

Highlights of the week:

- Mostly weak trend witnessed in pulses during the week ending August 17th.
- Demand for both chana and peas reportedly dull at current price levels.
- Reportedly some import contracts for urad and moong have been done at around US \$800-805/ton and \$790-800/ton during second week of August 2011.

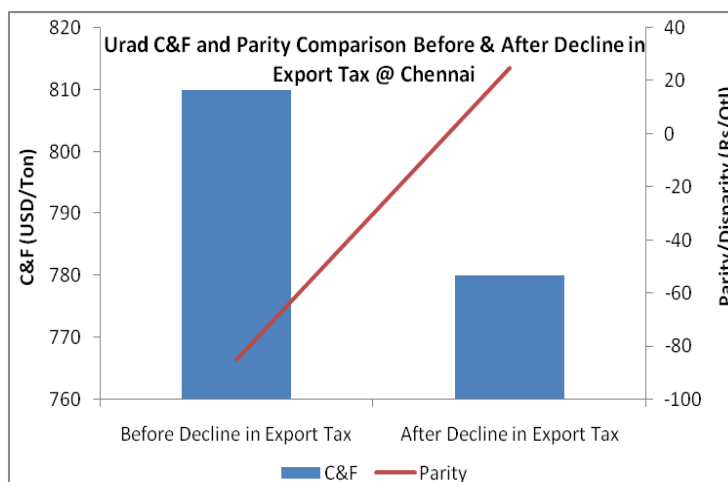
Key Development during the Week:

Myanmar Reduces Export Tax on Pulses

To make pulses export competitive in the international market on the back of depreciating US dollar, Myanmar government has reduced export tax on pulses from 5% to 2% for six months starting from August 15, 2011 till February 14, 2012.

Impact on Domestic (Indian) Prices

Due to reduction in export tax the FOB quotes of Myanmar pulses has come down which also lowered the C&F quotes at Indian ports of the key pulses Urad, Tur and Moong. At present Urad (Black Matpe) is most actively traded among other pulses (Tur & Moong) and C&F Chennai/Mumbai port quotes declined to \$780-785 per MT for Urad FAQ down by 3.7% from \$805-10/ton. Owing to decline in international prices of urad, Indian importers are finding parity of around Rs 50/qrtl and this will further increase import activities in the days ahead. However, tur and moong international prices remain unchanged at \$595-605/ton and \$785-795/ton but due to the decline in export taxes, similar situation is also expected in tur and moong in the days ahead.



Chickpeas (Chana)

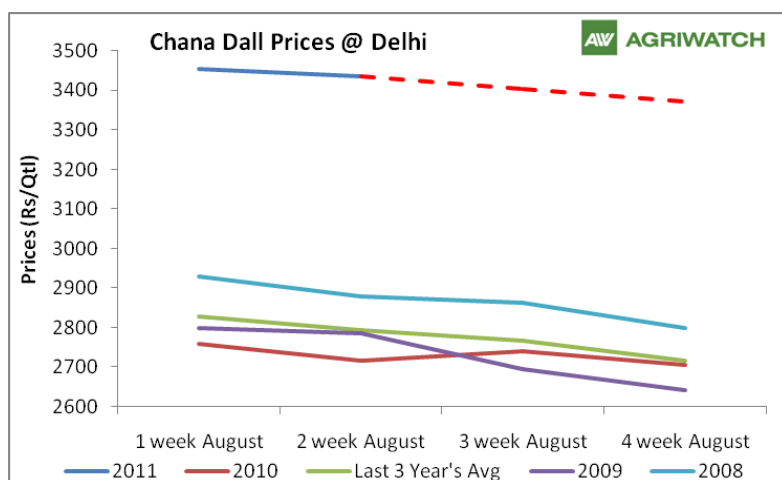
Market Recap:

Mostly steady to weak trend witnessed in chana prices during the week ended August 17, 2011 as compared to the last week. Demand for the commodity remained dull in spot markets but improvement in chana prices at exchanges (NCDEX) has restricted major downfall in spot chana prices.

