

Highlights of the Month:

- All pulses featured a firm tone during first half of the month while later on weakness in market is noticed.
- 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).
- Demand for both chana and peas reportedly dull at high price levels.
- Moreover, NCDEX imposed special margin of 10% on long position in the entire running contract of chana at NCDEX. And the Rajasthan Government has release an notification dated September 29,2011 in respect of pulses stock limits and holding period which shall be effective from October 14, 2011.The new Stock Limit and holding period on Pulses in Rajasthan is as follows:-

	Wholesaler	Retailer	Millers (for producing dal till 30th september,2011)		Millers (Start producing dal after 1st october,2011)	
			Whole pulse	Processed Pulses	Whole pulse	Processed Pulses
Chana & Chana dal	2500 quintals	25 quintals	stock raw pulses not more than the 60 days capacity of their units	stock Processed pulses not more than the 30 days of their processing capacity	stock raw pulses not more than the 60 days capacity of their units	stock Processed pulses not more than the 30 days of their processing capacity
Other Pulses	3000 quintals	30 quintals				
Holding period	75 days	45 days	45 days			

- Acreage under tur, moong and urad as on September 30th, 2011 is reported at 38.75 lakh ha, 24.10 lakh ha & 23.65 lakh ha as compared to the previous year's area of 45.55 lakh ha, 28.13 lakh ha & 25.22 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.
- Depreciating rupee against dollar making imports unavailable at the moment.

Pulses Statistics:

Kharif 2011 Pulses estimates:

1st Advance Estimate of Government for Kharif 2011 Pulses: (in lakh tones)

Pulses	1 st Adv. Estimate Kharif 2011	4 th Adv. Estimate Kharif 2010	% Change
Arhar	29.0	28.9	0.3
Moong	12.0	15.2	-21.1
Urad	11.7	14.0	-16.4
Total pulses	64.3	71.2	-9.7

Rajasthan Kharif Estimates2011

CROP	AREA (in Hectare)	PRODUCTION (in tonn)	Yield(KG/Ha)
Moong	973130	436935	449.00
Moth	1411821	470136	333.00
Urad	110759	59256	535.00
Chowla	119802	50556	422.00
Other Kharif Pulses	3295	3762	1141.73
TOTAL	2638633	1034464	392.05

Maharashtra Kharif Estimates2011

Crops	Area (in lakh ha)	Production (in Lakh tonnes)	Yield (in Kg/ha)
Tur	11.94	10.83	907
Moong	3.96	2.06	520
Urad	3.31	1.69	511
Other Kh Pulses	0.87	0.33	372
Kh Pulses	20.08	14.90	742

Uttar Pradesh Kharif Estimates2011

Pulses	Area (lakh ha)		Production (Lakh MT)		Yield (Kg/ha)	
	2011	2010	2011	2010	2011	2010
urad	4.57	4.94	3.83	3.33	838.1	674.1
moong	0.41	0.41	0.19	0.19	463.4	463.4
Arhar	3.41	3.44	2.82	3.09	827.0	898.3

Kharif 2011 sowing progress:

Pulses	Area as on 30/9/2011	Same Period Last Year 30/9/2010	% Change
Arhar	38.75	45.55	-15
Moong	24.1	28.13	-14
Urad	23.65	25.22	-6
Total pulses	110.14	121	-9

Pulses Imports by India during April-July 2011:

Pulses	2011-12 (Apr-Jul)	2010-11 (Apr-Jul)	% Change
Peas	6.98	2.99	134%
Chickpeas	0.17	0.15	13%
Mung/Urad	1.45	2	-28%
Lentils	0.54	0.76	-29%
Tur	0.8	0.35	127%
Total	9.94	6.25	59.04 %

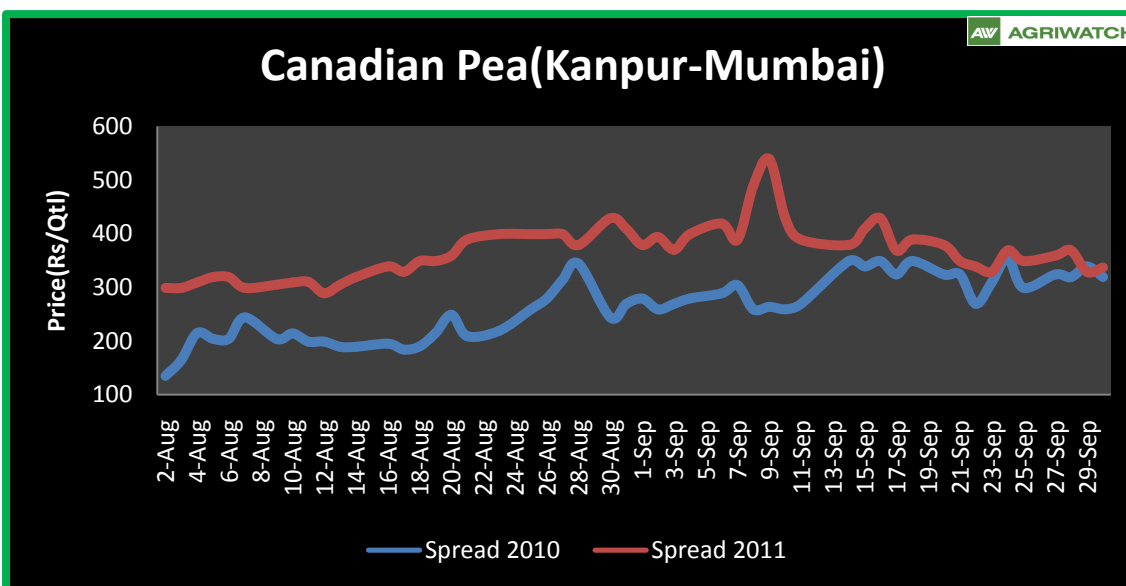
Peas (Matar)
Market Recap:

A firm tone featured in both desi and imported peas prices during the September month. Reportedly supply crunch of the commodity amid strong demand of the commodity also supported bullish sentiments in peas prices. However, the weak tone of chana in September's last week may leads to the weakness in market.

