

Highlights of the week:

- Mixed trend witnessed in pulses during the week ending August 24th.
- Demand for both chana and peas reportedly dull at current price levels.
- Commencement of new crop arrival of moong from Maharashtra tried to weigh on its prices.
- Owing to the excess rainfall in adjoining areas of MP & UP, concerns of yield loss in urad crop has arisen.
- Supply shortage of bold quality urad in Chennai market and purchase tender of 6000 tonnes of urad dall from TamilNadu govt. supported urad prices.
- Acreage under tur, urad and moong till August 19, 2011 is reported at 35.88 lakh ha, 21.13 lakh ha & 22.33 lakh ha compared to the previous year's area of 42.82 lakh ha, 22.18 lakh ha & 26.80 lakh ha respectively.
- Harvesting of lentils and peas has been started in Canada.
- Tanzania government refused the proposal of lifting ban on export of food items.

Chickpeas (Chana)

Market Recap:

Mostly firm trend witnessed in chana prices during the week ended August 24, 2011 as compared to the last week. Significant improvement in chana prices at NCDEX and expected lower crop from Australia has supported domestic chana prices.

Current Market Dynamics & Outlook:

Consistent improvement in chana prices over NCDEX is currently manipulating spot chana prices. But on contrary, demand for the commodity generally remains weak during the month of August and since prices are hovering near season's high and this has made buyer's little hesitant in paying such higher prices, resulting in decline in demand at higher levels. But as demand for the commodity gradually improves from September onwards and in view of this, trade participants are not expecting major fall in chana prices rather they are optimistic for further improvement in its prices in near term due to the commencement of festive season.

Another supporting factor for improvement in domestic prices is the concerns of supply shortage in international markets due to the fewer crops in largest exporter Australia. In addition to this, expected lower crop in Canada & US and export ban from Tanzania has also reduced availability in global markets, raising the prospects of supply crunch and hence supporting the chickpeas prices.

Below mentioned table shows Canadian & Australian chickpeas outlook:

	Area Harvested (000 hectares)		Yield (t/ha)		Production (000 tonnes)		Exports (000 tonnes)	
	Australia	Canada	Australia	Canada	Australia	Canada	Australia	Canada
2009-10	429	30	1.14	2.49	487	76	459	66
2010-11	546	77	0.69	1.67	379	128	364	95
2011-12	303	40	1.27	1.63	385	65	309	50

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 buying 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. Buying on dips is advisable.

S2	S1	PCP	R1	R2
2935	2960	3160	3210	3250
Call	Entry	T1	T2	SL
BUY	3025-50	3140	3170	2975

Futures Technical (NCDEX):


Chana chart pattern forms double bottom as prices bounce back from 3258 levels. Chana prices are further expected to touch neck line support level of 3048. Negative divergence in RSI and Volume also supports bearish sentiments. Further fall below neck line support level might force chana prices to touch primary trend support level of 2855 in the weeks ahead.

Strategy: Sell on recoveries.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Chana	NCDEX	September	3020	3048	3182	3258	3275
Intraday Trade Call			Call	Entry	T1	T2	SL
Chana	NCDEX	September	SELL	3180-3200	3100	3048	3220

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)			
	Variety	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Mumbai	Australian	2775-2900	2750	2550-2575	2250
Delhi	Rajasthan	3160	2975	2950	2250
	Madhya Pradesh	3175	2985	2960	2250
Bikaner	Desi	3025	2900	2850	2220
Indore	Kantewala	3160	3075	2900-2950	2175
Kanpur	Desi	3240	3100	3000	2250
Latur	Gauran	Closed	2600-2800	2550-2600	-
	Annagiri	Closed	3000-3050	2900	-
	G-12	Closed	2850	2750	-

Centre		Arivals (Bags per Quintal)			
	Variety	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Delhi	Rajasthan	35-40	30	40-45	35
	Madhya Pradesh	35-40	30	40-45	35
Bikaner	Desi	-	-	-	-
Indore	Kantewala	4000-5000	300-400	1000	3000
Latur	Gauran	Closed	100	200	-
	Annagiri	Closed	50	100	-
	G-12	Closed	100	100-200	-

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

Processed Chana Rates (Dal):