Current Market Dynamics & Outlook:

Demand for the commodity remained sluggish during the week but projections of supply shortfall in coming days is currently restricting major downfall in chana prices. Generally, demand for processed pulses remains weak during the month of August and due to this, marginal decline is expected in chana prices during coming couple of weeks.

It is clearly visible in the given graph that normally chana dall prices move in southwards direction during the month of August (except in the last year). Based on last 3 year's weekly average price of chana dall, it is found that chana dall prices reduced by 2.23% during third week of August compared to the first week of August prices while in the fourth week, reduction of 3.99% had been recorded in dall prices. Given the falling trend of chana dall prices due to the weak



demand of processed chana during the month of August, chana dall prices are expected to decline during current year also and we expect that chana dall prices might fall upto 3370-90 till August end which will further influence chana prices to move in southwards direction.

Market Outlook:

Given the restricted demand at higher levels and possible decline in the demand for processed chana, chana prices are expected to fall in the coming weeks. But trade projections of supply shortfall of the commodity will restrict 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 hints at a possible improvement in prices. Momentum indicator MACD also favors bullish sentiment. However, RSI is rising in the overbought category, which warranting cautions to the bulls. Selling from higher level is advisable.

S2	S1	PCP	R1	R2
2775	2800	2985	3175	3210
Call	Entry	T1	T2	SL
SELL	3000-15	2925	2900	3035

Futures Technical (NCDEX):



Candlestick pattern shows selling interest in the market. Prices have closed below the 9 and 18 days short term EMA's which hints for weakness in prices. Momentum indicator MACD also favors bearish sentiment. Declining RSI in the neutral zone is also warranting cautions to the bulls.

Strategy: Sell on recoveries.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Chana	NCDEX	September	2975	3000	3099	3140	3162
Intraday Trade Call			Call	Entry	T1	T2	SL
Chana	NCDEX	September	SELL	3105-3120	3050	3015	3150

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)			
	Variety	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Mumbai	Australian	2750	2650	2525	2300
Delhi	Rajasthan	2975	2925	2800	2250
	Madhya Pradesh	2985	2925	2800-2825	2250
Bikaner	Desi	2900	2875	2750	2250
Indore	Kantewala	3075	2950	2750-2725	2240
Kanpur	Desi	3100	3040	2920	2290-2300
Latur	Gauran	2600-2800	2600-2650	2550	2075-2200
	Annagiri	3000-3050	2950-3000	2900	2250
	G-12	2850	2750	2750	2150

Centre		Arivals (Bags per Quintal))			
	Variety	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Delhi	Rajasthan	30	30	50	30
	Madhya Pradesh	30	30	50	30
Bikaner	Desi	-	-	-	-
Indore	Kantewala	300-400	1000	2000	5000
Latur	Gauran	100	100	200	1000
	Annagiri	50	50	100	100
	G-12	100	100	200	200

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

Processed Chana Rates (Dal):

Centre	Prices (Rs/Qtl)			
	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Jalgaon	3600-3700	3600-3700	3500-3600	3000
Latur	3300	3300	3200	2800

Kanpur	3500	3420	3300	2675
Bikaner	3450	3350	3200	2625
Indore	3750	3700	3700	3050
Delhi	3450-3525	3450-3500	3300-3375	2725
Gulbarga	3650-3700	3700-3750	3550-3600	-

Peas (Matar)

Market Recap:

Mixed trend witnessed in both desi and imported peas prices during the week ending August 17, 2011. Weak demand for the commodity at higher price levels weighed on prices during the period. However, likely supply shortage in coming months restricted the downfall in prices.

Current Market Dynamics & Outlook:

Since peas prices have increased dramatically during past couple of months and this has made buyers little cautious in paying higher prices for the commodity. But on contrary, likely supply shortfall of peas domestically has made traders optimistic for further improvement in its prices in near term and due to this some forward contracts for yellow peas from Canada at US \$450-60/ton have been done recently.