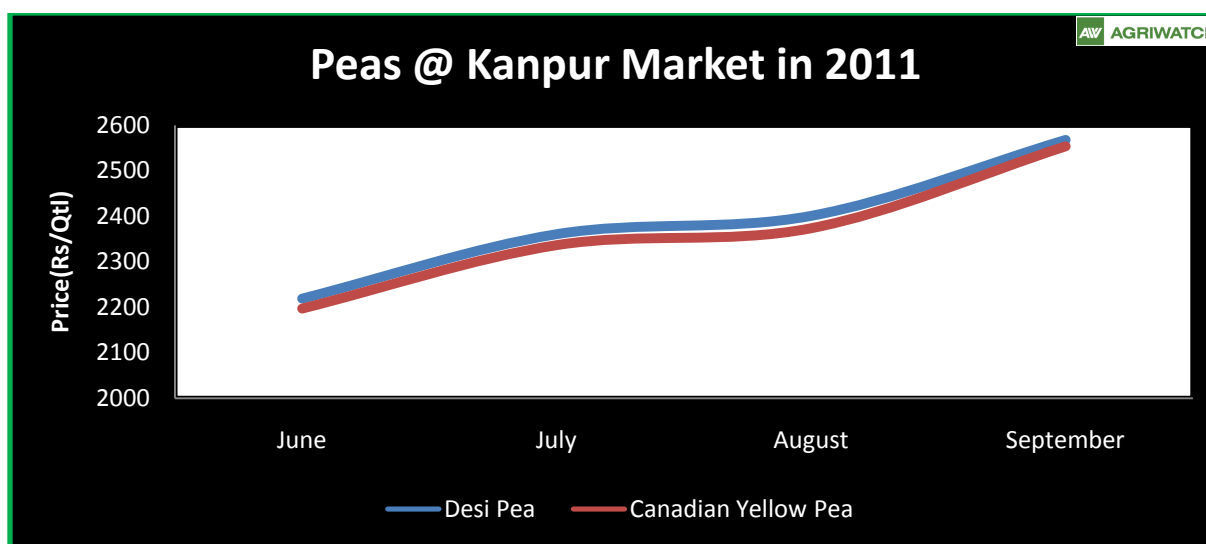
Current Market Dynamics & Outlook:

Peas fundamentals remained firm during the month as supply shortfall and regular demand for the commodity are supporting peas prices in domestic markets as well as international markets.

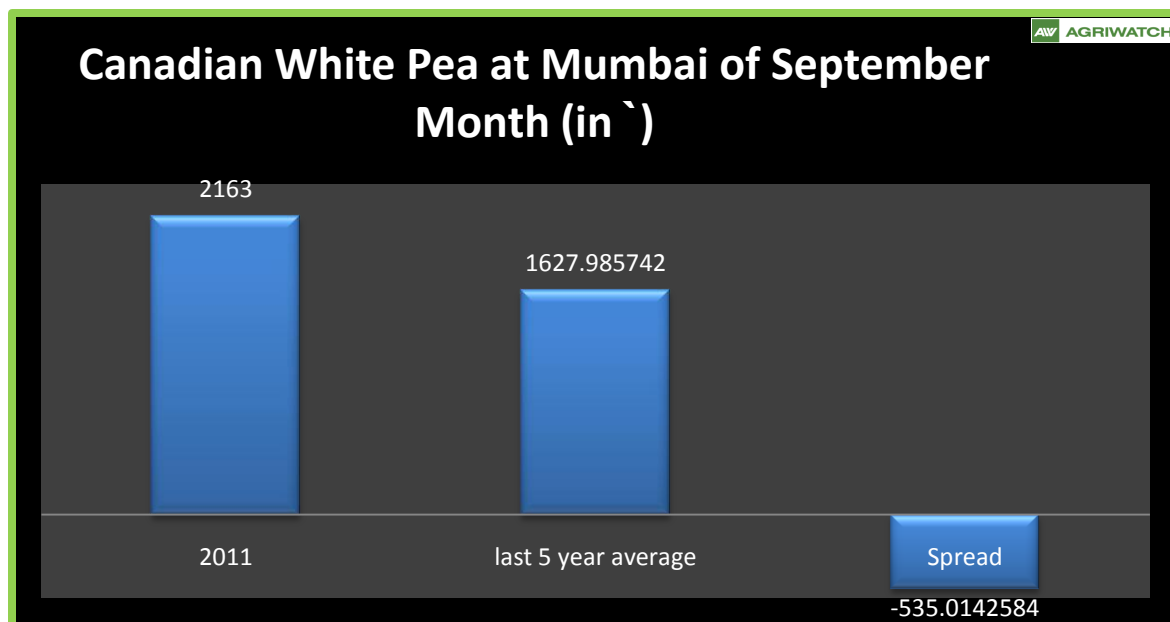
Spread chart for Kanpur and Mumbai Canadian White Pea chana:



Above graph shows spread between Canadian Pea at Kanpur and Mumbai market. Initially (from August) prices in 2011 were higher by around Rs 164/qtl than the prices of year 2010 and due to the high demand and supply shortage, the gap had widen between the prices of two markets. Even in the month of September the spread reaches upto a level of Rs.500/qtl .But on around 14th Sept, 2011 the prices are come down due to lack buying support at higher levels. Since no major improvement is recorded in the demand of pea during this month, therefore peas prices are expected to remain range bound in near term.



