

Highlights of the week:

- Mixed trend witnessed in pulses during the week.
- Reportedly demand compression of Chana and peas at higher price levels.
- Key tur growing regions in southern states have received good rains in the last couple of weeks which favors sowing and is also beneficial for the sown crops growth.
- Decline in sown area under urad in southern states (Maharashtra, AP & Karnataka) is compensated by increase in sown area in Rajasthan, UP and MP.
- So far the crop condition of Kharif pulses is reportedly good and recent rains favours crop growth and consequently the yield. August rains will remain the key for Kharif pulses yield. As per the IMD's latest long range forecast for Aug-Sept 2011, rainfall is expected to remain below normal during the period over the country.
- Majority of the standing crop of lentils and peas is reported in excellent to good condition in Canada and US.
- Reportedly some import contracts have been done for Burmese Moong at US \$ 790-800/ton for August-September shipment.

Chickpeas (Chana)

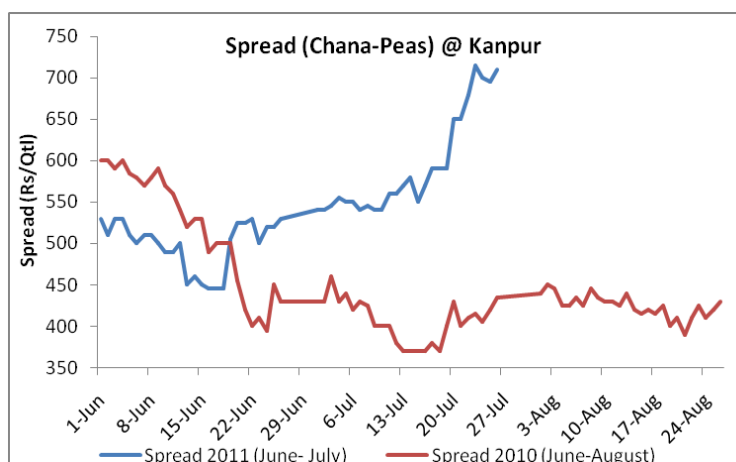
Market Recap:

Mostly firm trend witnessed in chana prices during the week ended August 03, 2011 as compared to the last week. Good demand of the commodity and talks of supply shortfall drove chana prices to season's (2010-11) highest level of Rs 3025/qrtl at Delhi market during the week.

Current Market Dynamics & Outlook:

Regular demand of chana and fears of supply shortfall till new crop arrival have supported chana prices. In addition to this, supply shortage of peas (widely used as a substitute of chana) also backed significant improvement in chana prices. However, as the chana prices touched season's high at Rs 3025/qrtl (Delhi spot market) some restricted buying and selling pressure from stockists also reported during the period which capped further gains in chana prices and this may also trigger some weakness moving forward. ,

Meanwhile, spread between chana and peas has increase dramatically from mid June 2011 onwards compared to the last year's spread during June-August 2010. Spread between the two commodities remained normal (Rs 500-550/qrtl) till mid July but robust demand for processed chana increased chana prices by 7.6% to Rs 3100/qrtl till July 2011 end while peas prices have increased by only 2.1% to Rs 2390/qrtl than the prices prevailing in the



beginning of the month at Kanpur market. Prevailing spread of Rs 710/qrtl between the two commodities is much higher than the normal spread of Rs 500-550/qrtl which hints at a possible decline in chana prices. Since the, average spread between two commodities was Rs 425/qrtl during August 2010 The current spread seems unsustainable and is bound to narrow in the next few weeks.

Market Outlook:

Given the restricted demand at higher levels and expected improved supplies at the prevailing higher prices may weigh on prices in the days to come. However, firm tone in peas prices may limit any major downfall in chana prices.

Spot Market Price Outlook - Delhi (Chana MP weekly chart):


Candlestick pattern shows selling interest in the market. Prices are well above the short term EMAs which further hints for firmness in prices. Momentum indicator MACD also favours bullish sentiment. However, RSI is in the overbought zone, which warranting cautions to the bulls.

