

Pulses Fortnightly Report

Fundamentals: Chickpeas (Chana)

Chana prices witnessed weak trend during the fortnight. Commencement of fresh arrival from Rajasthan has resulted in ample supplies in the domestic markets and this has kept weighing on spot chana prices during the fortnight. Although subdued trading activities were recorded during last week due to the year ending but huge arrival pressure pressurized chana prices to move in southwards direction.

Moreover, regular inflow of new crop from MP had also added to the supply side and checked the domestic prices. But, improvement in demand is also reported for the new crop as quality of the new crop is reported good and this has encouraged buyers to enter into the market. Additionally, huge supplies in Delhi market crashed the chana prices and due to this traders were not finding parity and this had resulted into lower supplies during first week of April 2011. Since harvesting of the commodity has started in entire Rajasthan and this will further improve the supply side in coming days and hence keep the domestic prices under control.

Chana prices are expected to trade range bound with weak bias due to the improvement in arrivals in coming days.

Chickpeas Prices at Key Centers (Rs/Qtl)

Origin/Grade	Centre	06.04.11	19.03.11
Chana (Australia)	Mumbai	2300	2350
Rajasthan Desi	Delhi	2250-2275	Closed
M.P. Desi	Delhi	2250-2275	Closed
Desi (Loose)	Bikaner	2225	Closed
Kantewala	Indore	2280-2290	Closed
Gauran New	Latur	2300-2500	2275-2600

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

Date	Tanzania Chickpeas (Mumbai)	Australian Chickpeas (Mumbai)	Australian Chickpeas (Chennai)
06.04.11	-	620-630	630-640
19.03.11	-	620-630	630-640

Other Pulses: Black Matpe / Black Gram (Urad)

Urad prices witnessed mostly firm sentiments in the spot markets during the fortnight. Projections of lower output during current rabi season in major producing states AP and TamilNadu have restricted the downtrend in urad prices and force them to move in northwards direction.

Current year's yield of urad in TamilNadu is reported at around 7-8 quintals/acre which intunes raised the concerns of lower output and this has increased the demand of the commodity. Limited availability of desi urad in southern states due to the projections of lower output has forced buyers to ask for Burmese urad and this has resulted in sharp improvement in imported urad prices. As per trade participants of AP, stockists are also not liquidating stock of imported urad in anticipation of further improvement in its prices.

At the global front, trade participants of Myanmar are expecting better output during current year compared to the last year. But we believe that rainfall in Myanmar during January 2011 and mid March 2011 must have hindered the yield of the commodity and also associates quality issues with the 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	06.04.11	19.03.11	Arrival 06.04.11	Arrival 19.03.11
Mumbai Burma FAQ	4350	4000	-	-
Delhi Burma FAQ	4450-4475	Closed		
Indore Desi	4300	Closed	1500	500
Vijayawada Polished	5200	Closed		
Jalgaon Desi	4000-4500	Closed	100	200
Latur Desi	3200-3300	2800-3500	200	700

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

Date	FAQ (Mumbai)	SQ (Mumbai)	FAQ (Chennai)	SQ (Chennai)
06.04.11	920-930	1030-1040	930-940	1040-1050
19.03.11	920-930	1030-1040	930-940	1040-1050

Pigeon Pea / Red Gram (Tur / Arhar)

Mostly a weak tone featured in major Tur cash markets during the period. Dull demand of the commodity throughout the fortnight kept weighing on its prices. However, improvement in demand is recorded during past couple of days due to the reduced arrival and this has supported domestic tur prices to some extent.

Since tur is trading at lower levels in domestic markets and stock with the mills is also declining, therefore it might encourage millers to enter into the market in near term. Lack of fresh buying support for Burmese tur in global markets from India has also resulted in considerable decline in global tur prices during the fortnight as FOB prices of tur at Indian ports have come down to \$820-840/ton from \$950-980/ton. But since demand for desi tur has improved during past couple of days, therefore it will also influence imported tur prices in domestic markets.

Since demand for the commodity is expected to improve in near term but easy availability of the commodity (both desi and imported) will restrict any major uptrend in its prices.

At the global front, trade participants of Myanmar are forecasting tur output during 2010-11 of 2.2 lakh tonnes, down from 3 lakh tonnes of last year.

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

Centre / Origin / Grade	06.04.11	19.03.11	Arrival 06.04.11	Arrival 19.03.11
Burmese Lemon New Mumbai	3625-3650	3525-3550	10000	6000
Burmese Lemon New Delhi	3850	Closed		
Red Tur Gulbarga	4028			
Red Tur Latur	3800-4100	3800-4075		
White Tur Latur	3300-4100	3200-4100	2000	1000
Red Tur Indore	3900	Closed	800	-
Red Tur (New) Jalgaon	4000-4100	Closed	1200	-

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

Date	Burmese (Red Lemon Tur) Mumbai	Tanzania (Tur Arusha) Chennai
06.04.11	920-930	
19.03.11	920-930	-

Masoor (Lentil)

A steady to firm tone featured in masoor cash markets during the fortnight. Since new crop arrival has not gained momentum during the fortnight, this has raised concerns of lower output during current year and this has forced stockists to refill their stock level and kept the masoor prices on firm note.