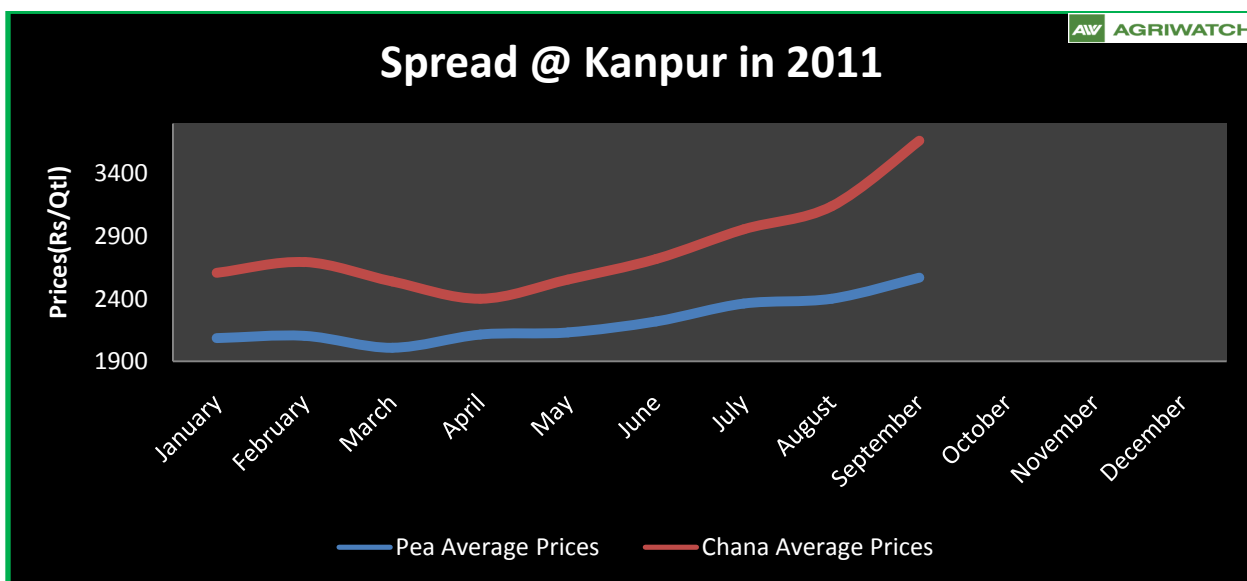
As above graph also depicts that pea prices continuous the firm movement in September month. It is mainly due to festivities and rise in chana prices along with news of low sown area in Canada.



(Here, Spread=last 5 year average – Current year average)

The average prices in first half of September this year is Rs.521/Qtl higher as compared to the average prices for same period in last three years.

In the month of September this year, the prices are almost same as in the year 2008. This indicate, the further improvement in prices as today's scenario is almost same as in year 2008 i.e. low supply against demand. In year 2008 the low domestic supply supports rise in prices even though the high production in Canada.



Above graph shows the relationship in prices of Chana and Pea in Kanpur market. In September's month, the pea prices are supported by the high chana prices along with its fundamental factors. However, the decline in chana prices may affect the peas prices and weakness might be expected in near term.

As India mostly depends on import to fulfill the gap between demand-supply 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 due to higher parity. The projected dry peas production has reduced to 21.28 lakh tones during current year compared to the last year's output of 28.62 lakh tones.

And there is no reports in the regard of crop damage due to the frost in the Saskatchewan State as the peas harvesting is almost finished

Below mention table represents Canadian Peas outlook:

	Area Seeded	Area Harvested	Yield	Production	Exports	Carry-Out Stocks	% Change to last year in exports
	(000 ha)		(t/ha)	(000 tonnes)			
2008-09	1617	1582	2.26	3571	2826	445	
2009-10	1522	1487	2.27	3379	2178	900	-23
2010-11	1396	1322	2.17	2862	3013	535	38
2011-12f	931	900	2.36	2128	2000	320	-34

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 Tones

Although there is a steep fall in pea acreage but the as per the latest updates the expected higher yields will compensate for the decline production. But on contrary, exportable surplus during 2011-12 will be 20 lakh tones compared to previous year's surplus of 30.13 lakh tones. Expected lower exportable surplus from Canada will definitely put pea prices on higher note in coming days.

Meanwhile, as per the data released by Ministry of commerce, total imports of peas during April-June 2011 period stood at 5.26 lakh tones as against 1.69 lakh tones corresponding period last year.

Market Outlook:

Peas prices are expected to remain range bound with slight weakness in near term as weakness in chana may cap the gains to some extent. However, expected supply shortage and as well as higher parity to imported peas may support the prices.

Price Outlook for Canadian Yellow Peas at Mumbai Market:


- Candlestick pattern shows range bound with firm bias movement in prices.
- 2151 levels seems immediate resistance for the prices and breaching the level likely lead to bulls run for short term.
- 2037 levels seems strong support for the prices which likely hold the prices for short term.
- Positioning of RSI in chart remained sideways which depicts range bound with weak bias movement in prices for short term.
- Considering above indicators discussed, prices likely remain range bound with weak bias during the month of Oct.

S2	S1	PCP	R1	R2
1876	2037	2151	2202	2270
Call	Entry	T1	T2	SL
Sell	2150-2160	2070	2037	2190

Domestic Prices :

Centre		Price (Rs/Qtl)		
		30-09-2011	29-08-2011	01-10-2010
Mumbai	White American	2200	2090	1611
	White Canadian	2151	2041	1571
	Green American	2700	2500	2350
	Green Canadian	2600	2350	1900
Kanpur	Desi	2500	2480	1925

Pigeon pea (Tur)

Market Recap:

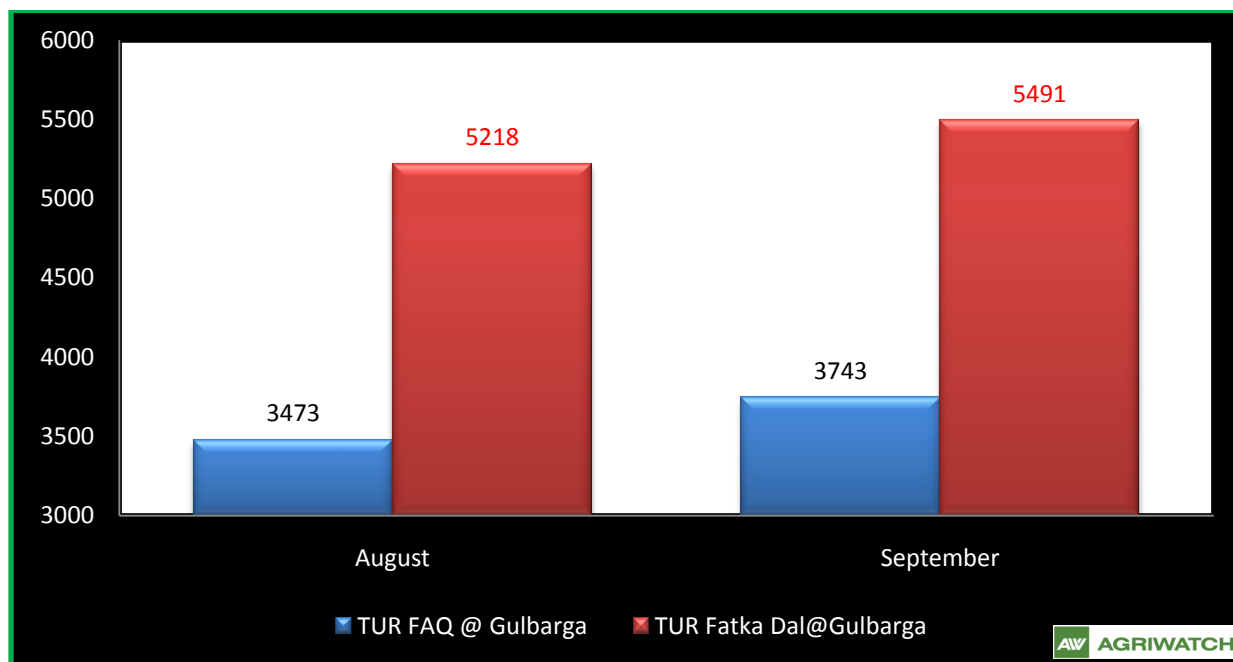
Mostly steady to firm sentiments witnessed in domestic and imported tur prices during the September month however bearish sentiments are noticed in last part of month amid lower buying support.

While improved demand for the commodity and so far lower sown area under the commodity supported the prices.

Current Market Dynamics & Outlook:

Little buying support at lower levels and significant fall of around 16% in current year's seeded area (37.02 lakh hectares) compared to the last year is currently supporting domestic tur prices. However, weather conditions will remain the crucial factors as area is already reduced considerably and unfavorable weather will drastically reduce tur yield which will spark tur prices during new season.

In Andhra Pradesh and Karnataka, the crop is in vegetative state (approx. 1 ft tall) and much needed rainfall in coming days will respite the crop from moisture stress.



As above chart depicts that average tur FAQ prices (Gulbarga Market) in September month rose up Rs 270/Qtl as compared to the last month average prices. The rise in prices is witnessed due to festivities demand support of tur fatka dal.

But on contrary, comfortable stocks of tur domestically may exert 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.

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. However, weather conditions will remain the crucial factors as area is already reduced considerably and unfavorable weather will drastically reduce tur output which will spark tur prices during new season.

Meanwhile, ministry of agriculture in its 1st advance estimate of 2011-12 kept tur production marginally higher at 29 lakh tonnes as compared to 28.9 lakh tonnes in 2010-11. However, looking at the current year's lower sown area (down 15%) and reports of crop damage in Maharashtra and Madhya Pradesh, market participants feel that the government figure is unrealistic and they expect tur production to remain lower at around 25-26 lakh tonnes.

In Mumbai, Burmese lemon tur average prices during the month increased by Rs378/Qtl to Rs 3220/Qtl as compared to last month's average price Rs. 2842/Qtl and in tandem with the rising tur prices domestically, international, average prices also increased during period by US \$ 60-65/MT to US \$ 680/MT.

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. Internationally, exporters may further exploit the Indian situation to their advantage and may further higher the prices.

Price Outlook for Tur at Gulbarga Market:



- Candlestick pattern depicts range bound with firm bias movement in prices.
- Prices taking support at 3501 levels to test the resistance on higher side.
- 3982 level seems resistance on higher side and breaching the level likely keep the bulls run for short term.
- 3500 level seems strong support for the prices and breaching the level likely lead to a fall up to 3208 level during the month of Oct.
- Positioning of RSI in chart depicts range bound with firm bias movement in prices.
- Considering the indicators discussed above, prices likely remain range bound with weak bias during the month of Oct. Therefore, market participants are suggested to go for selling on rallies.



S2	S1	PCP	R1	R2
3208	3500	3956	3982	4171
Call	Entry	T1	T2	SL
SELL	3960-3975	3665	3500	4100

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)		
		30-09-2011	29-08-2011	01-10-2010
Mumbai	Burmese Lemon	3100	2975	3550
Delhi	Burmese Lemon	-	3150	3600
Chennai	Burmese Lemon	3100	2900-2950	3550
Gulbarga	Red	3855	3470	3600
Latur	Red	-	-	3900
Jalna	Red	3000	-	3600
Jalgaon	Red	3500	3000-3300	4000

Centre		Arrivals (Bags per Quintal)		
		30-09-2011	29-08-2011	01-10-2010
Gulbarga	Red	6000	4000	4000
Latur	Red	-	-	1000
Jalna	Red	-	-	100
Jalgaon	Red	100	100	-

Processed Tur Rates (Dal):

Centre	Prices (Rs/Qtl)		
	30-09-2011	29-08-2011	01-10-2010
Jalgaon	6000	6000-6100	6000
Latur	-	-	5600
Indore	5850	-	5900
Gulbarga	6000	5200-5500	5600
Katni	5700	5300-5400	
Katni (Sava)	4400	4100-4200	

Black Matpe (Urad)

Market Recap:

Desi and imported urad witnessed steady to firm sentiments during the month. Depreciation of Indian currency against US Dollars and consistent demand for urad in global markets has improved international urad prices, subsequently increased domestic prices. Also the expectation of lower production following lower sown area and concerns of crop support the prices.

