



Pulses Monthly Research Report

January 31st, 2012

Contents

- ❖ Highlights of the Month
- ❖ Rabi 2011-12 Pulses Sowing Progress
- ❖ Pulses :-
 - Peas (Matar)
 - Pigeon pea (Tur)
 - Black Matpe (Urad)
 - Green Gram (Moong)
 - Lentils (Masoor)
 - Chickpeas (Chana)
- ❖ Annexure1- USA Pulses Outlook Tables

Highlights of the Month:

Domestic

- Steady to weak tone featured in pulses during the month ended on 31st Jan, 2012.
- On rabi pulses front, crops are in good condition after the recent winter rains. Farmers are expecting a bumper yield this year although in early flowering stage it is too early to say., Agro-Meteorologists also predict that the present atmospheric conditions will lead to bumper pea crop this year.
- Strong fundamentals i.e. good crop condition lends weakness to chana and pea prices.
- However,, moong prices remain quiet as on thin trading activity.
- Masoor prices also witnessed a steady tone due to stable tur prices and subdued trading activity.
- Karnataka Government raised its procurement price by Rs.300 per quintal for tur dal to Rs.4000 per quintal.
- India Pulses and Grains Association have asked the government to allow the exports of pulses with certain quantity of restriction.
- STC floated a sale tender for red lentil and lemon tur (whole) of 200 MT of each.

International

- As per the latest report of Agriculture and Agri-Food Canada (AAFC), the total planted area under pulses except lentils in the country is expected to increase. Exportable surplus is also expected to rise as on higher sown area and production.
- As per South African Grain Information Services (SAGIS), dry edible bean area fell by 11.2% to 37,200 hectares as compared to 40,000 hectares in previous year. Meanwhile, the production may rise by 1,520 MT to 43500 MT as per last five-year average yield.
- Pakistan export for wheat and pulses witnessed 100% growth in first half of the current financial year over the corresponding period of last year. In Pakistan, sharp rise in pulses prices was witnessed as on fresh buying interest shadowed by reports of lower arrivals of moong and masoor.
- As per the Russian State Statistical Service (ROSSTAT), the total pulses production rose by 75% to 2.45 MT during 2011 as compared to 1.4 MT in previous year.
- USDA seeks tender for 4,910 MT black beans for March to April shipments.

Rabi 2011-12 Pulses sowing progress:-

| Crop | Current Year's Area (in lakh Hectares) | Last Year's Area in same period (in lakh Hectares) | % Change |
|---------------------|-------------------------------------------|-------------------------------------------------------|--------------|
| Gram | 88.90 | 92.94 | -4.34 |
| Lentil | 15.32 | 15.4 | -0.51 |
| Peas | 8.28 | 7.27 | 13.89 |
| Kulthi(Horse Gram) | 4.98 | 4.89 | 1.84 |
| Urad | 8.72 | 7.47 | 16.73 |
| Moong | 4.58 | 4.66 | -1.716 |
| Lathyrus | 4.37 | 4.51 | -3.10 |
| Others | 8.10 | 7.26 | 11.57 |
| Total Pulses | 145.86 | 146.76 | -0.61 |

As shown in the above table overall Rabi pulses sown area is down by 0.61% to 145.86 lakh hectares. Higher planted area coverage is reported for peas and urad during this Rabi 2011-12 while sown area under gram, lentil and moong fell marginally to 88.90 lha., 15.32 lha. and 4.58 lha. respectively.

Recent rains in northern and central region of country along with favorable cold weather conditions might result in a bumper crop during this year although it is rather early to say as the crop is in just the flowering stage.

| Rabi 2011-12 Pulses sowing progress:- | | | |
|----------------------------------------------|-----------------------------------------------|-----------------------------------------------------------|-----------------|
| State | Current Year's Area (in lakh Hectares) | Last Year's Area in same period (in lakh Hectares) | % Change |
| Orissa | 9.73 | 10.29 | -5.46 |
| UP | 18.25 | 18.24 | 0.04 |
| Bihar | 4.67 | 4.39 | 6.34 |
| Gujarat | 2.21 | 2.59 | -14.48 |
| Chhattisgarh | 8.33 | 8.52 | -2.23 |
| Tamil Nadu | 4.40 | 3.58 | 22.83 |
| Maharashtra | 11.43 | 15.30 | -25.29 |
| AP | 12.00 | 11.36 | 5.63 |
| Rajasthan | 16.10 | 16.01 | 0.58 |
| Karnataka | 12.19 | 10.18 | 19.74 |
| MP | 43.57 | 41.73 | 4.41 |
| Total | 145.86 | 146.76 | -0.61 |

As shown in above table, higher rabi pulses area has been reported in Rajasthan, M.P., A.P., Karnataka, Chhattisgarh, Gujarat and Bihar during this season.

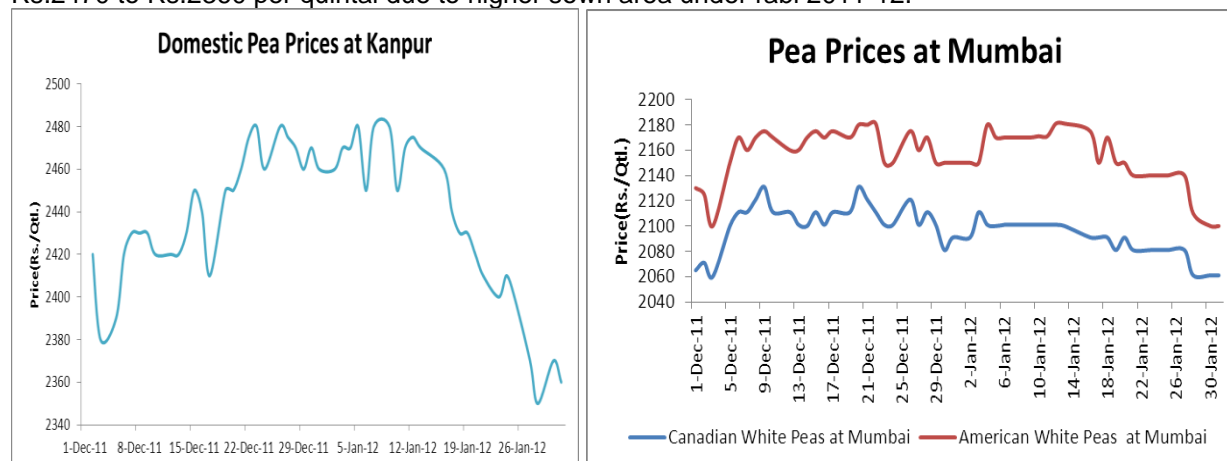
Peas (Matar)

Market Recap:

Mostly weak tone witnessed in pea prices during the January month on sporadic demand in key markets.

