

Highlights of the week:

- All the pulses featured a weak tone during the week.
- Commencement of new crop arrival of moong & urad from Maharashtra, Madhya Pradesh, Rajasthan and Uttar Pradesh weighed on prices besides higher moisture in new crop arrivals (Moong & Urad).
- Depreciating rupee against dollar making imports unavailable at the moment.
- NCDEX imposed special margin of 10% on long position in the entire running contract of chana at NCDEX.
- Acreage under tur, urad and moong till September 23rd, 2011 is reported at 38.64 lakh ha, 23.37 lakh ha & 23.93 lakh ha as compared to the previous year's area of 45.54 lakh ha, 24.86 lakh ha & 27.95 lakh ha respectively.
- Peas and Lentil crop harvest in Canada is near to completion while 28% of chickpeas crop harvested so far.
- Frost is likely to damage the chickpeas crop in Canada, while no impact on peas and lentil crop as harvest is almost over.

Chickpeas (Chana)

Market Recap:

Chana prices featured a weak tone during the week ending September 27th, 2011 on subdued buying interest from millers/processors at higher price levels.

Current Market Dynamics & Outlook:

Chana prices in the bench mark markets Delhi (Lawrence Road) and Indore eased by Rs 20-25 per quintal on reportedly weak demand from millers/processors at higher price level. But prices in Bikaner inched up during the period by Rs 25 per quintal on reportedly holding back of stocks by stockists/traders. Other major markets also featured a weak tone during the period on weak demand. As per the sources, poor offtake in processed chana (dal) from wholesalers and retailers at higher prices keeping millers/processors away from buying chana in the markets which pressured prices besides weakness in peas prices (both local & imported). Also declining prices for other pulses especially Kharif pulses (urad, moong & tur) further extended weakness to chana prices to some extent. However, reportedly holding back of stocks by stockists/traders are restricting/limiting the major fall in prices.

Meanwhile, sources revealed that stockists/traders who are holding chana stocks may take the advantage of higher prices to gradually liquidate their stocks which may weigh on prices. Moreover, NCDEX imposed additional margin of 10% on long position of all the running contract of chana, exerted pressure on prices.

On international front, as per the September update of ABARE, chickpeas production in Australia is expected to remain on higher by 7.2 per cent to 407,000 tonnes as compared to last year despite lower sown area as yields improved significantly this year. Australian chickpeas exports in 2011-12 are projected to decline by 12 per cent to 335,000 tonnes Y-o-Y due to increased domestic usage. On the other hand, chickpeas production in Canada is forecast to decline by 58 per cent to 54,000 tonnes as compared to last year on lower sown area as well as report of frost damage recently over the key growing areas. Both exports and carry-out stocks are also forecast to decline significantly this year. Given the situation in Australia and Canada, chickpeas supply is expected to remain tight and prices are expected to remain on higher side.

Table 1 and 2 below shows the Australian and Canadian chickpeas Area, Production and Exports –

Table 1: Australian Area, Production and Exports –

Unit in tonnes	2010-11		2011-12		5 year Average Production	Exports	
	Area	Production	Area	Production		2010-11	2011-12
Chickpeas	546000	379380	285300	406700	370224	381000	335000

Source: ABARE

Table 2: Canadian Area, Production and Exports -

Unit in tonnes	Area Harvested	Production	Exports
2008-09	51000	67000	53000
2009-10	30000	76000	66000
2010-11	77000	128000	87000
2011-12f	30000	54000	50000

Source: Agriculture and Agri-Food Canada

Market Outlook:

Chana prices are expected to remain range bound with slight weakness on restricted buying from millers/processors. Also stockists/traders are expected to gradually liquidate their stocks at higher prices which may exert pressure on prices. Price seasonality of chana also hints for correction in prices.

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



As evident, hanging man formation at the top of the chart suggests weakness in prices with confirmation on the next trading week. Other indicator like RSI and W%R also supports weakness in prices. We expect chana prices to remain weak during the coming week.

Strategy should be sell on rallies or towards resistance level.

S2	S1	PCP	R1	R2
3230	3326	3648	3655	3700
Call	Entry	T1	T2	SL
SELL	3543-3546	3426	3376	3606

Futures Technical (NCDEX):


As reflected in the chart, trend line breakout in the chart with supportive volume at the breakout day as well as confirmation on the next day suggests for a weak market ahead. Also prices tested the 38.2% retracement level at lower side at 3451 level and closing below the same will take the prices further down towards the 50% retracement level at 3375. Other indicators like RSI and short term EMAs also hints for a weak market.