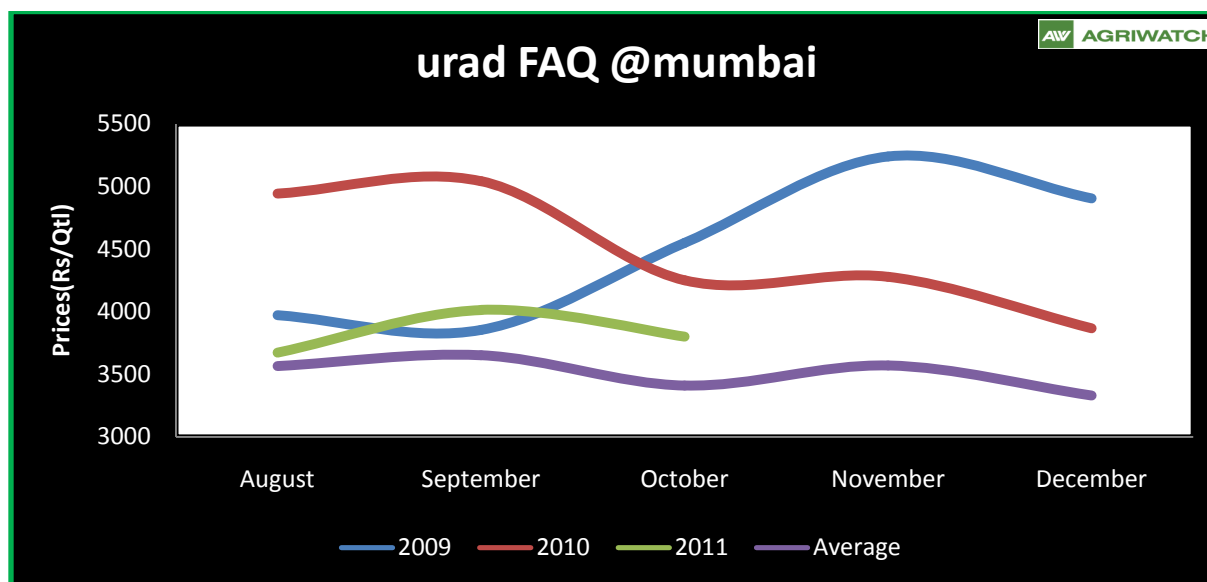
Current Market Dynamics & Outlook:

Both imported and desi (local) urad prices traded firm during the period amid expectation of lower crop output this Kharif 2011 on lower sown area (down 6.4% to 38.75 lakh hectares as compared to last year) and reports of crop damage in Maharashtra and Madhya Pradesh.

During the period Urad FAQ average prices in Mumbai increased by Rs338/Qt to Rs 4009/Qtl and in tandem with rising urad prices domestically, the average international offers also increased during the period by \$40/MT to \$846/MT (C&F Mumbai).

However, arrivals of new crop in the key markets may ease the prices. New crop arrivals have started in Maharashtra, UP, MP and Rajasthan with per day 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.

According to sources, the new crop arrivals is fetching at a discount due to inferior quality (higher moisture), which is keeping a lid on rising urad prices currently. But the demand from millers/processors are expected to remain in the market for good quality urad which may restrict any fall in prices despite of new crop arrivals as overall volume of arrivals are expected to be lower than last year due to expectation of lower crop output.



As above graph depicts that this year urad prices are moving in tandem with the 3 year average prices and in mid of October it is expected to witness improvement in prices.

Further, government in its first advance estimate for Kharif 2011 crop lowered the Urad crop estimate to 23.65 lakh tonnes against 25.22 lakh tonnes in Kharif 2010 while as per gov. first advance estimate urad crop output at around 11.7 lakh tonnes for Kharif 2011.

Market Outlook:

Urad prices are expected to remain range bound in coming month on new crop arrivals lower production and inferior quality, while good is expected to remain good for good quality urad which may support prices. Overall in medium term, prices are expected to remain on higher side.

Price Outlook for Burmese Urad at Mumbai Market:



- Candlestick pattern shows formation of inverted hammer which indicates trend reversal in short term.
- 3911 levels seem immediate resistance and 3760 level as immediate support for the prices.
- Breaching the immediate support level likely lead to a fall up to 3628 levels which likely hold the prices for short term.
- Positioning of RSI in chart depicts sideways movement wherein prices likely remain range bound with weak bias movement during the month of Oct.
- Prices are remain range bound with weak bias movement in short to medium term.

S2	S1	PCP	R1	R2
3628	3760	3700	3905	4100
Call	Entry	T1	T2	SL
SELL	3800-3825	3775	3760	3840

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)		
		30-09-2011	29-08-2011	01-10-2010
Mumbai	Burmese FAQ	3800	3825	4700
Delhi	Burmese FAQ	-	4100	4700
Chennai	Burmese FAQ	4100	3850	4425
	Burmese SQ	4450	4450	5300
Indore	Local	3700	3800	3500
Vijayawada	Polished	4400	4250	5500
Jalgaon	Desi	3800	4000-4200	4000

Centre		Arrivals (Bags per Quintal)		
		30-09-2011	29-08-2011	01-10-2010
	Variety			
Indore	MH	400	500	-
Latur	Local	-	-	-
Akola	Local	1500	-	-
Ashok Nagar	Local	8000	100	-

Processed Urad Rates (Dall):

Centre	Prices (Rs/Qtl)		
	30-09-2011	29-08-2011	01-10-2010
Jalgaon	5700	5800-5900	7000
Bikaner (Split)	5000	5200	6500
Indore	6300	-	7500

Green Gram (Moong)

Market Recap:

Steady to firm sentiments witnessed in most of the markets during the month. Higher moisture content in the new crop has resulted into shortage of good quality moong which had supported its prices.

Current Market Dynamics & Outlook:

New crop arrival has started in the key markets of Rajasthan, Maharashtra, MP and UP which is weighing on prices. In Maharashtra overall moong arrivals are reported at around 35000-30000 bags/day currently which is likely to increase further in coming days (after Navratras) which may exert pressure on prices. In Rajasthan, currently per day moong arrivals are around 60000-75000 bags, aiding weakness.

On contrary, demand from millers/processors is also expected to remain in the markets 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.

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% and same is fetching at discount which added weighed on prices. And market participant's feels that in coming days markets may also witness arrival of bad quality moong as rains in August affected the same which may also keep a lid on prices.