Current Market Dynamics & Outlook:

Desi (local) peas average prices in Kanpur market remained flat at Rs 2430-2440 per quintal same as in December month. However, during January month prices continue to remain weak as they fell from Rs.2470 to Rs.2360 per quintal due to higher sown area under rabi 2011-12.



Meanwhile, imported yellow pea of both Canadian and USA origin also fell on strong domestic fundamentals. Canadian yellow pea pieces fell to Rs.2061 per quintal from Rs.2091 per quintal during this month.

The downfall in prices is noticed due to higher sown area during this rabi season. The planted area under pea is up by 13.89 percent to 8.28 lha. from 7.27 lha. in previous year. The stable prices throughout this

season has encouraged farmers to bring more acres under peas crop. This year sown area under peas is up in the key growing states (MP and UP). Following table shows the state wise area (in lha.) coverage of peas –

| State | Current Year | Last Year | % Change |
|-------------|--------------|-----------|----------|
| Orissa | 0.29 | 0.32 | -10.94 |
| UP | 4.09 | 3.45 | 18.42 |
| Bihar | 0.33 | 0.31 | 6.28 |
| Chattisgarh | 0.44 | 0.46 | -3.93 |
| MP | 2.82 | 2.37 | 18.99 |

Shifting of chana and masoor area towards peas cultivation is mainly attributed to the increase in peas returns previous season. In Uttar Pradesh, around 60,000 hectares of chana and masoor area has been diverted towards the peas cultivation. Other key states like Madhya Pradesh and Bihar also featured a shift in area from other minor pulses and other crops to peas.

On crop condition front, now overall the crop is in good shape in all the key growing states (MP, UP & Bihar) and winter rains in the January month over MP, UP and Bihar further favoured good crop development and higher yield.

At the same time, trade participants suggests that peas production this year (2011-12) might go up to 9-10 lakh tonnes which around 2.5-3 lakh tonnes higher than the previous year's production which may keep prices in check besides reportedly good stocks (over 4.5 lakh tonnes) in the country. Expected higher domestic peas production may also keep a check on international peas prices.

On the international front, the dry peas production in 2012-13 is expected to rise by 25% to 2.65 MT as compared to 2.11 MT in 2011-12 due to higher dry pea sown area at 1.2 million ha. As last year, farmer got a relatively higher return compared to other crops. The expected rise in production might lead to higher exportable surplus of upto 4.8% could be witnessed. The following table shows the Area and Production of peas in Canada:

| | Area Seeded | Area Harvested | Yield | Production | Exports | Carry-Out Stocks | % Change to last year in exports |
|----------|-------------|----------------|--------|--------------|---------|------------------|----------------------------------|
| | (000 ha) | | (t/ha) | (000 tonnes) | | | |
| 2009-10 | 1,522 | 1,487 | 2.27 | 3,379 | 2,178 | 900 | |
| 2010-11 | 1,396 | 1,322 | 2.28 | 3,018 | 3,012 | 535 | 38.3 |
| 2011-12f | 942 | 914 | 2.31 | 2,116 | 2,100 | 200 | -30.3 |
| 2012-13f | 1,200 | 1,170 | 2.26 | 2,650 | 2,200 | 300 | 4.8 |

Meanwhile during the period, International field pea market remained steady on lackluster trading activity. And as per Canadian Grain Commission, peas export shipments is down by 16.13% to this season total of 1,041,300 MT from 1,241,700MT last year. Current week, total 22,000 MT of peas were exported from Canadian ports. It also revealed, 139,000 MT of visible field pea stocks exist in Canada.

On the India's import front, imports of Green pea of USA origin remained unviable as C&F prices of pea remained in between \$505-550/ton at Mumbai during entire month while the prevailing domestic prices for peas at Mumbai were lower than the landed cost of tur at Mumbai.

Landed Cost & Domestic Prices of USA origin green peas at Mumbai:

| | C&F Prices | Landed Cost | Domestic Prices | Parity/Disparity |
|------------|------------|-------------|-----------------|------------------|
| 1 Week Jan | 500 | 2801.5 | 2793 | -8.5 |
| 2 Week Jan | 546 | 2981.01 | 2818 | -163.01 |



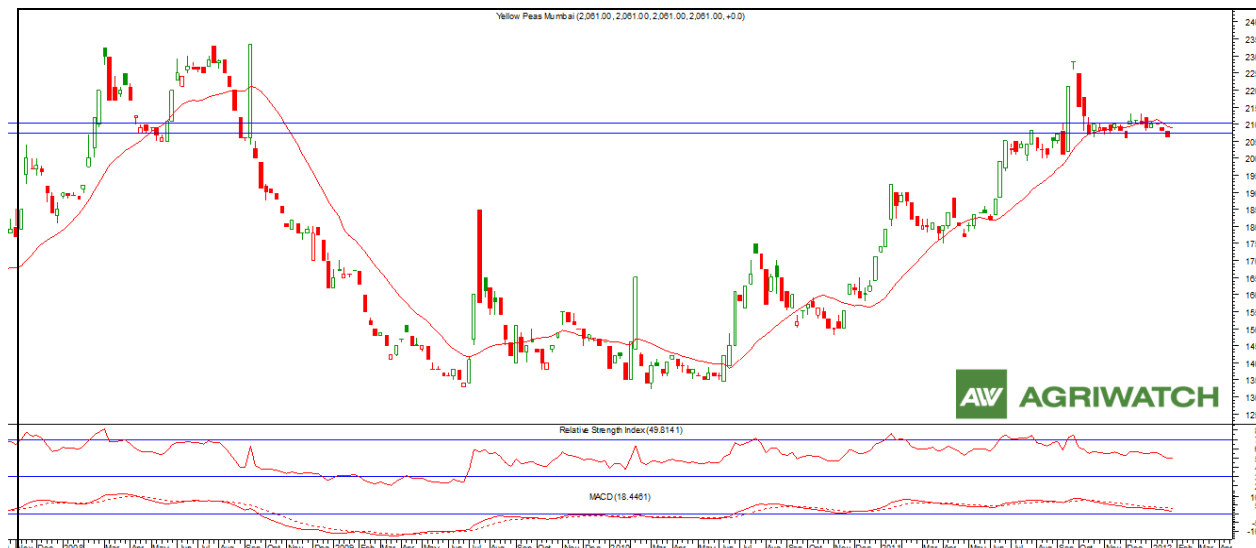
| | | | | |
|------------|-----|---------|------|---------|
| 3 Week Jan | 521 | 2776.88 | 2750 | -26.882 |
| 4 Week Jan | 525 | 2747.7 | 2707 | -40.7 |

(C&F in \$/MT; Landed cost, Domestic prices & Parity/Disparity in Rs. per quintal)

Market Outlook:

Peas prices are expected to move range bound with weak bias in the coming months given the expectation of a sizeable domestic pea crop.

