-2435
Desi (Loose)	Bikaner	2625	2400
Kantewala	Indore	2700	2370-2380
Gauran New	Latur	Closed	2100-2500

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

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

Other Pulses: Black Matpe / Black Gram (Urad)

Urad prices also witnessed firm sentiments during the fortnight. Strong demand of the commodity amid weak position has widened the gap between demand and supply and this has made sellers to ask for higher prices.

Reportedly, total area under urad has marginally declined during current year as acreage under urad till 14 Jan, 2011 is reported at 7.35 lakh hectares compared to the last year's area of 7.67 lakh hectares during the same period. But area under Urad in AP (largest producer in rabi season) till 19 Jan, 2011 has increased to 3.39 lakh hectares against last year's area of 3.30 lakh hectares. Although good sowing reports are coming for rabi season but new crop from AP will hit the markets from Feb end-Mar beginning and till that we will have to rely on imported urad. Since sowing of urad is in progress but we will have to watch the role of weather during next one month as it will further decide the crop outlook of rabi urad.

As per the trade sources, marginal decline in acreage under urad is reported from Burma as farmers preferred to sow moong instead of urad due to the higher returns. But despite of the lower acreage, Burma is likely to harvest good crop.

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	22.01.11	07.01.11	Arrival 22.01.11	Arrival 07.01.11
Mumbai Burma FAQ	4550-4600	4000-4050	800	700
Delhi Burma FAQ	4550	4050		
Indore Desi	4200	3800-4000		
Vijayawada Polished	5000	5200		
Jalgaon Desi	4000-4600	3500-4100	300	300
Latur Desi	Closed	2800-3400	-	300

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

Date	FAQ (Mumbai)	SQ (Mumbai)	FAQ (Chennai)	SQ (Chennai)
22.01.11	970	-	980	1180
07.01.11	860	-	860	1060

Pigeon Pea / Red Gram (Tur / Arhar)

Mostly a firm tone featured in major Tur cash markets during the period. Strong demand of the commodity ahead of lower supplies in major spot markets has drastically moved up its prices during the fortnight. Moreover, reports of crop damage from Maharashtra have also supported the bullish sentiments.

Earlier Karnataka government had projected 3.36 lakh tonnes of tur production in Gulbarga during 2010-11 with an average yield of 9 qtl/ha but officials are projecting yield loss of around 40% and this has raised the concerns of supply crunch. In addition to this, new crop has failed to create supply pressure in the domestic markets, hence tur prices have gone to northwards direction. Trade participants in Maharashtra are also forecasting severe decline in yield due to the excess rainfall. Since Maharashtra is the largest tur producing state and fears of lower output has made buyers to refill their stock level for future requirements. As domestic tur prices are continuously increasing and due to this stockists are holding back their stock in view of higher returns in near term.

Due to the consistent improvement in domestic prices, international tur prices have increased by more than \$300/ton during last one month. Although, Burma is expected to have a good stock position along with better crop prospects but they will not offer Tur at discounted levels due to the tight domestic supplies.

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	22.01.11	07.01.11	Arrival 22.01.11	Arrival 07.01.11
Burmese Lemon New Mumbai	4500-4550	3250-3260		
Burmese Lemon New Delhi	4550	3275		
Red Tur Gulbarga		3400	15000	15000
Red Tur Latur	Closed	3675-3700	-	800
White Tur Latur	Closed	3300-3600	-	300
Red Tur Indore	4800	3700	700	
Red Tur (New) Jalgaon	4500-5400	3600-4100	4000	2000

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

Date	Burmese (Red Lemon Tur) Mumbai	Tanzania (Tur Arusha) Chennai
22.01.11	1030	575
07.01.11	770	575

Masoor (Lentil)

A steady to firm tone featured in masoor cash markets during the period. Marginal decline in total acreage of masoor along with fears of decline in yield in MP due to the excess rainfall has moved up domestic masoor prices. Masoor acreage till 14 Jan, 2011 is reported at 15.43 lakh hectares compared to the last year's acreage of 16.11 lakh hectares during the same period.

Consistent improvement in tur prices has also influenced masoor prices. Moreover, firm demand for desi masoor in the spot markets has further supported bullish sentiments. Cold waves has raised the concerns of yield loss but market participants are still not expecting any severe decline in yield and are optimistic for last year's equivalent output.

At the global front, bullish sentiments are also recorded in international markets as farmers in Canada have failed to fulfill the needs of processors and exporters and this has increased the prices of lentils.

