

Highlights of the week:

- Sowing of tur in Myanmar is almost completed while sowing of Urad expected to start September end onwards.
- Overall Kharif 2011 pulses output expected to remain on lower side due to lower sown area as well as some reports of crop damage in Maharashtra and MP due to rains.
- Comfortable stocks of Tur and Urad in Myanmar.

Kharif 2011 sowing progress:

Pulses	Area as on Sept 2nd, 2011	Same Period Last Year	% Change
Arhar	37.06	44.2	-16.2
Moong	22.94	27.69	-17.2
Urad	22.13	23.85	-7.2
Total pulses	103.46	115.75	-10.6

State wise Sowing Progress of Kharif Pulses:

Tur (Pigeon Pea)

State	Current Year's Area in Hectares	Area in same period last year in Hectares	% Change
Maharashtra (August 30)	1191682	1368943	-12.9
Rajasthan (August 30)	20500	21000	-2.4
Madhya Pradesh (August 30)	490000	487000	0.6
Andhra Pradesh (August 30)	394000	630000	-37.5
Karnataka (August 30)	751000	854000	-12.06

Moong (Green Gram)

State	Current Year's Area in Hectares	Area in same period last year in Hectares	% Change
Maharashtra (August 30)	393248	611876	-35.73
Rajasthan (August 30)	1023100	1050000	-2.56
Madhya Pradesh (August 30)	177000	96000	84.38
Andhra Pradesh (August 30)	176000	263000	-33.08
Karnataka (August 30)	272000	383000	-28.98

Urad (Black Matpe)

State	Current Year's Area in Hectares	Area in same period last year in Hectares	% Change
Maharashtra (August 30)	332173	498239	-33.33
Rajasthan (August 30)	162700	128000	27.11
Madhya Pradesh (August 30)	617000	585000	5.47
Andhra Pradesh (August 30)	66000	81000	-18.52
Karnataka (August 30)	85000	119000	-28.57

Chickpeas (Chana)

Market Recap:

Chana prices mostly featured a firm tone during the week ending September 7th on regular demand and restricted supply in the markets. Improved sentiments for peas further lend support to chana prices during the period besides firm chana sentiment internationally.

Current Market Dynamics & Outlook:

Amid regular demand of the commodity in the markets following improved buying support from wholesalers/retailers for processed chana i.e. dal and besan supported the sentiment during the week. The average weekly prices of chana in bench mark market “Lawrence Road” (Delhi) increased by 2.4 per cent to Rs3240/Qtl as compared to last week’s average prices while the processed chana particularly dal prices surged by 2.7 per cent to Rs3800/Qtl (average weekly) as against last week’s average prices of Rs 3700/Qtl.

Lower arrivals in bench mark market “Lawrence Road” further added firmness. Total supplies in Lawrence road during the week declined to 215 motors (1 motor = 15 tons) compared to 400 motors last week. Holding back of stocks by stockists/traders in anticipation of further increase in chana prices attributed to the fall in arrivals in Lawrence road.

However, according to the sources, buyers are now restricting their buying at higher price level which would act as a bearish factor moving forward besides expectation of offloading of stocks by stockists/traders at higher prices levels (above Rs3200/Qtl).

Meanwhile, higher international prices particularly for Australian chickpeas at around US \$ 700/MT C&F Mumbai on supply concerns internationally also added to the firm tone. This year in Australia, production of chana is also expected to remain below the normal and domestic (Australian) usage also increased due to which exportable quantity is expected to decline from last year’s level, which may create supply shortage internationally and would continue to support the prices.

Following table shows the 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:

We expect chana prices to remain range bound with slight weakness on restricted buying at higher price levels and expected improved supplies. However, festive season demand may restrict major fall in prices.

Technical Analysis – Delhi Chana Spot Prices:



As evident from the above weekly chart, chana prices in uptrend and prices are near its historical highs of 3326 level, which will act as a stiff resistance level from where some correction is expected in prices. Breaching the same above may take the prices to new historical highs. RSI in extreme overbought condition which suggests for a correction in prices. Other indicators like W%R also hint for a weak market.