Centre	Prices (Rs/Qtl)			
	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Jalgaon	3800-3900	3600-3700	3600-3700	2900

Latur	Closed	3300	3200	-
Kanpur	3700	3500	3420	2650
Bikaner	3600	3450	3400	2550
Indore	3925	3750	3600-3900	2950
Delhi	3750-3775	3450-3525	3400-3500	2725
Gulbarga	3800-3900	3650-3700	3650-3700	-

Peas (Matar)

Market Recap:

Mostly firm trend witnessed in both desi and imported peas prices during the week ending August 24, 2011. Supply shortage of the commodity in domestic markets and steep improvement in chana prices influenced peas prices throughout the week.

Current Market Dynamics & Outlook:

Peas fundamentals remained unchanged during the week as supply shortfall and regular demand for the commodity are currently supporting peas prices in domestic markets. While consistent improvement in chana prices in domestic markets is also adding support to peas prices.

Since we have to rely on imports to fulfill domestic requirement, therefore Canadian (world's largest exporter of peas) peas outlook will influence prices in both domestic and international market. Due to the steep fall in Canadian peas production, expected exportable surplus during 2011-12 has fallen by around 40% to 18 lakh tonnes compared to the previous year's exportable surplus. Since same scenario also took place in 2009 (exporting surplus during 2009 reduced by 23% compared to 2008) and C&F prices at Mumbai rose by 27% to \$ 330/ton in 2009 (average prices during Oct-Dec) compared to 2008. Considering the sharp fall in exportable surplus during 2011 (worse than that happened in 2009), we expect around 30% jump in C&F prices at Mumbai market during 2011 (average prices Oct-Dec) compared to last year's C&F prices of \$ 335/ton during the same period which comes at around \$435-450/ton respectively.

Below mentioned table represents impact of change in exportable surplus on C&F prices at Mumbai:

Year	Canadian Exportable Surplus (000 tonnes)	% Change to last year	C&F @ Mumbai (\$/ton)	% Change to last year
2008	2826		260	
2009	2178	-23	330	27
2010	3000	38	335	2
2011	1800	-40	435-450	30

Market Outlook:

Peas prices are expected to remain on higher side in anticipation of supply shortfall in both domestic and international markets.

Price Outlook for Canadian Yellow Peas at Mumbai Market:



Candlestick pattern shows buying interest in the market. Closing of prices above 9 & 18 days moving average suggests firmness in the market. RSI is rising in neutral zone, hinting at further improvement in prices. MACD is 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	2041	2125	2140
Call	Entry	T1	T2	SL
BUY	2000-2020	2080	2100	1960

Domestic & International Prices:

Centre		Price (Rs/Qtl)			
	Variety	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Mumbai	White American	2081-2091	2030	2120	1675
	White Canadian	2031-2041	2011	2041	1641
	Green American	2400-2500	2400-2500	2500	2275-2300
	Green Canadian	2100-2225	2100-2225	2200	1800-1900
Kanpur	Desi	2460	2390	2350	1860
International Prices at Chennai Port (\$/Ton)					

Chennai	Yellow Peas	475	-	-	340
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Pigeon pea (Tur)

Market Recap:

Mostly steady to firm sentiments witnessed in domestic and imported tur prices during the week ending August 24, 2011. Little buying support at lower levels and overall weak sowing during current year supported tur prices to some extent.

Current Market Dynamics & Outlook:

Demand for the commodity is not so much responsive but since tur was trading at bottom levels and this has encouraged buyers to procure fewer quantities from the markets, resulted in slight improvement in its prices. As overall sowing of the commodity during current year is less by 16.2% to 35.88 lakh hectares (till August 19, 2011) but still prices are moving range bound between Rs 3400-3500/qtl (Gulbarga market) from last couple of months. However, present condition of standing crop is reported well till date but distribution of rainfall in coming days will determine the actual deviation in yield. At the same time, the important factor is that is yield during current year will remain equivalent to last year, then also we will harvest comparatively less crop (by around 7%) compared to the normal production level of 25-26 lakh tonnes, which indicates that prices might get support in near term.