Price Outlook for Canadian Yellow Peas at Mumbai Market:



- Candlestick pattern shows rangebound movement in prices.
- 2003 and 2200 levels seem strong support and resistance respectively for the prices in this season and breaching the level likely lead to a bulls run for short term.
- Positioning of Oscillator RSI and momentum indicator in chart remained sideways which depicts range bound movement in prices for short term.
- We expect prices likely remain range bound with weak bias during the month of February.

| S2 | S1 | PCP | R1 | R2 |
|------|------------|------|------|------|
| 1973 | 2003 | 2061 | 2181 | 2200 |
| Call | Entry | T1 | T2 | SL |
| SELL | Above 2061 | 2031 | 2010 | 2100 |

Domestic Prices:

| Centre | | Price (Rs/Qtl) | | |
|--------|----------------|----------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Mumbai | White American | 2100 | 2150 | 1925 |
| | White Canadian | 2061 | 2081 | 1871 |
| | Green American | 2650 | 2775 | 2725 |
| | Green Canadian | 2550 | 2600 | 2350 |
| Kanpur | Desi | 2360 | 2470 | 2090 |

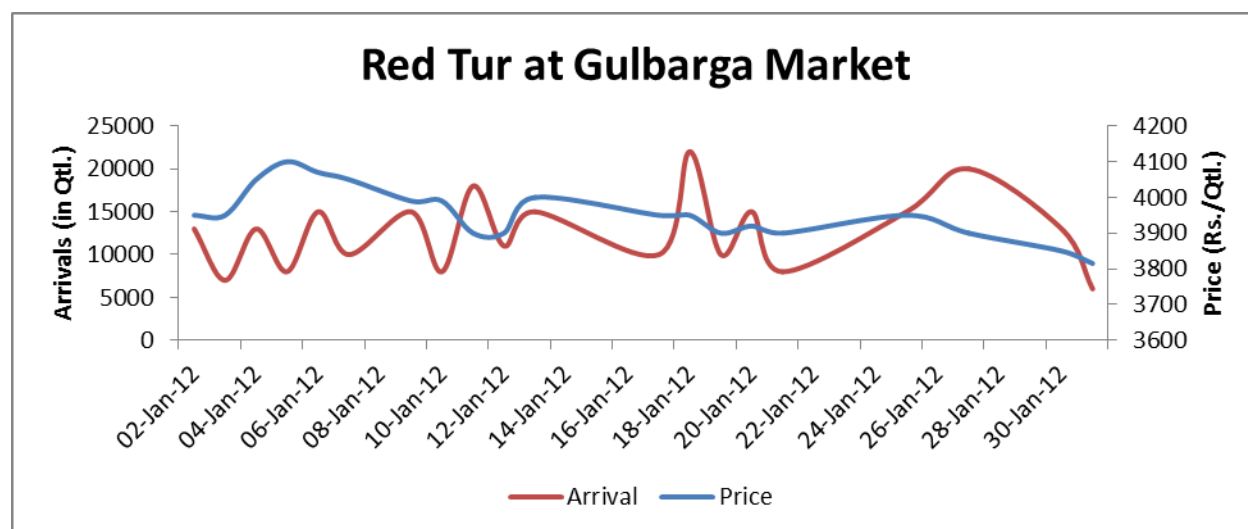
Pigeon pea (Tur)

Market Recap:

Both desi and imported tur witnessed firm tone during the January month due lower crop output and arrivals in domestic markets.

Current Market Dynamics & Outlook:

Tur prices in most of the domestic markets surged due to lower kharif crop arrivals. Red tur prices in the key markets of Jalna and Jalgaon of Maharashtra rose by Rs 350-400/Qtl to Rs3095 and Rs 4152/Qtl. The average prices in Gulbarga market rose by Rs.30-40 per quintal to Rs.3954 per quintal. The following graph shows the prices movement along with arrivals in Gulbarga market:-



In January, the prices in Gulbarga market ranged from Rs.3800-4100 per quintal along with daily arrivals varies from 6000 Qtl to 18,000 Qtl.

Moreover, the average prices of imported lemon tur at Mumbai market rose by Rs.110 per quintal to Rs.3342 per quintal as compared to Rs.3232 per quintal in December month.

On the import front, despite of reportedly good stocks of around 1 lakh tonnes in Myanmar and expected a good crop this year too (around 4 lakh tonnes or slightly over) the imports of tur (lemon variety) from Myanmar remained unviable as C&F prices of tur varies from \$610-632/ton at Chennai during entire month.

Landed Cost & Domestic Prices of Lemon tur (Burmese origin) at Chennai:

| | C&F Prices | Landed Cost | Domestic Prices | Parity/Disparity |
|------------|------------|-------------|-----------------|------------------|
| 1 Week Jan | 610 | 3384.83 | 3190 | -194.83 |
| 2 Week Jan | 623 | 3380.255 | 3265 | -115.255 |
| 3 Week Jan | 628 | 3316.376 | 3295 | -21.376 |
| 4 Week Jan | 632 | 3277.136 | 3228 | -49.136 |

(C&F in \$/MT; Landed cost, Domestic prices & Parity/Disparity in Rs. per quintal)

As evident from the table, the disparity in imports during January narrowed down to Rs 49/Qtl as on renewed demand in markets as on lower arrivals of domestic fresh tur crop. Moreover, new tur lemon crop arrived at Mumbai port.

The landed Cost & Domestic Prices of New crop Lemon tur (Burmese origin) at Mumbai:

| | C&F Prices | Landed Cost | Domestic Prices | Parity/Disparity |
|------------|------------|-------------|-----------------|------------------|
| 1 Week Jan | 616 | 3416.648 | 3376 | -40.648 |
| 2 Week Jan | 633 | 3432.105 | 3380 | -52.105 |
| 3 Week Jan | 646 | 3407.132 | 3358 | -49.132 |
| 4 Week Jan | 623 | 3232.604 | 3274 | 41.396 |

(C&F in \$/MT; Landed cost, Domestic prices & Parity/Disparity in Rs. per quintal)

Net tur supply during 2011-12 is likely to fall by 12.84% to 2.88 MMT backed up by lower Kharif output. Considering relatively higher beginning stocks with lower crop output and unviable imports due to higher exchange may lead to shortage of tur crop to the tune of 0.12 million tons.

