

Pulses

February 11, 2011

Chana (Chickpeas)

Chana prices witnessed weak trend during the fortnight. Weak demand at higher levels of the commodity has supported bearish sentiments throughout the fortnight. Since fresh arrivals have started in AP and Maharashtra but have failed to put cap on rising prices during past few days and due to this prices gained for short time.

Trade participants in AP believe that coming crop is likely to be lower than last year's crop and this might support bullish sentiments. Fresh arrivals have started in Latur market but despite of this average prices during the month of February are still higher than last year's prices by around 18% during the same period. According to the sources, importers have cancelled import consignments from Australia due to the quality issues associated with the new crop.

However, prospects of higher crop in Canada might force importers to import chickpeas from Canada instead of Australia. Below mention table reflects Canadian chickpeas position:

	August to November	
	2009-10	2010-11
Area Harvested (000 ha)	100	190
Yield (kg/ha)	1870	1670
Production (000 MT)	75.5	128.3
Imports (000 MT)	1.9	2.4
Exports (000 MT)	25.9	32.3

Taking into account the above factors, major uptrend is not expected in chana prices in view of commencement of fresh arrivals in near term.

Chickpeas Prices at Key Centers (Rs/Qtl)

Origin/Grade	Centre	11.02.11	22.01.11
Chana (Australia)	Mumbai	2575	2750
Rajasthan Desi	Delhi	2675-2680	2725-2730
M.P. Desi	Delhi	2675-2680	2725-2730
Desi (Loose)	Bikaner	2525	2625
Kantewala	Indore	2540	2700
Gauran New	Latur	2350-2650	Closed

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

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

Matar (Peas)

Domestic prices of peas witnessed a steady to weak tone during the fortnight. Firm demand of the commodity ahead of tight supplies of desi peas has restricted downward movement in its prices. Initially, imported peas marginally declined during the week but regular demand of the commodity has supported its prices.

However, easy availability of the imported peas is trying to keep the prices under control. If we talk about the domestic front, tight supplies of desi peas have moved up imported peas prices in domestic markets. Average prices of white Canadian during first week of Feb 2011 are higher by around 37% compared to the last year's prices during the same period.

However, Canada is likely to export more quantity during current year and this might further try to keep the domestic prices under control. Below mentioned table reflects Canadian dry peas situation:

	August to November	
	2009-10	2010-11
Area Harvested (000 ha)	1487.2	1322.1
Yield (kg/ha)	2300	2200
Production (000 MT)	3379.4	2862.4
Imports (000 MT)	28.3	17.9
Exports (000 MT)	690.5	1151.0

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)
11.02.11	1861	1925-1930	2090
22.01.11	1925	2000	2250

Urad (Black Matpe / Black Gram)

Domestic prices of urad witnessed a weak tone during the fortnight. Although supply of urad in domestic market is tight but still buyers are hesitating in paying higher prices for the commodity.

Domestic urad prices are consistently falling from last few days but despite of this supply shortage in the domestic markets has moved up current year's average Feb prices by

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around 12.25% compared to the last year's average prices during the same period. Although, sowing of urad till Jan 28, 2011 is marginal lower compared to the last year's acreage during the same period but monsoon is favorable till date and this has raised the prospects of better output. Acreage under rabi urad till Jan 28, 2011 is reported at 8.12 lakh hectares against last year's area of 8.16 lakh hectares.

Considering firm demand and reduced domestic arrivals, prices are likely to trade range - bound with weak bias in near -term.

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

Centre / Origin / Grade	11.02.11	22.01.11	Arrival 11.02.11	Arrival 22.01.11
Mumbai Burma FAQ	4075-4100	4550-4600		
Delhi Burma FAQ	4000	4550		
Indore Desi	4100	4200	700	800
Vijayawada Polished	4450	5000	2500	
Jalgaon Desi	4100-4200	4000-4600	200	300
Latur Desi	3000-3500	3600-3700	700	1000

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

Date	FAQ (Mumbai)	SQ (Mumbai)	FAQ (Chennai)	SQ (Chennai)
11.02.11	970	-	980	1180
22.01.11	970	-	980	1180

Tur (Pigeon Peas / Red Gram)

Tur prices traded steady to weak tone in major cash markets. Weak demand of the commodity at higher levels kept weighing on domestic tur prices. Moreover, regular arrivals of the commodity have further kept the domestic tur prices under control.

Last year unfavorable weather had adversely affected the crop and due to this Jalna market received negligible arrivals during first week of Feb but during this year Jalna market has received more than 16000 bags. Despite of the increased fresh arrivals during current year, current average prices during Feb are higher by around 8% than last year's average prices during the same period.

Despite of the weakness in domestic tur prices, international prices of the commodity have improved by around \$20-25/ton during the week and if international prices consistently rose then it might also support domestic prices to some extent.

Tur prices are further expected to trade with weak bias in near term.