We expect Delhi spot chana prices to correct near the historical highs of 3326 level.

S2	S1	PCP	R1	R2
3161	3184	-	3326	3368
Call	Entry	T1	T2	SL
SELL	3326	3222	3184	-

Futures Technical (NCDEX):



As evident from the above chart, rising wedge formation in the chart which signifies weakness in prices. Also market is losing strength at higher levels as evident from the candlestick formations. Volume also remains unsupportive for increase in prices. 3375 and 3448 levels acting as a key support and resistance level, breaching either side may give prices new direction. Oscillator RSI is about to enter into the overbought territory which further hints for a possible decline in prices.

Strategy: Wait or take positions on breaching the mentioned levels (3375 below & 3448 above).

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Chana	NCDEX	September	3325	3375	3408	3448	3478
Intraday Trade Call			Call	Entry	T1	T2	SL
Chana	NCDEX	September	Wait	-	-	-	-

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)			
	Variety	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Mumbai	Australian	-	3000	2550-2725	2240-2250
Delhi	Rajasthan	3275	3175	2975	2225-2230
	Madhya Pradesh	3300	3200	2990	2225-2230
Bikaner	Desi	3150	3100	2920	2150
Indore	Kantewala	3300	3175-3200	3000	2170-2180
Kanpur	Desi	3470	3350	3070	2280
Latur	Gauran	3000	-	2600-2650	2050-2250
	Annagiri	3400	-	2950-3000	2200
	G-12	-	-	2750	2175

Centre		Arivals (Bags per Quintal))			
	Variety	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Delhi	Rajasthan	35-40	100	40-45	60
	Madhya Pradesh	35-40	100	40-45	60
Bikaner	Desi	-	-	-	-
Indore	Kantewala	5000	4000-5000	2000	-
Latur	Gauran	-	-	100	300
	Annagiri	-	-	50	200
	G-12	-	-	100	300

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

Processed Chana Rates (Dal):

Centre	Prices (Rs/Qtl)			
	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Jalgaon	4100-4200	3900-4000	3600-3700	2850
Latur	-	-	3300	2700
Kanpur	3950	3800	3480	2650
Bikaner	3850	3700	3500	2550
Indore	3300	-	3750	2700-2800
Delhi	3850-3925	3725-3775	3425-3525	2700
Gulbarga	4250-4300	3900-4000	-	-

Peas (Matar)

Market Recap:

A firm tone featured in both desi and imported peas prices during the week. Reportedly regular demand and supply shortage both domestically and internationally supported the firm tone.

Current Market Dynamics & Outlook:

Peas fundamentals remained unchanged during the week as supply shortfall and regular demand for the commodity are supporting peas prices in domestic markets. Since we mostly rely on import to fulfill the demand-supply mismatch so, the strong international fundamentals like lower crop output in key exporting country Canada and lower exportable surplus are further supporting the Indian peas prices.

Meanwhile there were some shifting of demand is reported last week from Canadian origin yellow peas to Ukrainian origin due to which the price offers of Ukrainian origin increased to \$415-420/MT as compared to last week's prices of \$410/MT. Lower crop output for Ukrainian peas (around 3.8 lakh tones as compared to 5 lakh tonnes last year) further boosted the prices besides supply shortage in the key peas exporting country Canada and the US.

Market Outlook:

Domestic peas prices are expected to remain firm in coming week on tight supply both domestically and internationally as well as higher parity of imported peas.

Price Outlook for Canadian Yellow Peas at Mumbai Market:



As evident overall prices trend remains up and intact. Prices are sustaining above the key support level of 2049, breaching the same will take the prices towards 1900 level. Key resistance can be seen at 2132

level. RSI is in overbought territory which warranting cautions to the bulls.

We expect yellow peas prices to remain range bound and sideways between 2049 – 2132 level breaching either side will give prices new direction.