S2	S1	PCP	R1	R2
2830	2900	3015	3175	3210
Call	Entry	T1	T2	SL
SELL	3015-20	2950	2915	3050

Futures Technical (NCDEX):


Domestic Prices & Arrivals:

Centre	Variety	Prices (Rs/Qtl)			
		03-08-2011	27-07-2011	04-07-2011	03-08-2010
Mumbai	Australian	2550-2675	2600	2450	2201
Delhi	Rajasthan	3000	3025	2765	2250
	Madhya Pradesh	3015	3050	2780	2250
Bikaner	Desi	2970	2900	2700	2250
Indore	Kantewala	2950	3050	2800	2225
Kanpur	Desi	3070	3125	2925	2250-2265
Latur	Gauran	2600-2650	2550-2600	2650-2750	2225-2250
	Annagiri	2950-3000	2900	2800	2250-2300
	G-12	2750	2750	2700	2175

Centre	Variety	Arivals (Bags per Quintal))			
		03-08-2011	27-07-2011	04-07-2011	03-08-2010
Delhi	Rajasthan	40-45	30-35	100	30
	Madhya Pradesh	40-45	30-35	100	30
Bikaner	Desi	-	-	-	-
Indore	Kantewala	5000	1200	8000	3000
Latur	Gauran	200	200	300	800
	Annagiri	100	100	100	800
	G-12	100-200	200	200	300

Arrivals at Delhi markets are in Motors, 1 motor = 16 tonnes

Processed Chana Rates (Dal):

Centre	Prices (Rs/Qtl)			
	03-08-2011	27-07-2011	04-07-2011	03-08-2010
Jalgaon	3600-3700	3600-3700	3400-3500	3000
Latur	3300	3200	3200	2800
Kanpur	3450	3550	3325	2670
Bikaner	3600	3500	3200	2550
Indore	3725	3650-3700	3500	3050
Delhi	3475-3550	3500-3600	3200-3400	2775
Gulbarga	3750-3800	3750-3800	3450-3500	-

Peas (Matar)

Market Recap:

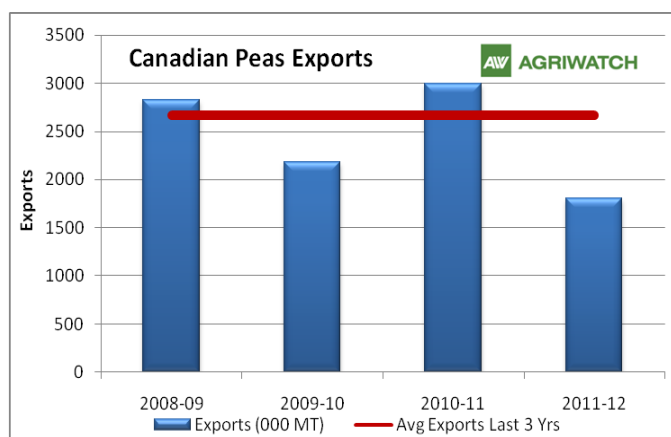
Firm trend witnessed in both desi and imported peas prices during the week ending August 03, 2011 amid improved demand and supply shortage and consequently Canadian Yellow Peas prices reached season's high at Rs 2081/Qtl at Mumbai market on July 30, 2011.

Current Market Dynamics & Outlook:

Desi peas fundamentals remained unchanged as limited availability of the commodity in the markets and reportedly regular demand of imported peas continue to support the prices. Since we need to rely on imports to fulfill the domestic requirement, therefore ongoing bullish fundamentals (lower crop estimate and expected decline in exportable surplus) in international markets may influence the peas prices domestically. Also the forthcoming festivities from mid August and onwards may further push the prices higher as during the festivities use of pulses increases.

Internationally, majority of the standing crop in Canada and US is reported in excellent to good condition which favors higher yield during current year but area under peas in the two exporting countries is lower during current year and this will offset the higher yield factor. Due to the expected lower production, exportable surplus in both Canada and US would support the prices.

As reflected in the given chart, Canada's expected peas (as per Canadian Agriculture Ministry) exports for 2011-12 season is lower than the last 3 years total peas exports and much lower than last 3 year's average exports. On the contrary, demand from Indian subcontinent likely to remain high and further expected to remain on the higher note which may support domestic prices accordingly.