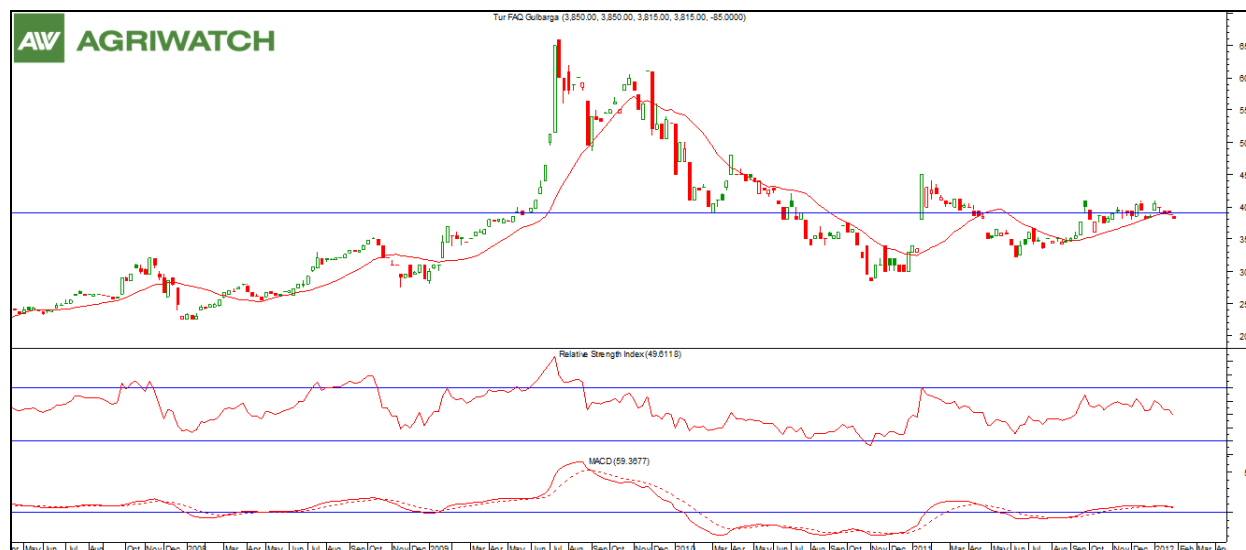
Tur supply and demand Analysis -:

| All Quantity in MMT | 2010-11 Estimated | 2011-12 Projected |
|----------------------|-------------------|-------------------|
| Beginning Stock | 0.10 | 0.30 |
| Production | 2.81 | 2.30 |
| Imports | 0.34 | 0.28 |
| Total Availability | 3.25 | 2.88 |
| Export | 0.00 | 0.00 |
| Domestic Consumption | 2.95 | 3.00 |
| Total Demand | 2.95 | 3.00 |
| Ending Stocks | 0.30 | -0.12 |

Market Outlook:

We expect tur prices in range bound movement in tur prices are expected in days ahead as on aforesaid reasons.

Price Outlook for Tur at Gulbarga Market:



- Candlestick pattern depicts range bound prices.
- Prices are taking support at 3654 levels while 3954 level seems to be the resistance and breaching the level likely start a bulls run for short term.
- Positioning of RSI in chart depicts further weakness in prices.
- Considering the technical indicators and oscillators along with fundamental factors, prices are likely to remain range bound with weak bias during the month of February. Therefore, market participants are suggested to go for selling on rallies.

| S2 | S1 | PCP | R1 | R2 |
|------|-----------|------|------|------|
| 3654 | 3724 | 3815 | 3954 | 3995 |
| Call | Entry | T1 | T2 | SL |
| SELL | 3800-3815 | 3740 | 3710 | 3899 |

Domestic Prices & Arrivals:

| Centre | | Prices (Rs/Qtl) | | |
|----------|---------------|-----------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Mumbai | Burmese Lemon | 3200 | 3250 | 3925 |
| Delhi | Burmese Lemon | 3400 | 3450 | 3875 |
| Chennai | Burmese Lemon | 3150 | 3150 | 4000 |
| Gulbarga | Red | 3815 | 3855 | 4200 |
| Latur | Red | 4000 | 4100 | 4400 |
| Jalna | Red | 3000 | 2700 | 3600 |
| Jalgaon | Red | 3900 | 4000 | 4700 |

| Centre | | Arrivals (in bags of 1 Quintal) | | |
|----------|-----|---------------------------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Gulbarga | Red | 6000 | 12000 | 20000 |
| Latur | Red | 8000 | 10000 | 10000 |
| Jalna | Red | 3000 | 500 | 300 |
| Jalgaon | Red | 4000 | 500 | 4000 |

Processed Tur Rates (Dall):

| Centre | Prices (Rs/Qtl) | | |
|---------|-----------------|------------|------------|
| | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Jalgaon | 6300 | 6000 | 6800 |
| Latur | 5600 | 5750 | 6500 |
| Indore | 5450 | 5600 | 6500 |

| | | | |
|--------------|------|------|------|
| Gulbarga | 5500 | 5700 | 6500 |
| Katni | 5400 | 5500 | 6350 |
| Katni (Sava) | 4400 | 4200 | 5350 |

Black Matpe (Urad)

Market Recap:

Both desi and imported urad witnessed Steady to weak tone in most of the trading centers during the January month on sluggish buying interest in domestic markets..

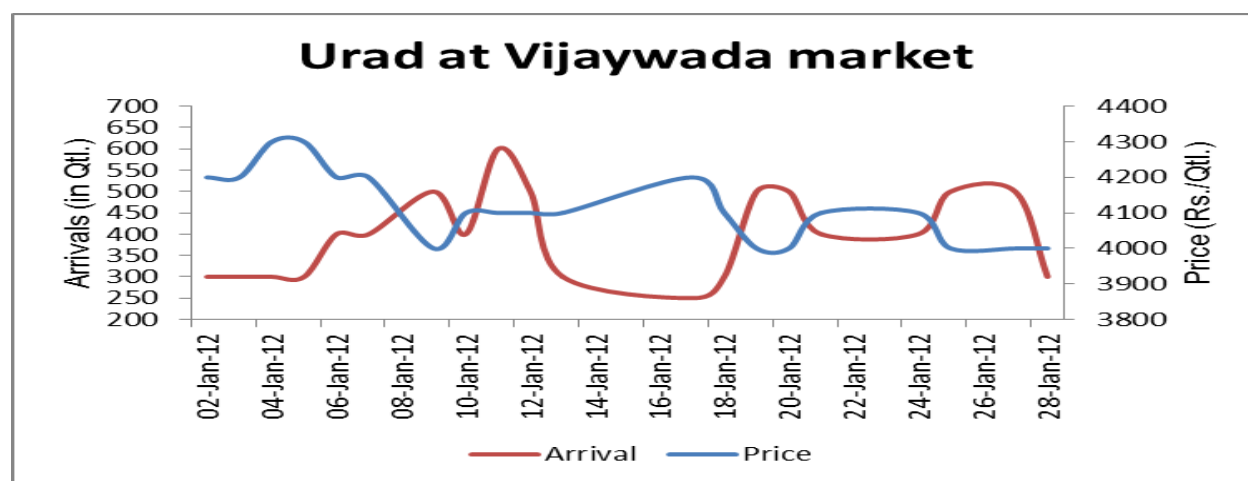
Current Market Dynamics & Outlook:

During January, average prices of desi urad in Indore and Jaipur market remained flat at Rs.3100 and Rs.3800 per quintal respectively.