Current year's daily average arrival is less than last year's daily average arrival by around 20-25% and this has put the sellers in a dominating position. Regular buying of the commodity in spot markets also restricted downtrend in spot masoor prices. However, the only supporting factor which could check domestic masoor prices is adequate stock of desi and imported masoor in domestic markets. Reportedly good carry-in stock from last year will also act as a supporting factor for bearish movement in near term as trade participants have reported stock of around 5 lakh bags of masoor is lying in MP and this will ease down the supply side.

At the global front, trade participants in Canada and Australia believe same area to be planted in 2011 as of 2010 due to the firm prices prevailed throughout the year.

Taking the above factors into consideration we believe that masoor prices will trade with steady to firm tone in near -term.

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

Centre / Origin / Grade	06.04.11	19.03.11	Arrival 06.04.11	Arrival 19.03.11
Mumbai (Red Lentil)	3150-3200	3050-3150	2000	1000
Delhi-Chanti Export	4200-4400	Closed		
Delhi- New MP/kota Line	3100	Closed		
Delhi-UP Sikri Line	3200	Closed		
Kanpur local mill delivery	3260	3250	-	-
Kanpur -Bareilly Delivery	3330	3280	-	-
Indore- Masra	3350	Closed	-	-
Indore- Medium	3400	Closed	-	-

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

Date	Yellow Lentil (Laird)	Yellow Lentils (Richlea)	Red Lentils
06.04.11	-	-	-
19.03.11	-	-	-

Moong

Moong prices witnessed a steady to weak tone during the fortnight. Marginal improvement is recorded in demand of the commodity and this had supported its prices throughout the fortnight.

Good weather conditions in UP has raised the prospects of better crop and new crop is likely to hit the markets from mid May onwards. Moreover, stock of inferior quality moong is also reported good and this will restrict major uptrend in domestic moong prices in near term.

At the global front, moong production in Myanmar during 2010-11 is forecasted around 1 lakh tonnes, down by 0.5 lakh tonnes of normal production. Tight supply in the global markets has restricted downward trend 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	06.04.11	19.03.11	Arrival 06.04.11	Arrival 19.03.11
Mumbai Pedishewa	-	-		
Chennai Moong Pedishewa	5800	5900-6000		
Delhi-UP Line	-	-		
Delhi -Moong Mertha City	5800	5800		
Indore- Chamki	5400	Closed	2000	-
Kanpur Desi	4200-4250	4150	-	30-40
Jalna New Moong	3500-4500	Closed		
Akola Chamki	4000-4900	Closed	1200	-
Jaipur Moong	4000-4500	3400-4000	20000	-

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

Date	Moong (China)	Moong Annashewa (Burma)	Moong Pedishewa (Burma)
06.04.11		1350	1450-1500
19.03.11	-	1350	1450-1500

Field Peas

Mostly a steady to firm tone featured in key peas cash markets. Good demand of the commodity amid projections of lower output supported prices of desi peas. Additionally, trade participants believed that new crop arrival will not improve in coming days and this had also support bullish sentiments

Current year's daily average arrivals are less than from last year's daily average arrivals by around 50% due to the projections of lower crop. Indian importers are not finding parity at current levels as firm demand of Canadian peas from European countries had supported its prices in global market. Since arrival of new crop has started in the spot markets and quality of the crop is also reported well and this has increased the demand of the commodity.

At the global front, trade participants in Canada are expecting same acreage during 2011 as area of 2010 due to the firm prices that farmers realized throughout the year.

Given the above factors, peas prices are expected to remain on higher side in near term.

Peas Prices (Rs/Qtl.)

Date	Mumbai Canadian White Peas	Mumbai White American	Kanpur Desi New (Factory delivery)
06.04.11			
19.03.11			

The current offer for Canadian yellow peas is USD 400-425 per MT C&F Indian ports respectively.

Weather Watch:

States	Weather	Crop Impact
Andhra Pradesh	Mainly Dry Weather	Favorable for harvesting of urad crop.
Maharashtra	Mainly Dry Weather	No impact on crop.
Karnataka	Mainly Dry Weather	No impact on crop.
Madhya Pradesh	Mainly Dry Weather	Helpful in harvesting of chana, masoor and peas.
Rajasthan	Mainly Dry Weather	Helpful in harvesting of chana, masoor and peas.
UP	Mainly Dry Weather	Helpful in harvesting of chana, masoor and peas.

Key Finding:

1. New crop arrival of chana has started from Rajasthan.
2. Good demand of desi peas supported its prices despite of the commencement of fresh arrivals in the market.
3. Rainfall in Myanmar during second week of March 2011 has little impact on the yield of urad.

Forex as on 06.04.11

Country/ Continent	Currency	Value in Rupees
USA	Dollar	44.20
European Union	Euro	63.09
Japan	100 Yen	51.85
United Kingdom	GBP	72.24

Technical Outlook:

- Chana futures witnessed weak trend during the fortnight.
- Overall the trend remains down and intact.
- Closing of prices below short term EMAs (9 & 18 days) suggests weakness in prices.
- RSI is moving up in neutral zone, thus warranting the bears.
- MACD is moving up in negative territory, thus hinting improvement in prices.
- It is advisable to sell from higher levels.

Trade Recommendation – Chana NCDEX (Apr.)

Call	Entry	T1	T2	SL
SELL	<2405	2355	2330	2440
Support & Resistance				
S2	S1	PCP	R1	R2
2290	2300	2384	2415	2440



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