Since we have to rely on imports to fulfill domestic requirement, therefore movement in peas prices in international markets will influence domestic peas prices. Due to the unfavorable weather condition in Canada, projected peas production has already reduced to 21.25 lakh tonnes during current year compared to the last year. Also in the US acreage has reduced significantly which will further lower down the production in second largest exporter (US) of the commodity. Seeded area under peas in US during current year is reported at 1.69 lakh hectares against last year's seeded area of 3.06 lakh hectares while harvested area during 2011-12 is projected at 1.62 lakh hectares compared to last year's area of 2.88 lakh hectares.

Below mention table represents Canadian Peas outlook:

	Area Seeded	Area Harvested	Yield	Production	Exports	Carry-Out Stocks
	(000 ha)		(t/ha)	(000 tonnes)		
2008-09	1617	1582	2.26	3571	2826	445
2009-10	1522	1487	2.27	3379	2178	795
2010-11	1396	1322	2.17	2862	3000	200
2011-12	1018	975	2.18	2125	1800	100

Market Outlook:

In view of expected delay in harvesting due to delayed sowing and following the slow crop progress in Canada and a possible decline in output, availability of the commodity in international markets is likely to remain tight. But on contrary, strong demand for the commodity in international markets has put Canadian sellers in a dominating position and has raised the prospects for further improvement in peas prices in international markets and hence, influence domestic prices accordingly.

Price Outlook for Canadian Yellow Peas at Mumbai Market:


Peas prices have closed below previous week's closing level. Closing of prices above 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. However peas prices are expected to take channel line support level and retrace upto 2080 level.

S2	S1	PCP	R1	R2
1900	1925	2011	2125	2140
Call	Entry	T1	T2	SL
BUY	1980-2000	2080	2100	1930

Domestic & International Prices:

Centre	Variety	Price (Rs/Qtl)			
		17-08-2011	10-08-2011	16-07-2011	17-08-2010
Mumbai	White American	2030	2040	2090-2100	1725-1750
	White Canadian	2011	2000	2041	1651-1701
	Green American	2400-2500	2500	2450	2275-2300
	Green Canadian	2100-2225	2100-2225	2325	1950-1975
Kanpur	Desi	2390	2330	2340	1885
International Prices at Chennai Port (\$/Ton)					
Chennai	Yellow Peas		475	-	330

Pigeon pea (Tur)

Market Recap:

Mostly steady to weak sentiments witnessed in domestic and imported tur prices during the week ending August 17, 2011. Dull demand for the commodity has forced tur prices to move in southwards direction.

Current Market Dynamics & Outlook:

Dull demand for the commodity from retailer's front is currently weighing on domestic tur prices. Sowing of the commodity has almost been finished and now progress of monsoon will be the crucial factor to watch. Despite of the delayed rainfall in key tur producing regions, significant sowing progress is recorded from mid-July onwards but still total area lags behind last year's seeded area. But the supporting factor is that standing crop is in good condition till date which favors for better yield but if we assume that total yield will remain equivalent (if monsoon remains favorable during all stages of crop) to last year's figure of 632 kg/ha then also tur output during current year will remain lower by around 7% than the normal production of 2.5-2.6 million tonnes which will made India to rely on imports. However, stock of the commodity in domestic markets is sufficient to fulfill the demand till new crop arrival but if harvesting might get delayed then it will spark tur prices.

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 16)	1,189,278	1,365,923	-12.93
Karnataka (August 16)	621,000	822,000	-24.45
Andhra Pradesh (August 10)	308,787	559,239	-44.78
Madhya Pradesh (August 12)	484,000	440,000	10.00
Uttar Pradesh (August 14)	338,000	341,000	-0.88

At the global front, Myanmar government has reduced export tax on pulses from 5% to 2% to make Burmese exports competitive in international market. Despite of the significant decline in export tax, C&F quotes of Burmese tur remained unchanged at \$600-05/ton at Mumbai port and Indian importers are finding disparity of around Rs 40-50/qtl. Since demand from Indian sub-continent is weak, therefore international prices are expected to decline to some extent and but still Indian crop is expected to remain on lower side, hence major downtrend is not expected in international prices.