While, the average prices at Jalgaon and Akola market tumbled by Rs.40-65 to Rs.3540 and Rs.3452 per quintal respectively.

Moreover, imported urad (both FAQ and SQ) average prices also fell by Rs.90-120 per quintal in Chennai market to Rs.3366 and Rs.3718 per quintal. The average prices of urad FAQ in Mumbai market is also down by Rs.30/Qtl. to Rs.3214 per quintal.

Meanwhile, average prices are rose by Rs.83 per quintal and Rs.49 per quintal in Vijaywada and Latur markets respectively. While, as shown in graph below, prices in Vijaywada market also fell from Rs.4150 per quintal mark to Rs.4000 per quintal mark in this period due to arrivals of new domestic crop.



On the import front, imports of urad from Myanmar remained unviable for most of the month.

Landed Cost & Domestic Prices:

| Urad FAQ at Mumbai | C&F Prices | Landed Cost | Domestic Prices | Parity/Disparity |
|--------------------|------------|-------------|-----------------|------------------|
| 1 Week Jan | 633 | 3506.80 | 3358 | -148.80 |
| 2 Week Jan | 634 | 3437.29 | 3225 | -212.29 |
| 3 Week Jan | 628 | 3316.38 | 3204 | -112.38 |
| 4 Week Jan | 605 | 3143.54 | 3094 | -49.54 |

(C&F in \$/MT; Landed cost, Domestic prices & Parity/Disparity in Rs. per quintal)

As evident from the table the disparity in imports till last week of January was reported in urad FAQ. However, C&F quotes for imported urad also fell by USD 15-25 per ton in tandem with domestic prices. Meanwhile, old urad stocks are lying in Myanmar and as per the source the current crop prospects is also very promising for urad crop, which may also keep international prices on softer side. Moreover, strengthening of INR against USD also favoured importers

Net urad supply during 2011-12 is likely to fall by 9.4% due to lower Kharif output .Considering worse supply for 2011-12 marketing year and relatively lower beginning stocks we estimate total a shortage of 0.102 million tons.

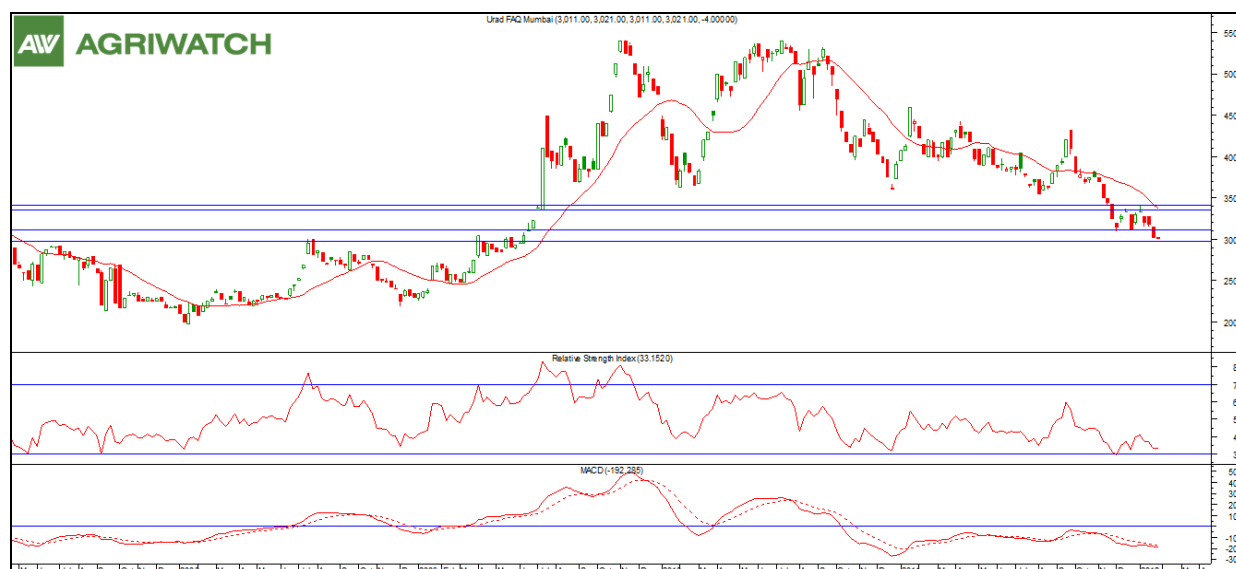
| All Quantity in MMT | 2010-11 Estimated | 2011-12 Projected |
|---------------------|-------------------|-------------------|
| Carry-In | 0.093 | 0.058 |
| Production | 1.28 | 1.2 |
| Imports | 0.445 | 0.4 |
| Total Availability | 1.818 | 1.658 |
| Exports | 0 | 0 |
| Dom. Consumption | 1.76 | 1.76 |
| Total Usage | 1.76 | 1.76 |
| Carry-Out | 0.058 | -0.102 |

Meanwhile, Rajasthan state agriculture department in their second advance estimate of Kharif 2011 crops has revised up the urad production estimate to 136,543 tonnes from the first advance estimate of 59,256 tonnes. The main reason for increase in production is increase in area (sown area) estimation i.e. 255,221 hectares from 110,759 hectares.

Market Outlook:

We expect the prices to remain range bound with weak bias as higher stocks availability from international markets will offset the lower domestic crop output this year.

Price Outlook for Burmese Urad at Mumbai Market:



- Candlestick formation hints at selling interest in market.
- 3113 and 2934 levels seem immediate resistance & support respectively.
- Positioning of RSI and MACD in chart also depicts bearish movement.
- We expect that Prices might remain range bound with weak bias in short to medium term.

| S2 | S1 | PCP | R1 | R2 |
|------|-----------|------|------|------|
| 2898 | 2934 | 3021 | 3113 | 3268 |
| Call | Entry | T1 | T2 | SL |
| SELL | 3010-3030 | 2971 | 2950 | 3280 |

Domestic Prices & Arrivals:

| Centre | | Prices (Rs/Qtl) | | |
|------------|-------------|-----------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Mumbai | Burmese FAQ | 3021 | 3300 | 4375 |
| Delhi | Burmese FAQ | 3125 | 3350 | 4425 |
| Chennai | Burmese FAQ | 3100 | 3450 | 4425 |
| | Burmese SQ | 3500 | 3850 | 5000 |
| Indore | Local | 3100 | 3000 | 3900 |
| Vijayawada | Polished | 3500 | 3400 | 4200 |
| Jalgaon | Desi | 3900 | 4200 | 4800 |
| Latur | Desi | 3300 | 3600 | 4500 |
| Akola | Desi | 3700 | 3800 | 3400 |

| Centre | Variety | Arrivals (in bags of 1 Quintal) | | |
|-------------|---------|---------------------------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Indore | MH | 600 | 500 | 1500 |
| Jalgaon | Desi | 100 | 100 | 200 |
| Latur | Local | 1000 | 4000 | 700 |
| Akola | Local | - | 400 | 400 |
| Ashok Nagar | Local | 600 | 1500 | 1500 |

Processed Urad Rates (Dall):

| Centre | Prices (Rs/Qtl) | | |
|-----------------|-----------------|------------|------------|
| | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Jalgaon | 5200 | 5300 | 6400 |
| Bikaner (Split) | 4300 | 4500 | 5700 |
| Indore | 5800 | 5900 | 7000 |

Green Gram (Moong)

Market Recap:

Desi prices witnessed mixed tone during the January while imported moong featured firm tone during the period.