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

Centre / Origin / Grade	11.02.11	22.01.11	Arrival 11.02.11	Arrival 22.01.11
Burmese Lemon New Mumbai	3800-3825	4500-4550		
Burmese Lemon New Delhi	3800	4550		
Red Tur Gulbarga	3500-4250	-	15000	15000
Red Tur Latur	4300	Closed	10000	-
White Tur Latur	4250	Closed	2000	-
Red Tur Indore	4200	4800	-	700
Red Tur (New) Jalgaon	4000-4700	4500-5400	3000	4000

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

Date	Burmese (Red Lemon Tur) Mumbai	Tanzania (Tur Arusha) Chennai
11.02.11	1030	575
22.01.11	1030	575

Masoor (Lentils)

Weak tone featured in masoor cash markets. Slight improvement in the demand of masoor after continuous fall in its prices has initially supported its prices but came down due to the better availability of the commodity. Masoor acreage till 28 Jan, 2011 is reported at 15.51 lakh hectares compared to the last year's acreage of 15.39 lakh hectares during the same period.

Market participants are looking for new crop and due to this demand for the commodity is not so much responsive. Reportedly, good carry-in stocks might put cap on rising domestic prices in near term. Since Canada is expected to harvest big crop compared to the last year but export availability is likely to be lower from last year. Below mention table represents Canadian outlook:

	August to November	
	2009-10	2010-11
Area Harvested (000 ha)	963.2	1335.5
Yield (kg/ha)	1570	1460
Production (000 MT)	1510.2	1947.1
Imports (000 MT)	4.8	14.8
Exports (000 MT)	544.3	403.1

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

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

Centre / Origin / Grade	11.02.11	22.01.11	Arrival 11.02.11	Arrival 22.01.11
Mumbai (Red Lentil)	3200	3450-3500		
Delhi-Chanti Export	4600-4750	4900-5000		
Delhi- New MP/kota Line	2900-2950	3300		
Delhi-UP Sikri Line	3400-3450	3600		
Kanpur local mill delivery	3075	3425		
Kanpur -Bareilly Delivery	3160	3500		
Indore- Masra	3200	3800		
Indore- Medium	3250	3850		

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

Date	Yellow Lentil (Laird)	Yellow Lentils (Richlea)	Red Lentils
11.02.11	-	-	-
22.01.11	-	-	-

Moong (Green Gram)

Moong prices witnessed steady to firm sentiments during the week. Dull demand of the commodity is consistently trying to keep the prices under control but limited availability of bold quality moong has moved up its prices.

Total rabi acreage has marginally reduced as area under moong till 28 Jan, 2011 is reported at 5.76 lakh hectares compared to the last year's area of 5.92 lakh hectares during the same period. Gap between the prices of inferior and bold quality moong has widened due to the sluggish demand for inferior quality moong.

At the global front, Myanmar is expected to harvest around 1-1.25 lakh tonnes of moong during current year and carry-in stock will be around 0.10-0.15 lakh tonnes, which makes total availability of around 1.30-1.40 lakh tonnes. Since expected total availability of Burmese moong will be less than the normal Burmese moong production and this will result in tight supplies in the global market, hence support moong prices.

Moong prices are expected to trade with firm bias in near term

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

Centre / Origin / Grade	11.02.11	22.01.11	Arrival 11.02.11	Arrival 22.01.11
Mumbai Pedishewa	-	-		
Chennai Moong Pedishewa	6200-6300	5200-5300		
Delhi-UP Line	-	-		
Delhi -Moong Mertha City	5800	5000		
Indore-Chamki	5400	5000	1000	500
Kanpur Desi	4100	3700-4200	40-50Mtrs	20-25
Jalna New Moong	3000-4000	5000	-	-
Akola Chamki	3700-4800	4000-4900	1400	1000
Jaipur Moong	3800-4400	4800-5000	20000	25000

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

Date	Moong (China)	Moong Annashewa (Burma)	Moong Pedishewa (Burma)
11.02.11	-	1150	1450
22.01.11	-	1150	1450

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

Rabi Acreage of Pulses

Attribute	Area Covered (Till 28-01-2011)	Area Covered (Till 28-01-2010)	% Change
Chickpea	95.12 lha	85.55 lha	11.18
Peas	7.29 lha	7.44 lha	2.05
Lentils	15.51 lha	15.39 lha	0.78
Urad	8.12 lha	8.16 lha	0.50
Moong	5.76 lha	5.92 lha	2.70

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Weather Watch:

States	Weather	Crop Impact
Andhra Pradesh	Mainly Dry Weather	Favorable for rabi urad crop.
Maharashtra	Mainly Dry Weather	Favorable for harvesting of chana crop.
Karnataka	Mainly Dry Weather	No impact on crop.
Madhya Pradesh	Mainly Dry Weather	Helpful in harvesting of chana.
Rajasthan	Mainly Dry Weather	Might result in yield loss as rain required for standing chana crop.
UP	Mainly Dry Weather	No impact on crop.

Technical Outlook:

- Chana futures witnessed sideways movement during the fortnight.
- Candlestick pattern supports selling from the higher levels.
- Closing of prices above short term EMAs (9 & 18 days) suggests firmness in prices.
- RSI is moving up in neutral zone, thus warranting the bears.
- 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
SELL	<2775	2695	2675	2810
Support & Resistance				
S2	S1	PCP	R1	R2
2610	2640	2745	2775	2820


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