Market Outlook:

Domestic Tur prices are expected to remain range bound and sideways during the coming week. Progress of monsoon in the coming week 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 bulls.

S2	S1	PCP	R1	R2
3200	3250	3500	3645	3670
Call	Entry	T1	T2	SL
WAIT	-	-	-	-

Domestic Prices & Arrivals:

Centre	Variety	Prices (Rs/Qtl)			
		17-08-2011	10-08-2011	16-07-2011	17-08-2010
Mumbai	Burmese Lemon	2750	2811-2821	2925-2950	3750-3800
Delhi	Burmese Lemon	2950-3000	2950	3100	3750
Chennai	Burmese Lemon	2700-2750	2800-2850	2800-2850	3800
Gulbarga	Red	3500	3475	3480	3700

Latur	Red	3000-3300	3000-3300	3400-3500	3950
Jalna	Red	2200-2500	2200-2500	2300-2800	3400-3600
Jalgaon	Red	3000-3300	3000-3300	3000-3300	3600-3700
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese Tur		640-45	-	780

Centre		Arrivals (Bags per Quintal)			
	Variety	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Gulbarga	Red	7700	6000	5700	4000
Latur	Red	300	200	800	1000
Jalna	Red	-	-	-	200
Jalgaon	Red	100-200	100	100-200	-

Black Matpe (Urad)

Market Recap:

Desi and imported urad witnessed steady to firm sentiments during the week ending August 17, 2011. Little buying support was recorded at lower levels and this had restricted major downfall in domestic urad prices.

Current Market Dynamics & Outlook:

Demand for the commodity is not so much impressive but little buying was witnessed at lower levels and this had resulted into slight recovery in domestic urad prices. However, seeded area during current year is lower in southern parts but good distribution of rainfall in northern parts of the country, helped in sowing operations which in turn overshadowed the fall in area in southern peninsula. Due to the well distributed rainfall in MP, UP & Rajasthan, seeded area during current year is well above the last year's area and till date crop condition is reported well from all the states.

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 16)	325437	497780	-34.62
Karnataka (August 16)	84000	118000	-28.81
Andhra Pradesh (August 10)	58289	95159	-38.75
Madhya Pradesh (August 12)	616000	574000	7.32

Uttar Pradesh (August 14)	411000	352000	16.76
Rajasthan (August 16)	160600	130000	23.54

On the import front, some import contracts have been done during second week of August 2011 at \$800-05/ton and now Myanmar government has reduced export tax on pulses from 5% to 2% to make Burmese exports competitive in international market. Significant decline in export tax has reduced C&F quotes of Burmese urad in last couple of days from US \$810/ton to US \$780/ton. Due to the steep decline in C&F quotes, Indian importers are finding parity of around Rs 30-50/qtl and this will further increase import activities in the days ahead. But since India is expected to harvest good crop during current year (due to increased acreage during current year and good weather till date), therefore international urad prices are expected to remain range bound with slight weakness in near term.

Market Outlook:

Progress of monsoon is to be watched very carefully in the coming weeks as progress of monsoon will determine direction of urad prices as deviation in monsoon will have a negative impact on output and hence move urad prices in northwards direction.

Price Outlook for Burmese Urad at Mumbai Market:



Candlestick pattern shows that prices could not sustain at higher levels as sellers made impressive comeback at higher levels. 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. MACD is moving down in negative zone, hinting for further weakness in urad prices.

