

Pulses Fortnightly Report

Fundamentals: Chickpeas (Chana)

Chana prices witnessed weak trend during the fortnight. Rainfall during the fortnight in Rajasthan and MP has raised the prospects of bumper crop and this has weighed on domestic chana prices. Additionally, commencement of fresh arrivals from MP has also put pressure on chana prices and moved them in southwards direction.

Arrival of new crop from MP has gained momentum and it will further increase in coming days which will create huge supply pressure in the markets. In addition to this, arrival of new crop from UP is also likely to hit the markets from last week of March and this will further pressurizes domestic chana prices. From April 2011 onwards, chana arrival will be on peak as domestic markets will receive new crop from three major states MP, Rajasthan and UP and considerable decline in the prices are expected in near term.

However, new crop contains higher moisture level than the normal level and this might restrict downtrend in chana prices for short time but we are expecting considerable decline in domestic prices in near term.

Chickpeas Prices at Key Centers (Rs/Qtl)

Origin/Grade	Centre	03.03.11	11.02.11
Chana (Australia)	Mumbai	2325-2350	2575
Rajasthan Desi	Delhi	2565-2570	2675-2680
M.P. Desi	Delhi	2565-2570	2675-2680
Desi (Loose)	Bikaner	2450	2525
Kantewala	Indore	2400-2425	2540
Gauran New	Latur	2225-2250	2350-2650

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

Date	Tanzania Chickpeas (Mumbai)	Australian Chickpeas (Mumbai)	Australian Chickpeas (Chennai)
03.03.11	-	620-630	630-640
11.02.11	-	-	-

Other Pulses: Black Matpe / Black Gram (Urad)

Urad prices witnessed mostly weak sentiments in the spot markets during the fortnight. Dull demand of the commodity kept weighing on its prices. However, slight firmness is recorded in urad prices in Latur market ahead of few fresh enquiries accompanied by weak stock position.

Acreage under rabi urad has marginally decline from last year's area as current year's area is reported at 8.95 lakh hectares against last year's area of 9.09 lakh hectares. AP is the largest producer of urad during rabi season and acreage in AP has marginally increased during current season by 0.09 lakh hectares to 3.65 lakh hectares but market participants are expecting moderate decline in output due to the excess rainfall occurred during January 2011. Trade participants are expecting around 1.8-2.0 lakh tonnes against normal output of 2.25-2.50 lakh tonnes. Additionally, harvesting of new crop in AP is likely to be delayed by around 10-15 days and this will further support bullish sentiments in near term.

If we talk about the global front, shipments of new crop from Burma are likely to arrive from mid March onwards but higher prices of Burmese urad in international markets might support domestic prices to some extent. 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	03.03.11	11.02.11	Arrival 03.03.11	Arrival 11.02.11
Mumbai Burma FAQ	3950-3975	4075-4100	500	700
Delhi Burma FAQ	3950	4000		
Indore Desi	4100	4100		
Vijayawada Polished	4450	4450		
Jalgaon Desi	3500-4000	4100-4200	200	200
Latur Desi	2500-3500	3000-3500	-	700

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

Date	FAQ (Mumbai)	SQ (Mumbai)	FAQ (Chennai)	SQ (Chennai)
03.03.11	920-930	1030-1040	930-940	1040-1050
11.02.11	970	-	980	1180

Pigeon Pea / Red Gram (Tur / Arhar)

Mostly a weak tone featured in major Tur cash markets during the period. Regular inflow of the commodity in the local markets of Maharashtra and Karnataka kept weighing on domestic tur prices throughout the fortnight. Moreover, demand is also not responsive at current levels as buyers are expecting further decline in tur prices from prevailing levels.

Ample supply of new tur in Karnataka has created immense supply pressure and this has restricted upward movement in its prices. Total arrivals of Tur in Gulbarga market in the month of Feb 2011 are recorded at around 3.26 lakh bags compared to the arrivals of 1.10 lakh bags in the last year during the same period. Some quality issues have reported in the new crop. Consistency is also reported in the new arrivals in the local markets of Maharashtra.

If we talk about the global front, arrival of new crop from Myanmar had already started and this has further resulted in easy availability of the commodity in the domestic markets. However, the only supporting factor for improvement in domestic tur prices is the prevailing high prices of tur in international markets as Burmese tur is offered at \$950-60 (C&F) in Indian ports and if buyers purchases Burmese Tur at current levels then it might support domestic tur prices to some extent in near term.

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

Centre / Origin / Grade	03.03.11	11.02.11	Arrival 03.03.11	Arrival 11.02.11
Burmese Lemon New Mumbai	3625	3800-3825		
Burmese Lemon New Delhi	3625	3800		
Red Tur Gulbarga	2900-4041	3500-4250	6000	6000
Red Tur Latur	3400-4100	4300	6000	10000
White Tur Latur	3600-4100	4250	1000	2000
Red Tur Indore	4000	4200	500	-
Red Tur (New) Jalgaon	3800-4000	4000-4700	100	3000

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

Date	Burmese (Red Lemon Tur) Mumbai	Tanzania (Tur Arusha) Chennai
03.03.11	920-930	
11.02.11	1030	575

Masoor (Lentil)

A steady to weak tone featured in masoor cash markets during the fortnight. Dull demand of the commodity throughout the week kept weighing on its prices. Additionally, commencement of fresh arrival from MP has also pressurized spot masoor prices and forced them to move in southwards direction.