Strategy: Sell on rallies

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Chana	NCDEX	October	3283	3316	3473	3537	3579
Intraday Trade Call			Call	Entry	T1	T2	SL
Chana	NCDEX	October	SELL	3473-3484	3375	3360	3540

Domestic Prices & Arrivals:

Centre	Variety	Prices (Rs/Qtl)			
		27-09-2011	20-09-2011	26-08-2011	27-09-2010
Mumbai	Australian	-	-	2950	2370
Delhi	Rajasthan	3600	3650	3150	2300
	Madhya Pradesh	3600	3675	3150	2300
Bikaner	Desi	3525	3500	3025	2200
Indore	Kantewala	Closed	3725	3150	2160
Kanpur	Desi	3825	4000	3230	2315
Latur	Gauran	Closed	3500	2900	2250
	Annagiri	Closed	4000	3200	2350
	G-12	-	-	-	2175

Centre		Arivals (Bags per Quintal))			
	Variety	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Delhi	Rajasthan	50	50	65	45
	Madhya Pradesh	50	50	65	45
Bikaner	Desi	-	-	-	-
Indore	Kantewala	Closed	8000	5000	4000
Latur	Gauran	-	-	-	1000
	Annagiri	-	-	-	1000
	G-12	-	-	-	300

Arrivals at Delhi markets are in Motors, 1 motor = 15Tonnes

Processed Chana Rates (Dal):

Centre	Prices (Rs/Qtl)			
	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Jalgaon	4700	4800	3900	3000
Latur	-	-	-	2800
Kanpur	4400	4550	3700	-
Bikaner	4400	4300	3600	2650
Indore	Closed	5000	-	3050
Delhi	4450	4700	3750	2775
Gulbarga	Closed	5200	3900	2800

Peas (Matar)

Market Recap:

A weak tone featured in peas prices during the week ending September 27th, 2011 on subdued trading activity at higher price level.

Current Market Dynamics & Outlook:

Both desi (local) and imported peas prices eased during the period on reportedly subdued trading activity. In Mumbai, Canadian origin yellow peas prices declined by Rs 20 per quintal to Rs 2250 per quintal while desi peas prices eased by Rs 40 per quintal to Rs 2610 per quintal during the period. Slightly weak undertone in chana and its product further exerted pressure on peas prices. However, overall peas sentiment like tight supply both domestically and internationally as well as depreciating rupee against dollar remains the supportive factor which may restrict any major fall in peas prices moving forward. Meanwhile, on import front no major activity reported during the period due to disparity in import following depreciation in rupee against dollar which making imports unavailable at

the moment (disparity of around Rs188-190/Qtl) due to which Peas offers during the period remained stable at last week's level of around USD 475 per MT (C&F Chennai).

On international front, harvesting of peas in key exporting country Canada is 98 percent completed, however, overall supply is expected to be much lower from last year which remain supportive for peas prices as Canada is the leading exporter of peas to India. Dun peas (Kaspa) production in Australia is also projected lower from last year. Overall, international peas prices are expected to remain strong in days to come. Following table shows the Canadian and Australian peas Area, Production and Exports –

Canadian Peas Area, Production and Export –

	Area Harvested	Production	Exports
2008-09	1582,000	3,571,000	2826000
2009-10	1487,000	3,379,000	2178000
2010-11	132,2000	3,018,000	3013000
2011-12f	900,000	2,128,000	2000000

Source: Agriculture and Agri-Food Canada; Area in Hectares, Production and Exports in Tonnes

Australian peas Area, Production and Exports –

	2010-11		2011-12		5 year Average Production	Exports	
	Area	Production	Area	Production		2010-11	2011-12
Field Peas	291,850	433,996	244,370	384,000	287,207	308,000	250,000

Source: ABARE; Area in Hectares, Production and Exports in Tonnes

Market Outlook:

Peas prices are expected to remain range bound with slight weakness in coming week on subdued trade activity at higher prices. Any weakness in chana may also exert pressure on peas prices. However, overall sentiment remains strong for peas so, no major weakness is expected.

Price Outlook for Canadian Yellow Peas at Mumbai Market:



As evident, evening doji star like formation in the chart suggests weakness in prices. Oscillator RSI remains in the overbought territory which warranting cautions to the bulls. Overall trend remains up and intact. Level 2293 is acting as a good resistance from where some profit booking is expected in the market.

Strategy: Sell on rallies or towards resistance level.