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, tur C&F quotes unexpectedly jumped by \$35/ton (Mumbai market) after reaching to lowest level of \$ 585/ton. Some demand from Indian sub-continent at lower levels has put cap on falling tur prices. Although, Myanmar government has reduced export tax by 3% but it did not have any impact on tur prices and also will not impact in near term for the reason that tur is already trading near to the bottom levels.

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		Prices (Rs/Qtl)			
	Variety	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Mumbai	Burmese Lemon	2900	2750	3000	3400
Delhi	Burmese Lemon	3125	2950-3000	3050-3100	3500
Chennai	Burmese Lemon	2800-2850	2700-2750	2800	3500-3525
Gulbarga	Red	3450	3500	3200-3500	3400

Latur	Red	Closed	3000-3300	3000-3300	3300-3570
Jalna	Red	2200-2500	2200-2500	2200-2600	3250-3350
Jalgaon	Red	3000-3300	3000-3300	3000-3300	3500-3550
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese Tur	620-625	-		800

Centre		Arrivals (Bags per Quintal)			
	Variety	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Gulbarga	Red	4000	7700	3400	6000
Latur	Red	Closed	300	600	800
Jalna	Red	-	-	100	400
Jalgaon	Red	100-200	100-200	100-200	-

Black Matpe (Urad)

Market Recap:

Desi and imported urad witnessed steady to firm sentiments during the week ending August 24, 2011. Little buying support at lower levels and reports of crop damage in adjoining areas of UP & MP has supported domestic urad prices.

Current Market Dynamics & Outlook:

Excess rainfall in key urad growing regions of UP & MP has raised the concerns of yield loss in the standing crop. However, standing crop condition is reported well in southern parts of the country but since overall area during current year is less by 4.75% to 21.13 lakh hectares (till Aug 19, 2011) compared to the last year and reports of yield loss from MP & UP have given chance to sellers to push the prices. Moreover, supply crunch of bold quality urad in Chennai market and issue of purchase tender for 6000 tonnes of urad dall (gotta) by TamilNadu government also supported urad prices to some extent.

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, C&F prices remain almost unchanged at \$ 780-790/ton and are further expected to remain steady with slight firmness in near term but any deviation in monsoon in India will spark both domestic and international prices.

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 lower levels as buyers made impressive comeback at lower 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 up in negative zone, hinting for possible improvement in urad prices.

S2	S1	PCP	R1	R2
3500	3525	3675	3850	3900
Call	Entry	T1	T2	SL
BUY	3600-20	3710	3735	3550

Domestic & International Prices:

Centre		Prices (Rs/Qtl)			
	Variety	24-08-2011	17-08-2011	25-07-2011	25-08-2010

Mumbai	Burmese FAQ	3675-3700	3650	3725	4850
Delhi	Burmese FAQ	3900-3925	3850-3900	3900	4950
Chennai	Burmese FAQ	3750	3675	3650	4800
	Burmese SQ	4350	4200	4150	5400
Indore	Desi	3700-3800	3700-3800	3800	4200
Vijayawada	Polished	4700	4250	4350-4400	5400
Jalgaon	Desi	4000-4200	4000-4200	3950	4000-5000
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese FAQ	790-800	780	805	920
	Burmese SQ	890	875	905	1120

Processed Urad Rates:

Centre	Prices (Rs/Qtl)			
	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Jalgaon	5600-5700	5600-5700	5700	7000
Bikaner (Split)	4900	5000	5050	6600
Indore	6200-6300	6100-200	-	7200

Lentils (Masoor)

Market Recap:

Desi masoor witnessed steady to firm sentiments during the week ending August 24, 2011 due to little buying support near Rs 2800-2810/qtl levels. However, arrival of imported masoor in domestic markets added to the supply line but despite this, masoor prices got support at bottom levels.

Current Market Dynamics & Outlook:

Since masoor was trading at bottom levels near Rs 2760-70/qtl during last week and this has motivated buyers to purchase the commodity which has put cap on falling masoor prices. However, trade participants are not projecting any major uptrend in masoor prices due to the sufficient availability of the commodity in domestic markets.