Current Market Dynamics & Outlook:

During this period, imported moong at Mumbai featured a sharp rise in average prices (of Rs.100-120 per Qtl) to Rs. 3478/Qtl from last month's Rs.3362/Qtl on improved demand due to huge arrivals of below standard quality of domestic crop this year. Meanwhile, Tanzanian origin moong also surged by Rs. 50-60 per quintal to Rs.4126 per quintal in Mumbai market while moong pedishewa rose by Rs.70 per quintal to Rs.4501 per quintal.

The average prices of desi moong in Indore, Akola, Jalna and Delhi (Karnataka line) increased by Rs78, 357, 10 and 93 per quintal to Rs 4490, 4245, 4195 and 5000 per quintal respectively amid slight improved buying activity in the markets. However, desi moong prices in Kanpur and Jaipur market tumbled by Rs.118 and 11 per quintal to Rs.3554 and 3797 per quintal due to sizeable arrivals in markets.

This year, the good production of moong in Kisangarh and Ganganagar regions of Rajasthan has restricted any major improvement in commodity prices. In addition, as per trade sources, around 6 lakh bags (1=100kg) i.e. 60,000 tonnes of moong arrived in Naguar market (Rajasthan).

Meanwhile, Rajasthan state agriculture department in their second advance estimate of Kharif 2011 crops has revised up the moong production estimate to 571,230 tonnes from the first advance estimate of 436,935 tonnes. The main reason for increase in production is increase in area (sown area) estimation i.e. 1,272,228 hectares from 973,130 hectares..

State wise Rabi 2011-12 Moong sowing progress:-

(in Lakh ha.)

| State | Current Year | Last Year | % Change |
|-------------|--------------|-----------|----------|
| Orissa | 3.41 | 3.76 | -9.25 |
| UP | 5.83 | 6.38 | -8.64 |
| Chattisgarh | 0.22 | 0.24 | -10.00 |
| AP | 0.95 | 0.82 | 15.85 |

On crop sowing front, area planted under rabi moong fell by 1.7% to 4.58 lha. in comparison to 4.66 during same period last year. The moong area is up by 15.85% to 0.922 Lakh ha. in Andhra Pradesh from the last year's 0.82 lakh ha.. Meanwhile, farmers have shifted towards more remunerative crops like chilli in these regions. However, the planted crop is in satisfactory condition and some rainfall in the coming days would lead to better yields.

Market Outlook:

We expect range bound movement in moong prices as on satisfactory stocks in domestic markets.

Price Outlook for Desi Moong at Jaipur Market:


Candlestick chart depicts range bound with weak bias movement in prices.

Prices might take support at 3500 levels and likely keep the trend intact thereafter in the short term.

Positioning of RSI in chart is sideways indicates range bound movement in prices during the month.

We expect moong prices to remain range bound with weak bias in coming month.

| S2 | S1 | PCP | R1 | R2 |
|------|-----------|------|------|------|
| 3387 | 3530 | 3700 | 3856 | 3928 |
| Call | Entry | T1 | T2 | SL |
| SELL | Near 3700 | 3612 | 3570 | 3850 |

Domestic Prices & Arrivals:

| Centre | | Prices (Rs/Qtl) | | |
|---------|-----------------|-----------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Mumbai | Annaseva | 3375 | 3425 | 4100 |
| Chennai | Pedishwa | - | 5000 | 5200 |
| Delhi | Karnataka | 5000 | 5000 | - |
| | Mertacity Mogar | 4500 | 4400 | 5200 |
| Indore | Chamki | 4300 | 4400 | 5600 |
| Kanpur | Desi | 3525 | 3800 | 4200 |
| Jaipur | Desi | 3700 | 3800 | 4400 |
| Jalna | Chamki | 4250 | 4400 | 6800 |
| Akola | Desi | 4200 | 4200 | 4800 |

| Centre | Arrivals (in bags of 1 Quintal) | | |
|--------|---------------------------------|------------|------------|
| | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Kanpur | - | 50 | - |
| Indore | 700 | 800 | 30000 |
| Jaipur | 30000 | 30000 | 1200 |
| Jalna | 100 | 50 | - |
| Akola | - | 300 | 500 |

Processed Moong Rates (Dall):

| Centre | Prices (Rs/Qtl) | | |
|-----------------|-----------------|------------|------------|
| | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Jalgaon | 5500 | 5600 | 6800 |
| Bikaner (Split) | 5100 | 5100 | 6000 |
| Indore | 5500 | 5600 | 6900 |

Lentils (Masoor)

Market Recap:

Lentil prices featured a firm tone during the January month on renewed buying interest at current levels.

Current Scenario:

During the period, average desi (local) masoor prices in Kanpur remained flat at Rs.2440-2450 per quintal while, average prices of Bareilly origin lentils rose by 3.9% to Rs.3148 per quintal from the Rs.3029 per quintal in previous month.

Meanwhile, average prices of UP and MP origin masoor at Delhi market also surged by Rs200-300/Qtl to Rs.3497 and Rs.3193 per quintal on fresh buying interest at current levels.

On imported lentils front, the average prices of red lentils in Mumbai market also surged by Rs.150 per quintal to Rs.2811 per quintal in tandem with domestic prices.

On sowing front, area planted under masoor is marginally lagging behind i.e. 0.51% at 15.32 lakh Ha. compared to 15.4 lha. in previous year. However, the crop is in in good condition due to recent rainfall and favorable temperatures. However, as per Market Participants, masoor crop in the Bhopal to Bina (M.P) region might have been damaged a bit due to recent frost in state.