Meanwhile, government in its first advance estimate pegged Kharif 2011 moong output at 12 lakh tonnes which according to market participants is at higher side and they expect moong production at around 10-10.5 lakh tonnes.

During the period Moong Pedisheva (Burma) average prices in Chennai increased by Rs60/Qt to Rs 5115/Qtl and in tandem with rising moong prices domestically, the average international offers also increased during the period by \$25-30/MT to \$1054/MT (C&F Chennai).

Moreover, during this month Moong Annaseva(Burma) average prices in Mumbai increased by Rs356/Qt to Rs 4165/Qtl and in tandem with rising moong prices domestically, the average international offers also increased during the period by \$50-55/MT to \$838/MT (C&F Mumbai).

Internationally, exporters are expected to exploit the Indian situation to their advantage and may increase the prices.

Market Outlook:

Moong prices are expected to remain steady to weak with range bound movement in near term on new crop arrivals. But on the contrary, expected demand for quality moong from stockists and processors as excess moisture content in the new crop will result in supply shortage of bold quality moong, hence support moong prices besides expected lower output.

Price Outlook for Desi Moong at Jaipur Market:





- Candlestick chart depicts range bound with weak bias movement in prices.
- Prices taking support at 3980 levels and likely keep the trend intact for short term.
- Breaching the immediate support level likely lead to a fall up to 3735 levels.
- 4515 level seems strong resistance on higher side.
- Positioning of RSI in chart is sideways indicates range bound with weak bias movement in prices during the month of Oct.
- We expect moong prices to remain range bound with weak bias in coming month.

S2	S1	PCP	R1	R2
3965	3501	4000	4210	4384
Call	Entry	T1	T2	SL
SELL	<4050	3900	3820	4120

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)		
		30-09-2011	29-08-2011	01-10-2010
Mumbai	Annaseva	3825	3900	5000
Chennai	Pedishwa	-	5150	4500
Delhi	M.P.	4800	4700	4600
	Gujarat	4500	-	4600
Indore	Chamki	4200	4300	4000
Kanpur	Desi	3800	4000	3425
Jaipur	Desi	4000	4200	4000

Processed Moong Rates (Dall):

Centre	Prices (Rs/Qtl)		
	30-09-2011	29-08-2011	01-10-2010
Jalgaon	6000	5800	6000
Bikaner (Split)	5200	5100	5200
Indore	5800	-	6200

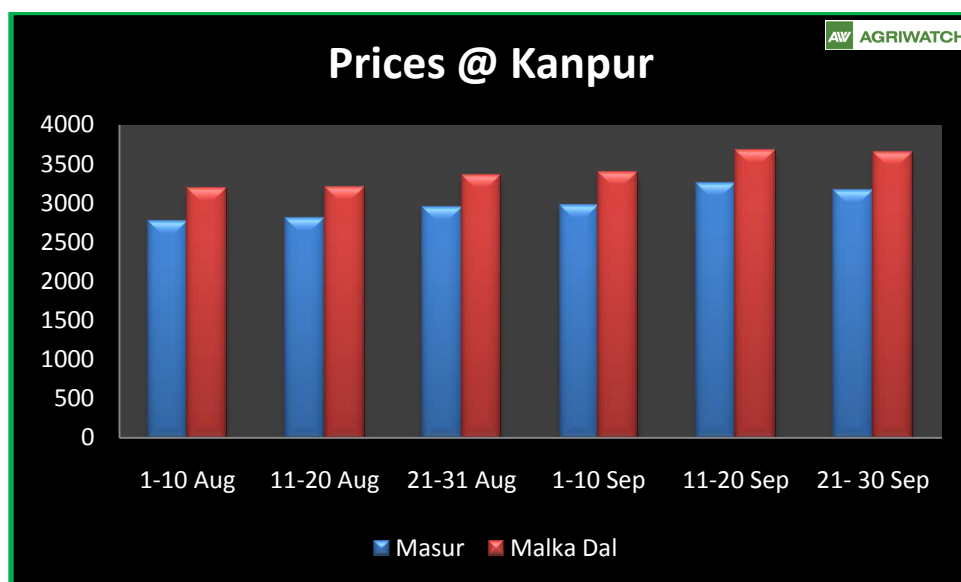
Lentils (Masoor)

Market Recap:

Desi masoor witnessed steady to firm sentiments during the September Month as lower level buying , renewed demand ,declining domestic stock and the firm sentiments for other pulses supported masoor prices throughout the period.

Current Scenario:

Sluggish demand for masoor from wholesalers and retailers kept weighing on domestic masoor prices. Though arrivals have almost finished in domestic markets, dull demand is restricting any major improvement in masoor prices. Since masoor prices have already reached to season's lowest levels and due to this, little demand has arrived from processors of Indore, Orissa and Uttar Pradesh.



As above chart depicts that demand of malka dal support the masoor prices during the this festivities season.

Reportedly depleting stocks of imported peas and some buying interest ahead of festivities supported the lentil prices during the period. Also improved sentiment for Tur further supported the lentil prices as lentils (yellow) are used in mixing with tur. This year tur production is expected to be much lower so, demand for yellow lentils is expected to improve as it happened in 2008-09 season. Further, demand for processed masoor (dal) ahead of festivities further supported the sentiment.

So, if Indian importers import masoor during October onwards even at the current levels then we might witness significant improvement in imported masoor prices in the domestic markets and since desi masoor normally trade higher than imported masoor by around Rs 150-170/qtt therefore increase in imported masoor prices will surely influence desi masoor prices in the same way.

On the global front, around harvesting of lentil crop 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 firmness in the near term due to little buying support at lower levels besides declining stocks. However, any further increase in tur prices may also influence the masoor 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:



- Candlestick pattern shows selling interest in the market.
- 2968 levels seem immediate resistance and 2725 as immediate support for the prices.
- Prices likely test the resistance at 2968 level in short term and likely remain with weak bias during the month of Oct.
- Positioning of RSI is with sideways movement indicating range bound with weak bias movement in prices in short term.
- Masoor prices are expected to remain range bound with weak bias movement during the month of Oct.