Market Outlook:

In view of possible decline in peas output in Canada and US, availability of the commodity in international markets is likely to remain tight which may push peas prices higher and in tandem with higher international prices domestic prices are also expected to remain on stronger side as country has to rely on imports to fulfill its annual requirement.

Price Outlook for Canadian Yellow Peas at Mumbai Market:


Candlestick pattern shows selling interest in the market. Closing of prices above 9 and 18 days moving average suggests firmness in the market. RSI is declining in neutral zone, hinting at a further decline in prices. MACD is also declining which suggests possible decline in prices.

S2	S1	PCP	R1	R2
1925	1950	2031	2125	2140
Call	Entry	T1	T2	SL
SELL	2030-2050	1980	1960	2055

Domestic & International Prices:

Centre	Variety	Price (Rs/Qtl)			
		03-08-2011	27-07-2011	04-07-2011	03-08-2010
Mumbai	White American	2080-2090	2140-2150	2125	1680
	White Canadian	2031	2071	2041-2051	1651
	Green American	2500-2525	2500-2525	2600	2250-2275
	Green Canadian	2100-2250	2100-2250	2100-2300	1950-2050
Kanpur	Desi	2380	2410	2380	1810-1815
International Prices at Chennai Port (\$/Ton)					
Chennai	Yellow Peas	475	450-455	-	330

Pigeon pea (Tur)

Market Recap:

Mostly steady to weak sentiments witnessed in domestic and imported tur prices during the week ending August 03, 2011. Sluggish demand for the commodity amid comfortable stocks in the markets weighed on prices besides slightly improved sowing activity in the key states after the recent rains. C&F quotes for Burmese tur offered at \$650/ton during the week but no forward contracts have been done due to the disparity of more than Rs 100/qtl at current levels.

Current Market Dynamics & Outlook:

Significant sowing progress has been recorded in Maharashtra during last couple of weeks although area sown under tur is comparatively lower this year as compared to the last year. But since key growing regions of Maharashtra have received adequate rainfall from mid July onwards and sowing of the commodity normally extends upto mid August, so there are possibilities that area under the commodity might reach the target level of 11.99 lakh hectares. Sowing situation is also reported well in Madhya Pradesh and Uttar Pradesh which will further raise the prospects of better crop during current year. However, the actual situation of crop progress will be known after the first half of the August month. Any decline/deviation in sown area may boost the prices in the markets.

Following table shows the crop progress during current year and corresponding period last year:

State	Current Year's Area in Hectares	Area in same period last year in Hectares	% Change
Maharashtra (August 02)	1092793	1322070	-17.34
Karnataka (July 31)	499000	718000	-30.50
Andhra Pradesh (July 27)	245472	455580	-46.12
Madhya Pradesh (July 28)	472000	333000	41.74
Uttar Pradesh (July 31)	314000	334000	-5.99

At present tur growing regions of southern peninsula have received good rainfall which will be beneficial to the growth of the standing crop and as per current crop conditions, trade participants are optimistic about a good crop during current year. But the alarming factor is that IMD has forecasted below normal rainfall during Aug-Sep 2011 and any deviation in rainfall in coming weeks will hinder the yield and give chance to the bulls to play the market.

Market Outlook:

Domestic Tur prices are expected to remain range bound and sideways during the coming week. Progress of monsoon in the coming weeks over the key growing states will remain the key factor in deciding the price movement.

Price Outlook for Tur at Gulbarga Market:



Tur prices remain capped under 3100-3690 trading range. Trend to take shape in the sessions ahead. 3100, on the lower side is the capable support whereas 3690 holds importance as an immediate resistance. 3100-3690 is the immediate trading range for the price; drift in either direction is likely to take it further in the respective direction. Positioning of MACD and RSI favorable for bears.