The table below shows the state wise area coverage of masoor this Rabi 2011-12 –

Statewide Rabi 2011-12 Lentils sowing progress:-

(in Lakh ha.)

| State | Current Year | Last Year | % Change |
|-------------|--------------|-----------|----------|
| Orissa | 0.12 | 0.10 | 14.81 |
| UP | 5.83 | 6.38 | -8.64 |
| Bihar | 2.08 | 2.02 | 2.94 |
| Chattisgarh | 0.27 | 0.273 | -1.10 |
| MP | 6.22 | 5.53 | 12.48 |

Meanwhile, as per the preliminary estimates received by the trade overall masoor output this rabi is expected to decline to 7.5-8 lakh tonnes down from the previous year's 10 lakh tonnes

On the global front, the lentil planted area in Canada is likely to fall due to the lower returns. However, higher carry-out stocks may result into similar amount of exportable surplus. The following table shows the Area and Production of peas in Canada:

| | Area Seeded | Area Harvested | Yield | Production | Exports | Carry-Out Stocks | % Change to last year in exports |
|-----------------|-------------|----------------|--------|--------------|---------|------------------|----------------------------------|
| | (000 ha) | | (t/ha) | (000 tonnes) | | | |
| 2009-10 | 971 | 963 | 1.57 | 1,510 | 1,387 | 44 | |
| 2010-11 | 1,408 | 1,336 | 1.46 | 1,947 | 1,105 | 750 | -20.3 |
| 2011-12f | 1,040 | 998 | 1.53 | 1,532 | 1,200 | 850 | 8.6 |
| 2012-13f | 900 | 870 | 1.49 | 1,300 | 1,200 | 750 | 0.0 |

Stats Canada forecasts a possible decline of lentil acreage in Canada during 2012 as returns are not as competitive as compared with canola, durum or peas. Canadian 2012-13 lentils area is forecast to fall to 0.9 million ha. due to lower return particularly for red lentils compared to other crops.. Decline of 18% to 1,246,000MT is expected in Canada's Lentil production as compared to the previous year's 1,531,900 MT. However, exports remain historically high as higher carry-in stocks partly offset the lower production.

They also forecast a possible decline of 7.73% in worldwide lentil production to 3,727,778 MT in 2012 as compared to 4,040,220 MT

Market Outlook:

We expect prices to be range bound with firm bias as in expectation of a good rabi crop. However, lower tur output may support the prices.

Price Outlook of Desi Masoor at Kanpur Market:



- Candlestick pattern shows range bound movement in markets.
- 2484 levels seem immediate resistance and 2289 as immediate support for the prices.
- Upward movement of oscillator RSI indicates toward further improvement in prices in short term.
- We expect prices to remain range bound with slight firmness in coming month.

| S2 | S1 | PCP | R1 | R2 |
|-------------|-----------|------|------|------|
| 2200 | 2289 | 2360 | 2484 | 2522 |
| Call | Entry | T1 | T2 | SL |
| SELL | Near 2360 | 2392 | 2414 | 2310 |

Domestic Prices & Arrivals:

| Centre | | Prices (Rs/Qtl) | | |
|--------|-------------------|-----------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Mumbai | Red Lentils | 2900 | 2700 | 3400 |
| Delhi | Chanti Export | 4650 | 4500 | 4950 |
| | MP/ Kota Line | 3050 | 3200 | 3250 |
| | UP/ Sikri Line | 3500 | 3400 | 3650 |
| Kanpur | Mill Delivery | 2980 | 3030 | 3150 |
| | Bareilly Delivery | 3070 | 3100 | 3225 |
| Indore | Masra | 3050 | 3000 | 3450 |

Processed Masoor Rates (Dall):

| Centre | Prices (Rs/Qtl) | | |
|----------------------|-----------------|------------|------------|
| | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Kanpur (Malka) | 3400 | 3430 | 3750 |
| Indore | 3625 | 3600 | 4050 |
| Delhi (Badi Masoor) | 3750 | 3700 | 4100 |
| Delhi (Choti Masoor) | 4550 | 4500 | 4850 |
| Katni | 3550 | 3550 | 4100 |

Chickpeas (Chana)

Market Recap:

Chana prices witnessed mixed tone during the January month as compared to the previous month as prices in some market fell following new crop arrivals. Although, lower rabi acreage besides lower stock availability in major exporting countries restrict prices from the major downfall.

Current Scenario:

In benchmark market Delhi "Lawrence Road", the chana prices(of both Rajasthan and M.P. origin) surged by Rs.40 -60 per quintal to Rs.3332 and Rs.3416 per quintal respectively.

The Jaipur and Bikaner market also witnessed similar trend and chana prices rose by Rs.70-90 per quintal to Rs.3312 and Rs.3182 per quintal respectively. Meanwhile, prices at Indore and Kanpur market remain flat during the month at Rs.3560 and Rs.3310 per quintal.

Moreover, imported Australian chana also surged by Rs.58 per quintal to Rs.3366 per quintal on fresh buying enquiries.

However, average chana prices in Latur and Akola fell by Rs.50-80 per quintal. While, sharp fall in prices at Jalgaon and Gulbarga market (of Rs.150-250 per quintal) reported during the January month.

On crop progress front, as per the latest crop progress report of ministry of agriculture, area under chana is down by 4.34 per cent to 88.90 lakh hectares as compared to same period last year's sown area (92.94 lakh hectares). There is a fall in sown area in AP, Karnataka and Maharashtra while sown area under chana is up in Rajasthan, Gujarat, MP and UP.

State wise Rabi 2011-12 Gram sowing progress:-

(in Lakh ha.)

| State | Current Year | Last Year | % Change |
|-------------|--------------|-----------|----------|
| Orissa | 0.36 | 0.39 | -6.21 |
| UP | 8.34 | 8.41 | -0.92 |
| Bihar | 1.04 | 0.95 | 9.47 |
| Gujarat | 1.97 | 2.29 | -14.00 |
| Chattisgarh | 3.16 | 3.24 | -2.47 |
| Maharashtra | 10.44 | 13.95 | -25.16 |
| AP | 5.79 | 6.20 | -6.61 |
| MP | 32.24 | 31.06 | 3.80 |
| Rajasthan | 15.71 | 15.71 | -0.03 |
| Karnataka | 8.22 | 9.73 | -15.53 |

On rabi chana crop condition, recent rainfall amid suitable temperature in key growing states (Rajasthan, M.P. and U.P.) may yield bumper crop this year.

Meanwhile, harvesting of rabi chana is in full pace in Karnataka & AP. The average new crop arrivals have increased in the past weeks. Recently, Gulbarga and Latur (Maharashtra) recorded 2000 and 7000 bags of 100kg per day respectively. Moreover, meager amount of chana bags arrivals are also reported in various local mandi's (Guna, Jabalpur and Indore) of M.P. Meanwhile in Maharashtra, traders also expecting the commencement of rabi chana during second week of February.

Meanwhile, as per Rajasthan state government's (Agriculture Department) 1st advance estimate of Rabi crops in which the chana output is forecast at 14.76 lakh tonnes which is slightly higher than the last year's (2010-11) production of 14-14.25 lakh tonnes in Rajasthan.

On the international front, estimated chickpeas planted area in Canada during 2012-13 may increase by 8% . to 55000 ha. due to relatively higher return compared o most of the alternative crops. In turn production is forecast to rise to 95000 tonnes. However, expected export quantity may remain same given the lower carry-in stocks in 2011-12.