S2	S1	PCP	R1	R2
2194	2760	2950	2960	3153
Call	Entry	T1	T2	SL
SELL	2880-2900	2800	2760	2950

Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)		
		30-09-2011	29-08-2011	01-10-2010
Mumbai	Red Lentils	2700	2700	3400
	Chanti Export	-	4050	4750
Delhi	MP/ Kota Line	-	2950	3200
	UP/ Sikri Line	-	3100	3550
Kanpur	Mill Delivery	2950	2960	3360
	Bareilly Delivery	3000	3010	3425
Indore	Masra	3000	2950	3425

Processed Masoor Rates (Dall):

Centre	Prices (Rs/Qtl)		
	30-09-2011	29-08-2011	01-10-2010
Kanpur (Malka)	3400	3400	3825
Indore	3600	-	4000
Delhi (BadiMasoor)	-	3650	3800
Delhi (ChotiMasoor)	-	4000	4750
Katni	3650	3350	-

Chickpeas (Chana)

Market Recap:

While, after 26th September subdued buying interest from millers/processors at higher price levels leads to the sharp decline in prices.

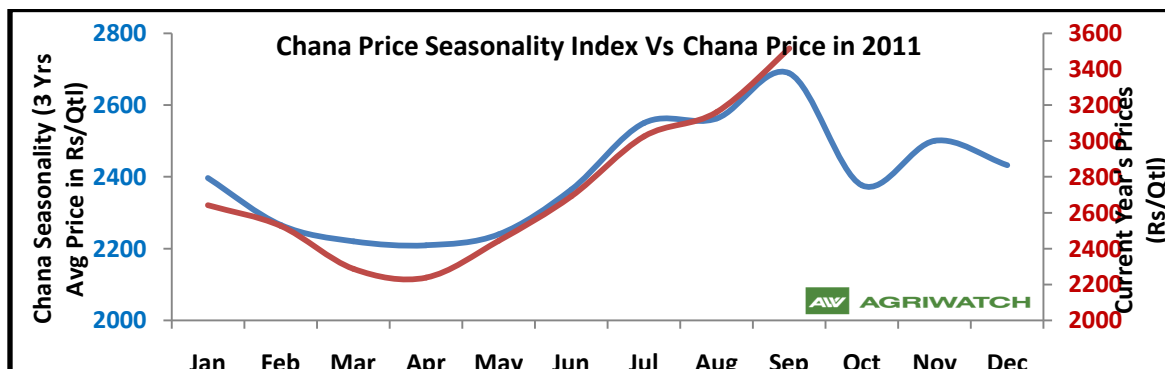
Current Scenario:

Regular demand of the commodity amid festive season has supported the domestic chana prices.

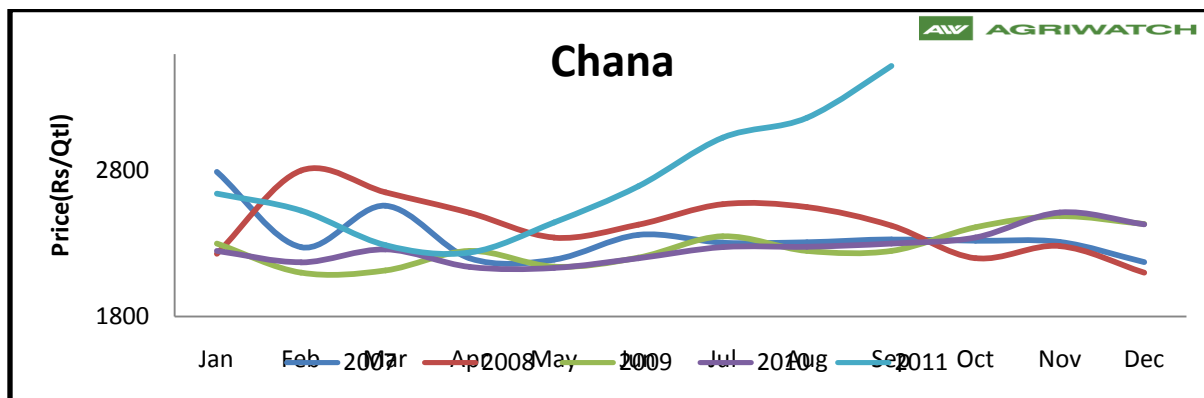
The demand for the commodity generally remains good during the month of September and since prices are hovering near all time high (Rs3700-3725/qtl) and this make buyer's a little hesitant in paying such higher price.

Strong demand of the commodity supporting chana prices in the domestic markets. Chana prices have reached to new highs at Rs 3700/qtl in Delhi spot on September 27th, 2011, breaching the previous highest level of Rs 3340/qtl made on September 24th, 2006. Whereas in indore prices touches a new high Rs.3725/Qtl on September 27th. Sources also revealed that, regular good demand from southern states for chana whole as well as dal also supports the sentiment. In September month, some contracts have done at around Rs 3800-3850/Qtl from Indore (MP) market for delivery at Madurai (Tamil Nadu).

Further, As we predict by looking at the price seasonality of chana, chana prices to correct from the current higher levels as the prices seasonality (3 yrs Avg. prices) reflects that prices mostly remains on softer side from mid September onwards. The following chart shows the price seasonality of chana Vs current year's prices -



In comparison with the Seasonality Index, the prices this year is at a peak and in neartime time it may be corrected by decline upto Rs.300/Qtl.