S2	S1	PCP	R1	R2
3200	3250	3475	3645	3670
Call	Entry	T1	T2	SL
WAIT	-	-	-	-

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)			
	Variety	03-08-2011	27-07-2011	04-07-2011	03-08-2010
Mumbai	Burmese Lemon	2825	2900-2925	3125	3500
Delhi	Burmese Lemon	3000	3050	3150	3575
Chennai	Burmese Lemon	2850	2900	2900	3550
Gulbarga	Red	3475	3500	3665	3400
Latur	Red	3000-3500	3000-3300	3600	3870
Jalna	Red	2200-2600	2200-2600	2200-2800	3500-3600
Jalgaon	Red	3000-3300	3000-3300	3000-3600	3800-3900
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese Tur	640-45	660-670	650	780

Centre		Arrivals (Bags per Quintal)			
	Variety	03-08-2011	27-07-2011	04-07-2011	03-08-2010
Gulbarga	Red	6000	5000	5500	5500
Latur	Red	500	600	1000	1000
Jalna	Red	-	100	50-100	150
Jalgaon	Red	100-200	100-200	200-300	-

Black Matpe (Urad)
Market Recap:

Desi urad witnessed steady to weak sentiments during the week ending August 03, 2011 but modest demand for imported urad limited the downtrend in prices to some extent. However, regular inflow of imported urad in the markets and overall lackluster demand are mostly keeping prices in the softer note.

Current Market Dynamics & Outlook:

The sown area under urad crop in the key growing regions particularly in Maharashtra, Andhra Pradesh and Karnataka is much lower than last year due to lack of proper rains (uneven distribution and lull in progress of monsoon) over the regions hindered sowing activity and reportedly farmers have switched to less water intensive crops like coarse cereals. However, sowing of the commodity is good and more than the last year's sown area in Uttar Pradesh, Madhya Pradesh and Rajasthan on congenial weather

(good rains) which has already offset the decline in sown area in southern India as total sown area under urad during current year has reached to 15.79 lakh hectares compared to the last year's sown area of 15.16 lakh hectares.

Following table shows the crop progress during current year and corresponding period last year:

State	Current Year's Area in Hectares	Area in same period last year in Hectares	% Change
Maharashtra (August 02)	292806	478328	-38.79
Karnataka (July 31)	82000	117000	-29.91
Andhra Pradesh (July 27)	54836	86723	-36.77
Madhya Pradesh (July 28)	604000	479000	26.10
Uttar Pradesh (July 31)	387000	231000	67.53
Rajasthan (August 02)	158,700	124,000	27.98

Although the seeded area under urad is lower in southern parts of the country compared to the last year but improvement in rains mid July onwards favours crop growth which is currently at vegetative stage. But the alarming factor is that IMD has forecasted below normal rainfall during Aug-Sep 2011 period when the crop mostly requires water (irrigation or rainfall) which may hinder the yield of the standing crop. So, the rainfall during Aug-Sept period and its distribution will be the key factor for deciding the yield of the standing crop and would also influence the prices accordingly.

On the import front, C&F price offers of Burmese urad mostly remained steady at \$ 805/ton at Chennai market during the week but reportedly no fresh contracts have been done at prevailing levels due to subdued demand and disparity of around Rs 50-75/qlt .

Market Outlook:

Progress of monsoon is to be watched very carefully in the coming weeks as progress of monsoon will determine directions of urad prices as deviation in monsoon will move urad prices in northwards direction.

Price Outlook for Burmese Urad at Mumbai Market:


Candlestick pattern shows selling interest in the market. Closing of prices below 9 and 18 days moving average suggests weakness in the market. RSI is moving up in neutral zone, supporting bullish sentiments. Urad prices have touched support level and might bounce back. Buying on dips is advisable.

S2	S1	PCP	R1	R2
3500	3550	3625	3750	3800
Call	Entry	T1	T2	SL
BUY	3600-10	3700	3730	3550

Domestic & International Prices:

Centre	Prices (Rs/Qtl)				
	Variety	03-08-2011	27-07-2011	04-07-2011	03-08-2010
Mumbai	Burmese FAQ	3625	3650-3675	4050	5000
Delhi	Burmese FAQ	3850-3900	3900	4025	5050
Chennai	Burmese FAQ	3650	3600	3900	4850
	Burmese SQ	4150	4100	4300	5400
Indore	Desi	-	4100	3900	4500
Vijayawada	Polished	-	4300	4700	5350

Jalgaon	Desi	4000-4200	4000	4000-4200	5000-5200
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese FAQ	800	800	850	1000
	Burmese SQ	900	900	950	1100

Processed Urad Rates:

Centre	Prices (Rs/Qtl)			
	03-08-2011	27-07-2011	04-07-2011	03-08-2010
Jalgaon	5600-5700	5700	5700-5900	7000
Bikaner (Split)	5050	5100	5300	6700
Indore	6000-6200	-	6300	7000

Lentils (Masoor)

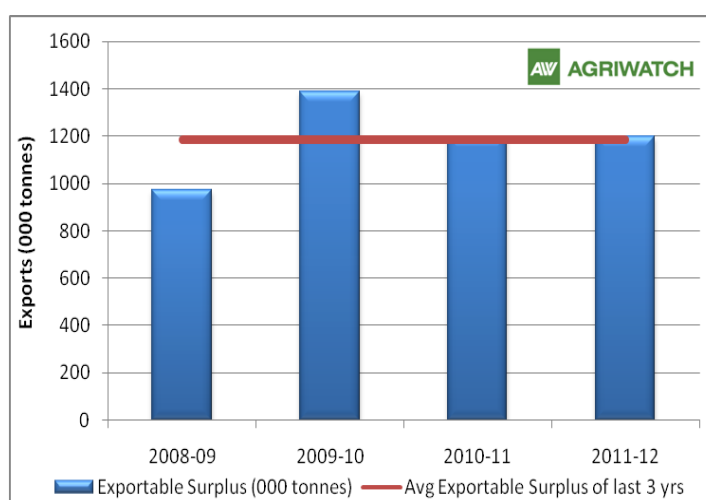
Market Recap:

Desi masoor remained steady during the week ending August 03, 2011 but imported masoor prices mostly featured a firm tone at Mumbai market. Most of the stocks of imported masoor have been consumed and this has supported prices of imported masoor in domestic markets. Some buying at lower levels was also reported for desi masoor from processors of UP, Orissa and Kolkata and this has restricted downfall in masoor prices.

Current Market Dynamics & Outlook:

Little demand has originated for masoor at lower levels and this has put cap on falling masoor prices. Moreover, stock of imported masoor has almost been consumed in the markets which supported masoor prices. Due to the lower production of desi masoor during current year (2010-11), availability of the commodity will remain tight till new crop arrival and we need to rely on imports to fulfill the gap between demand and supply, therefore domestic prices will be mostly guided by the international prices moving forward.

On the global front, area under lentils in Canada has reduced significantly during current year compared to the last year but majority (77%) of the standing crop in Saskatchewan is reported in excellent to good condition which favors a higher yield. Given lower area during current year will result in considerable decline in



the output but the supporting factor is that exportable surplus during 2011-12 will remain equivalent to last year exportable surplus and average exportable surplus of last 3 years which will restrict major uptrend in lentils prices internationally.

In the US, area under lentils during current year is more or less same compared to the last year and standing crop condition is also reported good which has raised the prospects of equivalent crop size during current year as it was in the last year. Therefore, with the start of new crop arrivals in Canada and US, domestic (India) demand is expected to increase which may fuel the prices.

At present, C&F quotes for Canadian lentils at Mumbai port are at \$ 530/ton and at current levels, importers are finding parity of more than Rs 250/qtl which indicates that even if India needs to import lentils in near term, major uptrend is not expected in masoor prices .

Market Outlook:

Desi masoor prices are expected to remain range bound with slight firmness in the coming week on slightly improved demand at lower levels. Also international masoor prices are not expected to increase significantly in the coming days since demand from India is low and also European countries are not buying lentils from Canada and US due to some quality issues (excess glyphosate). Therefore major uptrend is also not expected in domestic masoor prices.

Price Outlook of Desi Masoor at Kanpur Market:



Candlestick pattern shows selling interest in the market. Prices are well below short term EMAs which favors weakness in prices. MACD is flat which hints for sideways movement. RSI is rising in neutral zone, hints for possible improvement in prices.