Arrival of new crop is reported in local markets of MP and will increase in coming days and this has created a situation of ample supply and hence kept the prices under control. Acreage under masoor during current season is reported at 15.49 lakh hectares (till 4 Feb 2011) compared to the last year's area of 15.44 lakh hectares during the same period. Although cold waves in MP had raised the concerns of crop damage but market participants are not expecting severe loss in the output. Reportedly good carry-in stock from last year coupled with projections of normal output will weigh on domestic masoor prices in near term.

Since total supply of the commodity in domestic markets is expected to be sufficient, therefore imports of masoor during current season are expected to be on the lower side.

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

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

Centre / Origin / Grade	03.03.11	11.02.11	Arrival 03.03.11	Arrival 11.02.11
Mumbai (Red Lentil)	3100-3150	3200		
Delhi-Chanti Export	4400-4500	4600-4750		
Delhi- New MP/kota Line	2650-2700	2900-2950		
Delhi-UP Sikri Line	3200	3400-3450		
Kanpur local mill delivery	2970	3075		
Kanpur -Bareilly Delivery	3080	3160		
Indore- Masra	3100	3200		
Indore- Medium	3150	3250	500	

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

Date	Yellow Lentil (Laird)	Yellow Lentils (Richlea)	Red Lentils
03.03.11	-	-	-
11.02.11	-	-	-

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. According to the trade participants, stock of moong is almost negligible in Maharashtra and Karnataka.

Trade participants are not expecting any major uptrend in domestic moong prices as arrival of new summer crop from TamilNadu is likely to start from April onwards and will continue till July from different states and this will fulfill the local demand, hence keep the prices under control. However, area under moong during rabi season has marginally declined by 0.23 lakh hectares to 6.80 lakh hectares during current season but no major downfall is expected in output.

International moong prices also ruling steady due to the consistent buying support. However, buying from China has reduced during past few weeks and this could result in moderate decline in global 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	03.03.11	11.02.11	Arrival 03.03.11	Arrival 11.02.11
Mumbai Pedishewa	-	-	700	1000
Chennai Moong Pedishewa	5900-6000	6200-6300		
Delhi-UP Line	-	-		
Delhi -Moong Mertha City	5800	5800		
Indore-Chamki	5200	5400		
Kanpur Desi	4100	4100	1200	40-50Mtrs
Jalna New Moong	3600-4100	3000-4000		-
Akola Chamki	3600-4400	3700-4800		1400
Jaipur Moong	-	3800-4400	-	20000

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

Date	Moong (China)	Moong Annashewa (Burma)	Moong Pedishewa (Burma)
03.03.11		1350	1450-1500
11.02.11	-	1150	1450

Field Peas

Mostly a steady to firm tone featured in key peas cash markets. Supply crunch of desi peas in the domestic markets supported its prices throughout the fortnight. However, arrival of new crop from UP has started and this will put pressure in domestic peas prices in near term.

Acreage under peas during current rabi season has marginally declined by 0.19 lakh hectares and is reported at 7.32 lakh hectares. Favorable weather during current season has raised the prospects of better output and will compensate the slight decline in area. Additionally, easy availability of imported peas in domestic markets will further add to the supply line and hence supports bearish momentum.

According to the Canadian Grain Commission, visible stocks of pea in Canada till 25 Feb, 2011 are reported at 3.42 lakh tonnes compared to the last year's stock of 1.54 lakh tonnes during the same period. Canada has exported 14.18 lakh tonnes of peas till 25 Feb, 2011 compared to the last year's figure of 8.97 lakh tonnes.

Given the above factors, peas prices are expected to decline in near term.

Peas Prices (Rs/Qtl.)

Date	Mumbai Canadian White Peas	Mumbai White American	Kanpur Desi New (Factory delivery)
03.03.11			
11.02.11	1861	1925-1930	2090

The current offer for Canadian yellow peas is USD 380 per MT C&F Indian ports respectively.

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	Isolated Thundershowers	Rainfall will be beneficial for the crop as it improves the yield of chana.
UP	Isolated Thundershowers	Rainfall will be beneficial for the crop as it improves the yield of chana.

Key Finding:

1. Weak demand of all the pulses at higher levels kept weighing on prices throughout the fortnight.
2. New arrival of chana, masoor and peas has started in local markets and will gain momentum in coming days.
3. Arrival of new moong is expected to hit the markets from April onwards till July from different states.

Forex as on 03.03.11

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.96
European Union	Euro	62.33
Japan	100 Yen	54.93
United Kingdom	GBP	73.37

Technical Outlook:

- Chana futures witnessed weak trend during the fortnight.
- Candlestick pattern shows selling support in the market supported by increase in volume.
- Closing of prices below short term EMAs (9 & 18 days) suggests weakness in prices.
- RSI is moving down in oversold category, thus warranting the bears.
- MACD is moving down in negative territory, thus hinting bearish trend.
- It is advisable to sell from higher levels.

Trade Recommendation – Chana NCDEX (Apr.)

Call	Entry	T1	T2	SL
SELL	<2612	2540	2525	2650
Support & Resistance				
S2	S1	PCP	R1	R2
2500	2525	2589	2620	2650



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