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	22.01.11	07.01.11	Arrival 22.01.11	Arrival 07.01.11
Mumbai (Red Lentil)	3450-3500	3050-3150		
Delhi-Chanti Export	4900-5000	4600-4700		
Delhi- New MP/kota Line	3300	2900		
Delhi-UP Sikri Line	3600	3450		
Kanpur local mill delivery	3425	3085-3100		
Kanpur -Bareilly Delivery	3500	3160-3200		
Indore- Masra	3800	3400		
Indore- Medium	3850	3450		

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

Date	Yellow Lentil (Laird)	Yellow Lentils (Richlea)	Red Lentils
22.01.11	-	-	-
07.01.11	-	-	-

Moong

Moong prices witnessed a steady to firm tone during the fortnight. Demand of the commodity is not so much supportive but limited availability of moong has restricted downward movement in its prices. Although, considerable increase was witnessed in current year's Kharif crop compared to the last year but excess rainfall had associated quality issues in the new crop and due to this stockists kept less stock with them.

Total rabi acreage has marginally reduced as area under moong till 14 Jan, 2011 is reported at 4.95 lakh hectares compared to the last year's area of 4.97 lakh hectares during the same period. New rabi crop from AP and Maharashtra are expected to hit the markets from Feb last and till that non-availability of bold quality moong will retain the domestic prices at firm note.

At the global front, untimely rainfall in Myanmar during maturity to harvesting stage has resulted in yield loss and Myanmar is expected to harvest around 1-1.25 lakh tonnes during current year compared to the normal output of 2 lakh tonnes. Also, China and Tanzania are regularly buying moong from Myanmar and this has supported the international moong prices.

We expect moong prices to remain range bound with firm bias in coming days.

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

Centre / Origin / Grade	22.01.11	07.01.11	Arrival 22.01.11	Arrival 07.01.11
Mumbai Pedishewa	-	-		
Chennai Moong Pedishewa	5200-5300	4700		
Delhi-UP Line	-	-		
Delhi -Moong Mertha City	5000	4650-4700		
Indore-Chamki	5000	4500-5000	500	800
Kanpur Desi	3700-4200	3500-4000	20-25	-
Jalna New Moong	5000	3000-5000	-	500
Akola Chamki	4000-4900	3700-4500	1000	1500
Jaipur Moong	4800-5000	3500-4500	25000	25000

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

Date	Moong (China)	Moong Annashewa (Burma)	Moong Pedishewa (Burma)
22.01.11	-	1150	1450
07.01.11	-	-	-

Field Peas

Mostly a steady to firm tone featured in key peas cash markets. Marginal decline in total acreage of peas along with fears of decline in yield in MP due to the excess rainfall has moved up domestic peas prices. Peas acreage till 14 Jan, 2011 is reported at 7.26 lakh hectares compared to the last year's acreage of 8.15 lakh hectares during the same period.

Weak stock position of desi peas amid strong demand has supported the bullish sentiments. Consistent improvement in chana is also supporting firm trend in chana. Indian importers are consistently importing yellow peas from Canada and this has moved up the international peas prices. Although, we have sufficient stock of Canadian peas in Mumbai but good demand ahead of marriage season is expected to overshadow the former factor.

According to the Canadian Grain Commission, visible stocks of pea in Canada till 14 Jan, 2011 are reported at 2.72 lakh tonnes compared to the last year's stock of 2.20 lakh tonnes during the same period. Canada has exported 11.61 lakh tonnes of peas till 14 Jan, 2011 compared to the last year's figure of 7.16 lakh tonnes.

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

Peas Prices (Rs/Qtl.)

Date	Mumbai Canadian White Peas	Mumbai White American	Kanpur Desi New (Factory delivery)
22.01.11	1925	2000	2250
07.01.11	1741	1800-1821	2000

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

Weather Watch:

Main Features

Northwesterly/westerly winds are prevailing over plains of northwest and adjoining central India.

Dry weather would prevail over rest of the regions.

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

Crops	4 th Adv. Est. 2009	1 st 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
Total Pulses	4.30	6.00	+39.53

Key Finding:

1. Reports of crop damage of tur and chana supported prices.
2. Strong demand of tur amid weak arrivals supported prices.
3. China is continuously buying moong from Burma and this has supported international moong prices.

Forex as on 22.01.11

Country/ Continent	Currency	Value in Rupees
USA	Dollar	45.63
European Union	Euro	62.15
Japan	100 Yen	55.26
United Kingdom	GBP	72.98

Technical Outlook:

- Chana futures witnessed firm trend during the fortnight.
- Candlestick pattern shows buying 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 overbought category, thus warranting the bulls.
- 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
BUY	>2725	2800	2822	2690
Support & Resistance				
S2	S1	PCP	R1	R2
2500	2512	2763	2575	2590



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