S2	S1	PCP	R1	R2
2730	2785	2770	2910	2930
Call	Entry	T1	T2	SL
BUY	2720-40	2800	2820	2680

Domestic & International Prices:

Centre		03-08-2011			
	Variety	03-08-2011	27-07-2011	04-07-2011	03-08-2010
Mumbai	Red Lentils	2500-2700	2600-2750	2600-2700	3350
Delhi	Chanti Export	3900-3975	3950-4000	4000-4050	4450-4500
	MP/ Kota Line	2650-2800	2700-2850	2700-2925	3000
	UP/ Sikri Line	3000-3050	3000-3050	3000	3300
Kanpur	Mill Delivery	2770	2810	2810	3150
	Bareilly Delivery	2820	2850	2890	3200
Indore	Masra	2775	2850	2900	3450
International Prices at Chennai Port (\$/Ton)					
Chennai	Laird Lentils	-	530	530	725

Processed Masoor Rates:

Centre	Prices (Rs/Qtl)			
	03-08-2011	27-07-2011	04-07-2011	03-08-2010
Kanpur (Malka)	3200	3150	3250	3725
Indore	-	-	3500	3800
Delhi (Badi Masoor)	3400	3400-3450	3450	3700
Delhi (Choti Masoor)	3850-3950	3900-3950	3900-4000	4300-4400
Katni	3125-3325	3175-3300		-

Green Gram (Moong)

Market Recap:

Moong prices remained steady to firm in most of the markets during the week ending August 03, 2011. Reports of lower area under moong during current year compared to the last year supported the moong prices.

Current Market Dynamics & Outlook:

Delayed and uneven distribution of rainfall over southern parts of the country has resulted into drastic decline in area under the commodity. But on the contrary, timely rainfall in Rajasthan has helped in sowing operations and significant jump in area has been recorded. However, the total decline in seeded area in India is close to 35% with the loss of acreage in the southern peninsula not being compensated by the increase in area in Rajasthan and Madhya Pradesh .

Following table shows the crop progress during current year and corresponding period last year:

State	Current Year's Area in Hectares	Area in same period last year in Hectares	% Change
Maharashtra (August 02)	369309	601091	-38.56
Karnataka (July 31)	255000	367000	-30.52
Andhra Pradesh (July 27)	151304	270075	-43.98
Rajasthan (July 29)	872600	755000	15.58
Madhya Pradesh (July 28)	116000	87000	33.33

However prevailing weather conditions are favorable for the growth of the standing crop as at present majority of the crop in southern regions is at vegetative stage (considered as the most important stage of the crop) and at this stage water requirement remains higher and southern regions have received good rains during past few days which hints for better crop growth and consequently the yield. But IMD has forecasted below normal rainfall during August-September 2011 and if in the growing regions rainfall is not adequate then the yield may be not high leading to lower output.

In view of present conditions, import activities might increase in the days to come and exporters may take the advantage of the situation by increasing the prices which may also influence the domestic prices. Currently, some import contracts have been done at US \$ 790-800/ton for August-September shipment.

Market Outlook:

Moong prices are expected to remain range bound in near term and Aug-Sept rains may give direction to the prices in days to come.

Price Outlook for Desi Moong at Jaipur Market:



Moong prices remain capped under 4000-4500 trading range. Trend to take shape in the sessions ahead. 4000, on the lower side is the capable support whereas 4500 hold importance as an immediate resistance. 4000-4500 is the immediate trading range for the price; drift in either direction is likely to take it further in the respective direction. Positioning of MACD and RSI favorable for bulls.

S2	S1	PCP	R1	R2
3800	4000	4000	4500	4600
Call	Entry	T1	T2	SL
WAIT	-	-	-	-

Domestic Prices:

Centre	Variety	Prices (Rs/Qtl)			
		03-08-2011	27-07-2011	04-07-2011	03-08-2010
Mumbai	Annaseva	3700	3700	3900	3850-3900
Chennai	Pedishwa	5000	5000		5600
Delhi	Gujarat	-	-	4750	-
	M.P	4650	4650	4600	-
Indore	Chamki	-	4200	4300	5100
Kanpur	Desi	3600-3650	3650-3700	4250-4300	-
Jaipur	Desi	4000	4200		5100

Processed Moong Rates:

Centre	Prices (Rs/Qtl)			
	03-08-2011	27-07-2011	04-07-2011	03-08-2010
Jalgaon	5700-5800	5800-5900	6000-6100	7050
Bikaner (Split)	5400-5600	5400-5600	5400	6600
Indore	5800-5900	-	6300	6100

DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>