S2	S1	PCP	R1	R2
2122	2167	2281	2293	2333
Call	Entry	T1	T2	SL
SELL	2250-2255	2208	2188	2280

Domestic & International Prices:

Centre	Variety	Price (Rs/Qtl)			
		27-09-2011	20-09-2011	26-08-2011	27-09-2010
Mumbai	White American	2290	2350	2070	-
	White Canadian	2241	2281	2031	1561
	Green American	2700	2700	2500	2300
	Green Canadian	2600	2600	2300	1850
Kanpur	Desi	2610	2660	2460	1885
International Prices at Chennai Port (\$/Ton)					
Chennai	Yellow Peas	-	475	475	340

Pigeon pea (Tur)

Market Recap:

Steady to weak sentiments featured in tur prices during the week ending September 27th, 2011 amid lower buying support. Lower sown area this Kharif 2011 (down by 15%) restricts fall in prices to some extent.

Current Market Dynamics & Outlook:

Domestic tur prices in key markets traded weak during the period on dull demand from millers/processors. Reportedly comfortable stocks of tur domestically further exerted pressure on tur prices. As per the trade source, tur stocks in key domestic markets are sufficient to cater the demand till new crop arrivals which is keeping prices in check. Also weak tone in other Kharif pulses (Urad & Moong) further extended weakness to tur prices. On the other hand, this season (2011-12) tur output is expected to be lower due to 15% lower sown area which is restricting the fall in prices to some extent. Meanwhile, as per the latest crop progress data of ministry of Agriculture as of September 23rd, total sown area under tur crop is down by 15% to 38.64 lakh hectares as compared to corresponding period last year.

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 (September 23)	1209029	1370045	-11.8
Andhra Pradesh (September 21)	429000	630000	-31.9
Uttar Pradesh (September 23)	341000	344000	-0.9
Karnataka (September 9)	751000	854000	-12.1
Madhya Pradesh (August 30)	490000	487000	0.6
Rajasthan (August 30)	20500	21000	-2.4

On crop condition front, overall sown crop is in vegetative stage and weather over all the key growing regions remains favourable for further growth of the crop.

On international front, in Myanmar reportedly the sowing of tur is completed and the sown area is at par with last year's sown area and so far overall weather remains congenial for tur crop growth in Myanmar. Meanwhile, as per sources, tur stocks are over 1.25 lakh tonnes currently and prices are expected to remain in a ranged manner in coming days in Myanmar.

Market Outlook:

Tur prices are expected to remain range bound with slight weakness in coming week on subdued trading activity as well as reportedly comfortable stocks. However, expected lower crop output on lower sown area may limit the fall in prices. International offers from Myanmar for tur is expected to remain stable.

Price Outlook for Tur at Gulbarga Market:



As reflected in the chart, a falling trend line breakout supports bullish tone. However, oscillator RSI showing negative divergence with the prices which hints for short term weakness in prices. We expect tur prices to remain range bound with slight weakness during the coming week.

S2	S1	PCP	R1	R2
3513	3612	4000	4092	4205
Call	Entry	T1	T2	SL
SELL	3975-3979	3810	3725	4063

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)			
	Variety	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Mumbai	Burmese Lemon	3225	3500	2951	3625
Delhi	Burmese Lemon	3450	3700	3125	3650
Chennai	Burmese Lemon	3200	3100	2800	3500
Gulbarga	Red	Closed	4100	3521	3750
Latur	Red	Closed	4000	3225	3800
Jalna	Red	3000	3300	2500	3600
Jalgaon	Red	3600	3700	3300	4000
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese Tur	660	690	600	780

Centre		Arrivals (Bags per Quintal)			
	Variety	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Gulbarga	Red	Closed	8000	7000	5000
Latur	Red	-	-	-	2000
Jalna	Red	-	-	-	200
Jalgaon	Red	100	200	200	-

Black Matpe (Urad)
Market Recap:

Both desi and imported urad witnessed a weak sentiment during the week ending September 27th, 2011. New crop arrival with excess moisture weighs on the domestic prices.

Current Market Dynamics & Outlook:

Urad prices in most of the key markets eased during the period on start of new crop arrival and gradually increasing pace in new crop arrivals. New crop arrivals have started in Maharashtra, UP, MP and Rajasthan with current arrivals of around 10000-15000 bags in Maharashtra, 50000 in UP and around 4000-5000 bags in Rajasthan which exerted pressure on prices. The new crop arrivals are expected to increase in coming days which may further exert pressure on prices. Also the new crop arrivals contain higher moisture which is fetching at a discount currently, aiding weakness. Thus, urad prices are expected to remain on lower side till new crop arrivals with higher moisture. As per the sources, as and when good quality seed (lower or normal moisture) starts arriving in the markets, demand from processors/millers and stockists expected to improve which may support prices besides estimates of lower urad output (10-11 lakh tonnes) this Kharif 2011.