S2	S1	PCP	R1	R2
1990	2049	2071	2132	2171
Call	Entry	T1	T2	SL
Buy	2049	2096	2128	2025

Domestic & International Prices:

Centre		Price (Rs/Qtl)			
	Variety	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Mumbai	White American	2130-2140	2080-2090	2050-2060	1591-1600
	White Canadian	2071	2041	2021-2025	1561
	Green American	2550	2500	2500	2200-2400
	Green Canadian	2325	2300-2350	2100-2225	1800-1900
Kanpur	Desi	2480	2480	2360	1860-65
International Prices at Chennai Port (\$/Ton)					
Chennai	Yellow Peas	475	475	475	375

Pigeon pea (Tur)

Market Recap:

A steady to firm tone featured in key tur markets during the week ending September 7th. So far lower sown area and renewed demand supported the sentiment.

Current Market Dynamics & Outlook:

Both imported and domestic tur prices surged during the week amid improved buying interest and lower sown area so far this Kharif 2011. The average Tur prices in Mumbai (imported) and Akola (local) increased by Rs 90-100/Qtl each as compared to last week's prices. In tandem with the rising tur prices domestically, international offers for Burmese lemon tur also increased during the week. Currently Burmese Lemon tur is offering at US \$ 660/MT up by \$10-15/MT compared to last week.

Meanwhile on sowing front, overall sown area under tur as of September 2nd, 2011 is down by 16.15 per cent to 37.06 lakh hectares as compared to same period last year. Overall sown crop in the key growing regions is reportedly in good condition except in few regions of Maharashtra where some damage is reported which is sown after 1st week of August due to heavy rains while in rest of the states prevailing weather favours good crop growth.

In Myanmar, reportedly the sowing of the commodity is almost completed and the sown area is normal to above normal. Weather condition also reported favourable for germination as well as early vegetative growth of tur crop. Meanwhile, stocks are also reported good at around 200,000 tonnes in Myanmar mainly due to lower exports during the last fiscal year (Apr'10 – Mar'11).

Market Outlook:

Domestic Tur prices are expected to remain range bound with slight firmness in coming week on expected lower production this Kharif 2011 and renewed buying interest. Internationally, exporters may exploit the Indian situation to their advantage and may higher the prices.

Price Outlook for Tur at Gulbarga Market:



As reflected in the chart prices are moving range bound and sideways between 3386-3677 level which is also acting as a good support and resistance level. Breaching either side will give prices new direction. Short term EMAs (9 & 18 days) also hints for a sideways trade.

We expect Tur prices to remain range bound and sideways during coming week. Breaching either side of the mentioned would give prices new direction.

S2	S1	PCP	R1	R2
3237	3386	3550	3677	3820
Call	Entry	T1	T2	SL
Wait	-	-	-	-

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)			
	Variety	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Mumbai	Burmese Lemon	3081	2975	2800	3475
Delhi	Burmese Lemon	3250	3150	3000	3400
Chennai	Burmese Lemon	3050	2900-2950	2800	
Gulbarga	Red	3550	3470	3500	3550
Latur	Red	3200-3500	-	3000-3300	3700
Jalna	Red	2300-2600	-	2200-2500	3300-3350
Jalgaon	Red	3000-3300	3000-3300	3000-3300	3500-3800
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese Tur	660	650-655	630-635	800

Centre		Arrivals (Bags per Quintal)			
	Variety	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Gulbarga	Red	9000	4000	2000	3000
Latur	Red	-	-	200	1000
Jalna	Red	-	-	-	300
Jalgaon	Red	100	100	100	-

Black Matpe (Urad)
Market Recap:

Urad continued its firm trend during the week on concerns of crop damage in central India as well as lower sown area so far this Kharif 2011 besides some buying support.