On the global front, harvesting of lentils has been started in Canada and average yields in different parts of Saskatchewan for lentils is predicted as 1000 lbs/ac in Southeastern, 1300 lbs/ac in Southwestern & West-Central and 1100 lbs/ac in East-Central. Due to the lower acreage during current year, lentils output in Canada is expected to decline to 13.75 lakh tonnes compared to previous year's output of 19.47 lakh tonnes but despite of this, exportable surplus will remain unchanged at 12 lakh tonnes during 2011-12.

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 breached 2730-2870 trading range. Two consecutive closes above 2870 levels will further move masoor prices in northwards direction. Closing of prices above short term 9 and 18 days EMA's hints for further improvement in prices. Rising MACD & RSI also supports firmness in masoor prices.

S2	S1	PCP	R1	R2
2830	2850	2930	3010	3030
Call	Entry	T1	T2	SL
BUY	2900-2930	2980	3000	2860

Domestic & International Prices:

Centre	03-08-2011			
	Variety	24-08-2011	17-08-2011	25-07-2011
				25-08-2010

Mumbai	Red Lentils	2550-2700	2550-2700	2525-2625	3475
Delhi	Chanti Export	4000-4025	3850-3900	3950-4000	4650-4750
	MP/ Kota Line	2700-2925	2650-2800	2700-2850	3250
	UP/ Sikri Line	3050-3100	3000-3050	3000-3050	3500-3550
Kanpur	Mill Delivery	2930	2800	2820	3340
	Bareilly Delivery	2990	2840	2860	3410
Indore	Masra	2900	2800	2900	3450
International Prices at Chennai Port (\$/Ton)					
Chennai	Laird Lentils	590	590	-	-

Processed Masoor Rates:

Centre	Prices (Rs/Qtl)			
	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Kanpur (Malka)	3340	3200	3200	3900
Indore	3450	3400	-	4000
Delhi (Badi Masoor)	3600-3650	3350-3400	3400-3450	3900
Delhi (Choti Masoor)	3900-4000	3800-3900	3900-3950	4650-4700
Katni	3225-3350	3100-3325		

Green Gram (Moong)
Market Recap:

Steady to weak sentiments witnessed in most of the markets during the week ending August 24, 2011. Commencement of new crop arrival from Maharashtra amid sluggish demand of the commodity weighed on domestic moong prices.

Current Market Dynamics & Outlook:

New crop arrival has started in Maharashtra but with the excess moisture level. As per the trade participants, around 15-30% of moisture level is reported in new crop against normal moisture level of 10%, resulted in weak demand for new crop also. But arrival of new good quality crop in Maharashtra is likely to be on its full pace from second week of September which will weigh on domestic moong prices. In addition to this, few markets of Rajasthan have also received new crop (early sown crop) but in limited quantity.

As government has fixed MSP for moong at Rs 3500/qtl plus additional incentive of Rs 500/qtl which comes at total Rs 4000/qtl for current season but on contrary, moong is currently prevailing between Rs

3800-4000/qrtl which indicates that there are very few chances for further decline in domestic moong prices from current levels.

Moreover, seeded area during current year is already less by around 16% to 22.33 lakh hectares compared to the last year and fall in area will also supported uptrend in domestic moong prices as we will have to rely on imports to bridge the gap.

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

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 remain capped under 3800-4400 trading range. Trend to take shape in the sessions ahead. 3800, on the lower side is the capable support whereas 4400 hold importance as an immediate resistance. 3800-4400 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
3720	3800	4000	4400	4450
Call	Entry	T1	T2	SL
WAIT				

Domestic Prices:

Centre		Prices (Rs/Qtl)			
	Variety	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Mumbai	Annaseva	3850-3875	3850	3900	-
Chennai	Pedishwa	5150	5000	5000	4700
Delhi	Gujarat	-	-	4800	-
	M.P	-	4650	4600	-
Indore	Chamki	4200	4200	4200	3800
Kanpur	Desi	-	3650	3450-3750	-
Jaipur	Desi	4000	3800	4000	4500

Processed Moong Rates:

Centre	Prices (Rs/Qtl)			
	24-08-2011	17-08-2011	25-07-2011	25-08-2010
Jalgaon	5700-5800	5700-5800	5800-5900	6000
Bikaner (Split)	4800-5000	5200-5600	5300-5500	6300
Indore	5500-5600	5700-2800	-	5200

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