Meanwhile, in tandem with the declining urad prices domestically, international (Myanmar) quotes for urad also declined during the period by USD 80-90/MT to USD 800/MT and it is further expected to remain lower reportedly due to comfortable stocks of urad at around 1-1.25 lakh tonnes in Myanmar. Further, sowing of the commodity is likely to start soon in Myanmar and reportedly weather over Myanmar remains congenial for sowing.

Market Outlook:

Urad prices are expected to remain weak in during the coming week increasing new crop supply and higher moisture in new crop arrivals.

Price Outlook for Burmese Urad at Mumbai Market:



As reflected in the above chart, prices are sustaining just over the key support level of 3982. Breaching the same at lower side will take prices towards next support level at 3857. Oscillator RSI favours for weakness in prices while short term EMAs (9 & 18 days) supports firmness. We expect prices to remain range bound with slight weakness during the coming week.

S2	S1	PCP	R1	R2
3667	3757	4100	4098	4148
Call	Entry	T1	T2	SL
SELL	3978-3982	3857	3798	4045

Domestic & International Prices:

Centre		Prices (Rs/Qtl)			
	Variety	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Mumbai	Burmese FAQ	3925	4325	3750	4825
Delhi	Burmese FAQ	4200	4500	3925	4950
Chennai	Burmese FAQ	4150	4400	3800	4725
	Burmese SQ	4500	4800	4400	5600
Indore	Desi	Closed	4000	3700	4100
Vijayawada	Polished	Closed	4900	4400	5600
Jalgaon	Desi	4000	4400	4200	4000
International Prices at Chennai Market (\$/Ton)					
Chennai	Burmese FAQ	800	880	800	1125
	Burmese SQ	895	980	900	1225

Urad Arrival

Centre		Arrivals (Bags per Quintal)			
	Variety	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Indore	MH	Closed	500	500	-
Latur	Local	Closed	1500	-	12000
Akola	Local	2000	300	-	4000
Ashok Nagar	Local	Closed	-	100	-

Processed Urad Rates:

Centre	Prices (Rs/Qtl)			
	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Jalgaon	5700	5900	5700	7000
Bikaner (Split)	5200	5600	4900	6600
Indore	Closed	6700	-	7500

Lentils (Masoor)

Market Recap:

The commodity witnessed a weak tone during the week ending September 27th, 2011 due to subdued trade at higher prices levels (above Rs 3000/Qtl). On contrary, depleting stocks domestically restricts major fall in prices.

Current Market Dynamics & Outlook:

Prices for both imported and desi (local) masoor declined by Rs 200-250/Qtl during the period in the key markets (Mumbai & Kanpur) due to subdued trading activity from processors. Also weak tone in other pulses further extended weakness in masoor prices. However, market participants expect that no major fall is expected in prices due to depleting stocks in the markets.

On the global front, around 90-94% of lentil crop harvest is completed in Canada and there were no reports of damage to the crop due to frost. However, due to the lower sown as well as harvested area, lentils output in Canada is expected to decline to 16 lakh tonnes compared to previous year's output of 19.47 lakh tonnes but despite of this, huge carry-in stocks from last year may keep the total supply at higher side which in turn lead to higher lentil exports from Canada at around 12 lakh tonnes.

Following table shows Canadian lentils outlook:

	Area Seeded	Area Harvested	Yield	Production	Imports	Total Supply	Exports	Total Domestic Use	Carry-out Stocks
	Hectares (ha)		tons/ha	----- tonnes-----					
2008-09	706,000	700,000	1.49	1,043,000	7,000	1,102,000	973,000	97,000	32,000
2009-10	971,000	963,000	1.57	1,510,000	10,000	1,552,000	1,387,000	121,000	44,000
2010-11	1,408,000	1,336,000	1.46	1,947,000	29,000	2,020,000	1,053,000	217,000	750,000
2011-12f	1,072,000	1,022,000	1.57	1,600,000	15,000	2,365,000	1,200,000	315,000	850,000

(Source: Agriculture and Agri-Food Canada)

In Australia, despite higher sown area this year lentil production is expected to decline by 3,450 tonnes to 303,000 tonnes on slightly lower yields. However, production is significantly higher from the last 5 years average production.