Current Market Dynamics & Outlook:

Both imported and desi (local) urad prices traded firm during the period on some renewed buying interest coupled with so far lower sown area this Kharif 2011. As per the latest data of ministry of agriculture sown area under urad crop as of September 2nd declined by 7.21 per cent to 22.13 lakh hectares as compared to area in same period last year which supported the sentiment besides concerns of crop damage (mainly quality related issue is expected currently) in MP, Maharashtra and Uttar Pradesh due to heavy rains where the crop is in pod formation to early maturity stage. However, if the rains continue then there could be possibilities of yield loss also besides delay in harvesting of the crop.

Meanwhile, international price quotes for Urad FAQ and SQ remained stable at last week's level of US \$ 830 and 925-930 per MT during the period on reportedly comfortable stocks in Myanmar. Also market participants, mainly exporters, are adopting wait and watch situation to assess the Indian crop situation.

Furthermore, sowing of the commodity in Myanmar is expected to start from September end onwards after paddy crop harvested. Current weather condition will be very promising for urad crop.

Market Outlook:

Urad prices are expected to remain on stronger side on lower sown area and expectation of lower production as well as concerns of crop damage. Internationally, also prices are expected to hold the levels on aforesaid reasons. Meanwhile, weather over the Maharashtra and MP during coming 6-7 days will remain the key for deciding the further price movement.

Price Outlook for Burmese Urad at Mumbai Market:



As evident, prices are getting stiff resistance at 3981 level from where some profit taking is expected in prices. Good support can be seen at 3818 level from where one should go for long. Closing of prices is well above the short term EMAs supports firmness in prices. RSI also hints for upside in prices.

S2	S1	PCP	R1	R2
3731	3818	3900	3981	4100
Call	Entry	T1	T2	SL
BUY	3818-3820	3960	3981	3747

Domestic & International Prices:

Centre		Prices (Rs/Qtl)			
	Variety	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Mumbai	Burmese FAQ	3900	3825	3600	5151
Delhi	Burmese FAQ	4100-4125	4100	3900	5150
Chennai	Burmese FAQ	3925	3850	3600	
	Burmese SQ	4550	4450	4100	
Indore	Desi	-	3800	3600-3700	-
Vijayawada	Polished	4400	4250	-	5900
Jalgaon	Desi	4000-4300	4000-4200	4000-4200	5000-5500
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese FAQ	830	830	790	1000
	Burmese SQ	925	930	890	1100

Processed Urad Rates:

Centre	Prices (Rs/Qtl)			
	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Jalgaon	5700-5800	5800-5900	5600	7000
Bikaner (Split)	5300	5200	4950	6900
Indore	6300-6400	-	6000-6100	-

Lentils (Masoor)

Market Recap:

Desi masoor prices mostly witnessed steady to slightly firm tone during the week ending September 7, 2011 as renewed buying interest and declining domestic stocks supported the sentiment. Firm international sentiment further lends support to domestic lentil prices.

Current Market Dynamics & Outlook:

Renewed buying interest in the domestic market following slightly improved tone for processed masoor (dal) supported the sentiment. Reportedly gradually declining stocks in the markets further lend support to prices. However, trade participants are not projecting any major uptrend in masoor prices as they believe feel that current stocks are sufficient to meet the domestic demand till new crop arrivals. Given the situation, imports of lentils from Canada and other origin is remained subdued due to which international offering for Canadian origin lentils remained unchanged at last week's level of US \$ 590 per MT despite firm international sentiment (expected lower crop output in Canada and in the US). Also disparity in imports further kept importers in the sidelines. This also signifies if importers enter into any fresh contract at current price offers than we may expect an upside move in the domestic prices as the landed cost would be higher than the prevailing market prices by around Rs130-150/Qtl.

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.

Price Outlook of Desi Masoor at Kanpur Market:



As reflected in the chart, prices are moving sideways and range bound between 2938-3024 level and same is also acting as a good support and resistance. Breaching either side of the mentioned level will give prices further direction. Oscillator RSI remains supportive for upside in prices.

We expect prices to remain range bound and sideways during the coming week.