S2	S1	PCP	R1	R2
3500	3525	3650	3850	3900
Call	Entry	T1	T2	SL
SELL	3680-3700	3560	3525	3740

Domestic & International Prices:

Centre	Variety	Prices (Rs/Qtl)			
		17-08-2011	10-08-2011	16-07-2011	17-08-2010
Mumbai	Burmese FAQ	3650	3700	3775	5250
Delhi	Burmese FAQ	3850-3900	3900	4000	5250
Chennai	Burmese FAQ	3675	3650	3650	5050
	Burmese SQ	4200	4150-4175	4150-4175	5500
Indore	Desi	3700-3800	3600-3700	3800	4200
Vijayawada	Polished	4250	-	4550-4650	5800
Jalgaon	Desi	4000-4200	4000-4200	4000-4200	5000-5200
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese FAQ	780	800	815-820	990
	Burmese SQ	875	900	915-920	1090

Processed Urad Rates:

Centre	Prices (Rs/Qtl)			
	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Jalgaon	5600-5700	5600	5700-5800	7000
Bikaner (Split)	5000	4850	5200	6500
Indore	6100-200	6100-6200	6200	7500

Lentils (Masoor)

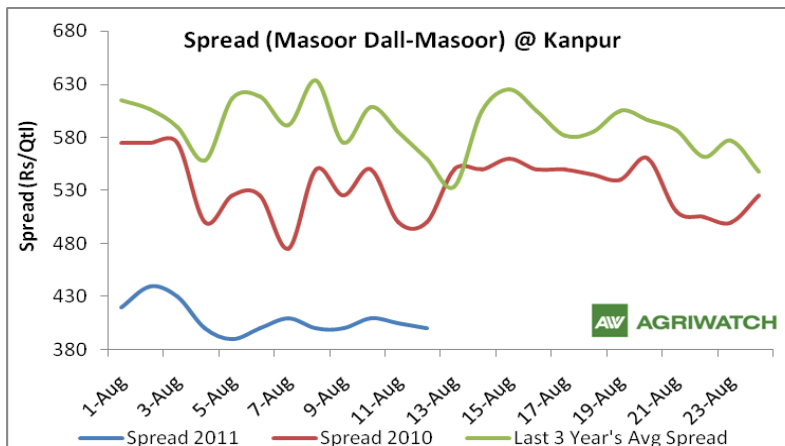
Market Recap:

Desi masoor witnessed steady to firm sentiments during the week ending August 17, 2011 due to the little buying support at lower price levels near Rs 2770/qtl. Moreover, around 26 containers of lentils have arrived at Mumbai port from Canada during this month and this has further added to the supply pipeline thus restricting major uptrend in prices.

Current Market Dynamics & Outlook:

Desi masoor is currently trading at its bottom levels and due to this, little demand has originated from processors front. But trade participants are not expecting significant improvement in demand and due to this, masoor is currently trading range bound (Rs 2730-2870/qtl) from last couple of months.

Due to the dull demand, spread between masoor and masoor dall has come down to Rs 400-430/qtl during August 2011 compared to the last year's spread of Rs 490-550/qtl and last 3 year's average spread of Rs 550-600/qtl respectively during the same period. Since masoor prices are



already trading at lowest levels and dramatic decline is also recorded in spread between masoor & masoor dall during current year, therefore it is expected that spread might go towards last three year's average spread level in coming weeks. But since demand for the commodity is limited, thus prevailing spread might not touch average spread level of last 3 years but can reach upto current season's normal spread of Rs 450-475/qtl in the days ahead.

Market Outlook:

Desi masoor prices are expected to remain range bound with slight firmness in the coming week due to little buying support at lower levels while 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:



Masoor prices remain capped under 2730-2870 trading range. Trend to take shape in the sessions ahead. 2730, on the lower side is the capable support whereas 2870 holds importance as an immediate resistance. 2730-2870 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
2730	2785	2800	2870	2910
Call	Entry	T1	T2	SL
WAIT				

Domestic & International Prices:

Centre		03-08-2011			
	Variety	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Mumbai	Red Lentils	2550-2700	2550-2600	2650-2725	3400
Delhi	Chanti Export	3850-3900	3850-3950	4050-4075	4600-4700
	MP/ Kota Line	2650-2800	2650-2750	2700-2900	3150-3200
	UP/ Sikri Line	3000-3050	2950-3000	3100-3200	3500
Kanpur	Mill Delivery	2800	2800	2780	3400
	Bareilly Delivery	2840	2830	2820	3460
Indore	Masra	2800	2825	2800	3500
International Prices at Chennai Port (\$/Ton)					
Chennai	Laird Lentils	590	630	530	-

Processed Masoor Rates:

Centre	Prices (Rs/Qtl)			
	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Kanpur (Malka)	3200	3200	3200	3950
Indore	3400	3425	3500	4050
Delhi (Badi Masoor)	3350-3400	3300-3350	3500-3550	3650
Delhi (Choti Masoor)	3800-3900	3850-3900	3900-4000	4600-4650
Katni	3100-3325	3125-3325	3100-3300	-

Green Gram (Moong)
Market Recap:

Mixed sentiments witnessed in most of the markets during the week ending August 17, 2011. Little buying support recorded at lower levels and this had supported moong prices to some extent but significant improvement is not expected in demand in coming days and this had restricted major uptrend in moong prices.

Current Market Dynamics & Outlook:

Desi moong is currently trading at its lowest levels and demand for the commodity remained sluggish and this has resulted into range bound movement of moong prices. Since seeded area during current year is lower but weather remains favorable till date in all the key producing states which favors for better yield of the commodity. However, if we assume that yield will remain equivalent to last year's figure (only if weather will further remains normal during remaining crop development stages) then also

output during current year will be lower by around 16% compared to normal output of 1.2 million tonnes which will made India to rely heavily on imports.

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 16)	391643	611553	-35.96
Karnataka (August 16)	259000	377000	-31.30
Andhra Pradesh (August 10)	166254	283747	-41.41
Rajasthan (August 16)	971900	948000	2.52
Madhya Pradesh (August 12)	116000	101000	14.85

At the global front, Myanmar government has reduced export tax on pulses from 5% to 2% to make Burmese exporters competitive in international market. Despite of the significant decline in export tax, C&F quotes of Burmese moong remained unchanged at \$785-90/ton at Mumbai port. However, Indian importers are finding parity of close to Rs 150/qtl and if demand emerges in near term, then we might witness some import activities in the days ahead. However, since importers are finding parity and India is expected to harvest less crop during coming season therefore international moong prices are not expected to go beyond current levels.

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 as any deviation in monsoon will have a negative impact on production which in turn adds firmness to the prices.

Price Outlook for Desi Moong at Jaipur Market:


Moong prices breached trading range of 4000-4500. Candlestick pattern shows selling interest in the market. Closing of prices well below 9 & 18 days EMA's also supports weakness in moong prices. MACD is moving down in negative, thus warranting cautious to the bulls. RSI is also declining in neutral zone, hinting for further weakness in moong prices.

S2	S1	PCP	R1	R2
3650	3680	3800	4000	4050
Call	Entry	T1	T2	SL
SELL	3800-3850	3720	3690	3870

Domestic Prices:

Centre		Prices (Rs/Qtl)			
	Variety	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Mumbai	Annaseva	3850	3800	-	4000
Chennai	Pedishwa	5000	5000	5000	5800
Delhi	Gujarat	-	-	4800	-
	M.P	4650	4650	4600	-
Indore	Chamki	4200	4400	4200	5400
Kanpur	Desi	3650	-	3500-4000	-
Jaipur	Desi	3800	3800	4225	5500

Processed Moong Rates:

Centre	Prices (Rs/Qtl)			
	17-08-2011	10-08-2011	16-07-2011	17-08-2010
Jalgaon	5700-5800	5700-5800	5600-5700	7700
Bikaner (Split)	5200-5600	5100-5300	5600	6500
Indore	5700-2800	5700-5800	6200	6000

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