Australian Lentil Area and Production:

	2010-11		2011-12		5 year Average Production
	Area	Production	Area	Production	
Lentils	158500	306450	172840	303000	135327

Source-ABARE; Area in Hectares and Production in Tonnes

Market Outlook:

Desi masoor prices are expected to remain range bound with slight weakness in the coming week on subdued trading activity. However, depleting stocks may restrict major fall in prices. Internationally

masoor prices are expected to remain steady to slightly weak due to stiff competition with Canada, US and Australia.

Price Outlook of Desi Masoor at Kanpur Market:



As evident, prices breached the key support level at 3350 and currently prices are near the next support at 3125 and breaching the same, prices are expected to go down towards the next support at 3000 level. RSI hints for weakness in prices.

S2	S1	PCP	R1	R2
2800	2875	3140	3250	3350
Call	Entry	T1	T2	SL
SELL	Below 3125	3000	-	3188

Domestic & International Prices:

Centre		Prices (Rs/Qtl)			
	Variety	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Mumbai	Red Lentils	2750	3000	2700	3500
Delhi	Chanti Export	4400	4500	4025	4750
	MP/ Kota Line	3200	3400	2925	3200
	UP/ Sikri Line	3300	3500	3100	3550
Kanpur	Mill Delivery	3150	3450	2920	3325
	Bareilly Delivery	3190	3525	2960	3365
Indore	Masra	Closed	3300	2900	3450
International Prices at Chennai Port (\$/Ton)					
Chennai	Laird Lentils	-	600	590	1100

Processed Masoor Rates:

Centre	Prices (Rs/Qtl)			
	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Kanpur (Malka)	3670	3740	3330	-
Indore	Closed	4000	-	4000
Delhi (Badi Masoor)	3800	4000	3600-3650	3800
Delhi (Choti Masoor)	4300	4450	3900-4000	4750
Katni	Closed	4200	3225-3350	4000

Green Gram (Moong)
Market Recap:

Owing to new crop arrivals steady to weak sentiments are noticed in most of the markets during the week ending September 27th, 2011.

Current Market Dynamics & Outlook:

New crop arrival has started in the key markets of Rajasthan, Maharashtra, MP and UP which is weighing on prices. While the excess moisture content in the new crop arrival in Maharashtra and MP keeping buyers in the sidelines, exerting pressure on prices. As per the trade participants, around 15-17% of moisture is reported in new crop against normal moisture level of 8-10%. In Maharashtra overall moong arrivals are reported at around 30000-35000 bags/day currently which is likely to increase further in coming days (after Navratras) which may exert pressure on prices. In Rajasthan, currently moong arrivals are around 75000 bags, aiding weakness. However, sources in Rajasthan conveyed that the current year's arrival is much lower than the last year's due to lower crop this season in the state which may limit the fall in prices. Further, market participants feel that in coming days there would be the arrivals of bad quality moong in markets particularly in Maharashtra and MP due to heavy rainfall at harvesting stage of crop while the demand is expected to remain in the market for good quality moong which may support prices besides expected lower crop output this Kharif 2011 season on lower sown area as well as crop damage in few regions on heavy rains.

Market Outlook:

Moong prices are expected to remain steady to weak in near term on account of new crop arrivals and higher moisture in new crop arrivals. However, expected demand from stockists and processors for quality moong may remain supportive for prices besides expected lower output.

Price Outlook for Desi Moong at Jaipur Market:


As evident prices are moving range bound and sideways between 4000-4400 level and same are acting as a key support and resistance. Breaching either side of the mentioned level would give prices new direction. Oscillator RSI also hints for a sideways trade. We expect prices to remain range bound between 4000-4400 level.

S2	S1	PCP	R1	R2
3800	4000	4000	4400	4450
Call	Entry	T1	T2	SL
WAIT				

Domestic Prices:

Centre		Prices (Rs/Qtl)			
	Variety	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Mumbai	Annaseva	3950	4400	4000	5000
Chennai	Pedishwa	Closed	5100	5150	4500
Delhi	Karntka	5100	5300	-	4800
	Merta city Mogar	5000	5300	-	4800
Indore	Chamki	Closed	4400	4200	4000
Kanpur	Desi	3950	4250	3600	3450
Jaipur	Desi	4100	-	4000	4000

Processed Moong Rates:

Centre	Prices (Rs/Qtl)			
	27-09-2011	20-09-2011	26-08-2011	27-09-2010
Jalgaon	6100	6200	5700-5800	6000
Bikaner (Split)	5300	5600	4800-5000	5000
Indore	Closed	5900	-	6200

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