S2	S1	PCP	R1	R2
2852	2938	2970	3024	3129
Call	Entry	T1	T2	SL
Wait	-	-	-	-

Domestic & International Prices:

Centre		03-08-2011			
	Variety	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Mumbai	Red Lentils	2550-2700	2500-2700	2500-2700	3375
Delhi	Chanti Export	4025-4100	4000-4050	3850-3975	4650
	MP/ Kota Line	2750-2950	2750-2950	2650-2750	3200
	UP/ Sikri Line	3100	3100	2950-3000	3500
Kanpur	Mill Delivery	2960-2970	2960	2760	3240
	Bareilly Delivery	3020	3010	2800	3275
Indore	Masra	2950	2950	2850	3475
International Prices at Chennai Port (\$/Ton)					
Chennai	Laird Lentils	590	590	630	780

Processed Masoor Rates:

Centre	Prices (Rs/Qtl)			
	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Kanpur (Malka)	3400	3400	3170	3775
Indore	3550	-	3400	-
Delhi (Badi Masoor)	3650	3550-3650	3350-3400	3800
Delhi (Choti Masoor)	3950-4050	3900-4000	3850-3900	4650
Katni	3300-3450	3250-3350	3100-3300	-

Green Gram (Moong)**Market Recap:**

Steady to slightly firm tone witnessed in most of the markets during the week ending September 7th, 2011 on some buying interest following demand for processed moong besides lower area coverage so far this kharif 2011.

Current Market Dynamics & Outlook:

New crop arrival which had started in Maharashtra from early this month is reportedly affected by the rains which supported the sentiment during the week. Quality issue in newly harvested moong further added to the firm tone. Also trade sources reveled that rains over the key growing regions of Maharashtra and MP is affecting the quality of the crop which is in maturity to harvesting stage and if rains continue there could be possibilities of yield loss in the standing crop besides the quality issue. Meanwhile, in Rajasthan where the harvesting of moong has started, IMD has predicted for increased rainfall activity over the state which may affect the harvesting as well as quality of the crop and excess rains may also lead to yield loss of the crop which is in maturity to harvesting stage. Furthermore, rains may also delay the harvesting of the crop.

In nutshell weather will remain the key factor moving forward. Increase in rainfall activity may lead to quality issue as well as affect the yield of the standing crop, which in turn result into lower crop output besides lower sown area this Kharif 2011 (down by 17.15 per cent to 22.94 lakh hectares as compare to last year).

Internationally, exporters are expected to exploit the Indian situation to their advantage and may increase the prices. Further, new pokkako moong crop will arrive in Myanmar from coming week which is expected to be good.

Market Outlook:

Moong prices are expected to remain firm on expected lower production on lower area as well as quality issue in new moong due to rains.

Price Outlook for Desi Moong at Jaipur Market:


As evident prices are mostly moving sideways. Currently prices taking support of the important level at 3984. Breaching the same below will take the prices to next support level at 3801. Short term EMAs suggests weakness in prices, while RSI supports sideways trade.

We expect prices to remain sideways in coming week.

S2	S1	PCP	R1	R2
3801	3984	4000	4198	4427
Call	Entry	T1	T2	SL
Wait	-	-	-	-

Domestic Prices:

Centre	Variety	Prices (Rs/Qtl)			
		7-09-2011	30-08-2011	7-08-2011	7-09-2010
Mumbai	Annaseva	4100	3900	3700	3700-3750
Chennai	Pedishwa	5150	5150	5000	
Delhi	Gujarat	4600-4700	4600-4700	4650	-
	M.P	-	-	-	-
Indore	Chamki	-	4300	4300	-
Kanpur	Desi	3500-3700	3300-4000	3600-3650	3450
Jaipur	Desi	4200	4200	4000	4200

Processed Moong Rates:

Centre	Prices (Rs/Qtl)			
	7-09-2011	30-08-2011	7-08-2011	7-09-2010
Jalgaon	6000-6100	5700-5800	5600-5700	6500
Bikaner (Split)	5400	5100	5200-5400	6500
Indore	5700-5800	-	5700-5800	-

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