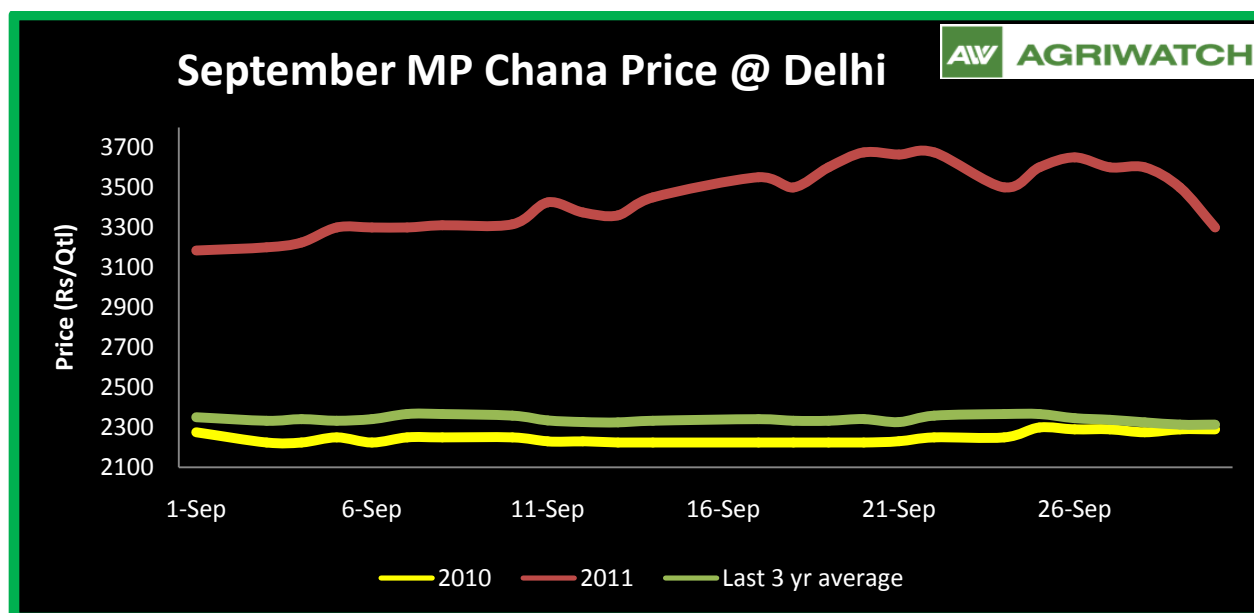
In comparison of this year Chana prices with last 4 years price movement ,it is been clearly seen that due to supply shortage ,limited stocks and robust demand chana is at all time high.But on contrary, it also depicts that prices may came down in around first week of October.

The speculation in chana prices sees a reversal trend after 27th September in market. Chana prices in the bench mark markets Delhi (Lawrence Road) and Indore eased by Rs 300-350 per quintal on reportedly weak demand from millers/processors at higher price level. Other major markets also featured a weak tone during ths 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.

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 further weigh on prices. Moreover, NCDEX imposed additional margin of 10% on long position of all the running contract of chana, exerted pressure on prices. And the Rajasthan Government has release an notification dated September 29,2011 in respect of pulses stock limits and holding period which shall be effective from October 14, 2011.The new Stock Limit and holding period on Pulses in Rajasthan is as follows:-

	Wholesaler	Retailer	Millers (for producing dal till 30th september,2011)		Millers (Start producing dal after 1st october,2011)	
			Whole pulse	Processed Pulses	Whole pulse	Processed Pulses
Chana & Chana dal	2500 quintals	25 quintals	stock raw pulses not more than the 60 days capacity of their units	stock Processed pulses not more than the 30 days of their processing capacity	stock raw pulses not more than the 60 days capacity of their units	stock Processed pulses not more than the 30 days of their processing capacity
Other Pulses	3000 quintals	30 quintals				
Holding period	75 days	45 days	45 days			

Both notifications results into the selling pressure and keeping buyers on dominating position.



But the concerning factor is that prevailing average prices Madhya Pradesh Chana (@Delhi) in the September is Rs.3447/qlt higher by Rs 1106/qlt than average prices of last three years which is Rs2341/Qtl during the same period and this might check chana prices for short term.

And as monsoon is extended this year which results into the high soil moisture and that would leads to the better rabi crop prospects and in this year itself chana sowing is started and by the end of december Karnataka Chana might hit the market. Thereafter, in January Maharastra chana might be accepted and later on there would be the arrivals of Madhya Pradesh, Uttar Pradesh and Rajasthan chana is expected.

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 tonnes	in 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

However in Canada, reports of chickpeas crop damage are reported due to the frost. Killing frost is report in Saskatchewan state of Canada and till now only 28% of chickpeas are harvested.

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 further correction in prices.

Spot Market Price Outlook at Delhi (Chana MP):



- Candlestick pattern shows formation of inverted hammer which depicts trend reversal in near term.
- 3354 likely act as immediate resistance on higher side.
- 3192 level seems immediate support and breaching the level likely lead to a fall up to 3054 level in medium term.
- Positioning of RSI in chart depicts downtrend in short term.
- Considering above indicators discussed, prices likely remain range bound with weak bias during the month of Oct.

S2	S1	PCP	R1	R2
2736	3060	3190	3348	3703
Call	Entry	T1	T2	SL
SELL	3260-3270	3140	3060	3320

Futures Technical (NCDEX):



Domestic Prices & Arrivals:

Centre		Prices (Rs/Qtl)		
		30-09-2011	29-08-2011	01-10-2010
Mumbai	Australian	-	3200	2325
Delhi	Rajasthan	3300	3175	2300
	Madhya Pradesh	3350	3200	2300
Bikaner	Desi	3200	3100	2275

Indore	Kantewala	3400	3200	2225
Kanpur	Desi	3500	3350	2370
Latur	Gauran	-	-	2250
	Annagiri	-	-	2175
	G-12	-	-	2150

Centre		Arrivals (Bags per Quintal))		
		30-09-2011	29-08-2011	01-10-2010
Delhi*	Rajasthan	50	100	45
	Madhya Pradesh	50	100	45
Indore	Kantewala	1000	5000	5000
Latur	Gauran	-	-	1000
	Annagiri	-	-	300
	G-12	-	-	300

*Arrivals in Delhi market in Motors, 1 Motor = 16 Tonnes

Processed Chana Rates (Dall):

Centre	Prices (Rs/Qtl)		
	30-09-2011	29-08-2011	01-10-2010
Jalgaon	4500	4000	3000
Latur	-	-	2800
Akola	4500	4000	2725
Kanpur	4000	3800	2725
Bikaner	4200	3700	2650
Indore	4600	-	3125
Delhi	-	3775	2800
Gulbarga	4600	4000	-

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