The following table shows the Area and Production of Chana in Canada:

| | Area Seeded | Area Harvested | Yield | Production | Exports | Carry-Out Stocks | % Change to last year in exports |
|----------|-------------|----------------|--------|--------------|---------|------------------|----------------------------------|
| | (000 ha) | | (t/ha) | (000 tonnes) | | | |
| 2009-10 | 32 | 30 | 2.49 | 76 | 66 | 20 | |
| 2010-11 | 83 | 77 | 1.67 | 128 | 86 | 22 | 30.3 |
| 2011-12f | 51 | 50 | 1.83 | 91 | 50 | 20 | -41.9 |
| 2012-13f | 55 | 54 | 1.76 | 95 | 50 | 25 | 0.0 |

(Source:-AAFC)

Market Outlook:

Chana prices may witness range bound movement with firm bias in coming month as on lower crop output in southern part of country while expectation of sizeable crop in M.P. and Rajasthan may restrict major improvement in prices.

Spot Market Price Outlook at Delhi (Chana MP):



- Candlestick chart pattern shows indecision in the market.
- 3172 and 3422 levels may act as strong support and resistance for the prices.
- Moreover, Oscillator RSI also hints for further improvement in prices.
- We expect prices to remain strong in coming February month.

| S2 | S1 | PCP | R1 | R2 |
|------|------------|------|------|------|
| 3137 | 3172 | 3300 | 3422 | 3462 |
| Call | Entry | T1 | T2 | SL |
| BUY | Below 3310 | 3351 | 3369 | 3250 |

Futures Technical (NCDEX):


- Candlestick chart pattern shows formation of indecision in market.
- Rise in prices along with increase in OI indicates towards possible long buildup in markets.
- The level 3100 acts as strong resistance for chana prices and 3400 level act as strong resistance to the chana prices in February month. Prices likely to test the resistance level in this month.
- We expect prices to move uptrend in coming month.

Strategy: Buy on dips

| Intraday Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|---------------------------------|-------|-------|------------|-----------|------|------|------|
| Chana | NCDEX | March | 3001 | 3053 | 3188 | 3358 | 3400 |
| Intraday Trade Call | | | Call | Entry | T1 | T2 | SL |
| Chana | NCDEX | March | BUY | 3177-3200 | 3271 | 3319 | 3100 |

Domestic Prices & Arrivals:

| Centre | | Prices (Rs/Qtl) | | |
|---------|----------------|-----------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Mumbai | Australian | 3200 | 3450 | 2650 |
| Delhi | Rajasthan | 3225 | 3300 | 2660 |
| | Madhya Pradesh | 3275 | 3400 | 2700 |
| Bikaner | Desi | 3075 | 3150 | 2525 |
| Indore | Kantewala | 3000 | 3250 | 2550 |
| Kanpur | Desi | 3425 | 3570 | 2700 |



| | | | | |
|-------|----------|------|------|------|
| Latur | Gauran | 3200 | 3300 | 2700 |
| | Annagiri | 3300 | 3600 | 2700 |
| | G-12 | 3200 | 3400 | 2350 |

| Centre | | Arrivals (in bags of 1 Quintal) | | |
|--------|----------------|---------------------------------|------------|------------|
| | | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Delhi* | Rajasthan | 15 | 15 | 65 |
| | Madhya Pradesh | 15 | 15 | 65 |
| Indore | Kantewala | 600 | 500 | 5000 |
| Latur | Gauran | 2000 | - | 800 |
| | Annagiri | - | - | 100 |
| | G-12 | - | - | 200 |

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

Processed Chana Rates (Dall):

| Centre | Prices (Rs/Qtl) | | |
|----------|-----------------|------------|------------|
| | 31-1-2012 | 30-12-2011 | 31-01-2011 |
| Jalgaon | 3900 | 4300 | 3400 |
| Latur | 4000 | 4300 | 3000 |
| Akola | 4100 | 4100 | 3300 |
| Kanpur | 3900 | 4050 | 3125 |
| Bikaner | 3650 | 3850 | 3000 |
| Indore | 4100 | 4200 | 3450 |
| Delhi | 3775 | 3900 | 3250 |
| Gulbarga | 4200 | 4400 | - |

Annexure1
USA Pulses Outlook

| Crop Estimation | Area planted (in January 2012) | | | Area planted (in Dec 2011) | | |
|----------------------|--------------------------------|----------|----------|----------------------------|----------|----------|
| | (in hectares) | | | (in hectares) | | |
| | 2010 | 2011 | % Change | 2010 | 2011 | % Change |
| Austrian winter peas | 12,630 | 7,280 | -42.36 | 12,630 | 7,280 | -42.36 |
| Dry edible beans | 7,73,520 | 4,88,020 | -36.91 | 7,73,520 | 4,87,690 | -36.95 |
| Dry edible peas | 3,05,950 | 1,46,500 | -52.12 | 3,05,950 | 1,48,120 | -51.59 |
| Lentils | 2,66,290 | 1,73,210 | -34.95 | 2,66,290 | 1,81,300 | -31.92 |

| Crop Estimation | Area harvested (in January 2012) | | | Area harvested (in Dec 2011) | | |
|----------------------|----------------------------------|----------|----------|------------------------------|----------|----------|
| | (in hectares) | | | (in hectares) | | |
| | 2010 | 2011 | % Change | 2010 | 2011 | % Change |
| Austrian winter peas | 7,240 | 4,980 | -31.22 | 7,240 | 4,490 | -37.98 |
| Dry edible beans | 7,45,720 | 4,67,780 | -37.27 | 7,45,720 | 4,64,380 | -37.73 |
| Dry edible peas | 2,87,900 | 1,38,730 | -51.81 | 2,87,900 | 1,41,560 | -50.83 |
| Lentils | 2,56,570 | 1,66,330 | -35.17 | 2,56,570 | 1,75,640 | -31.54 |

| Crop Estimation | Yield per hectare (in January 2012) | | | Yield per hectare (in Dec 2011) | | |
|----------------------|-------------------------------------|------|----------|---------------------------------|------|----------|
| | (in metric tons) | | | (in metric tons) | | |
| | 2010 | 2011 | % Change | 2010 | 2011 | % Change |
| Austrian winter peas | 1.48 | 1.64 | 10.811 | 1.48 | 2.01 | 35.81 |
| Dry edible beans | 1.93 | 1.92 | -0.518 | 1.93 | 1.93 | 0.00 |
| Dry edible peas | 2.24 | 1.84 | -17.857 | 2.24 | 1.73 | -22.77 |
| Lentils | 1.53 | 1.29 | -15.686 | 1.53 | 1.22 | -20.26 |

| Crop Estimation | Production (in January 2012) | | | Production (in Dec 2011) | | |
|----------------------|------------------------------|----------|----------|--------------------------|----------|----------|
| | (in metric tons) | | | (in metric tons) | | |
| | 2010 | 2011 | % Change | 2010 | 2011 | % Change |
| Austrian winter peas | 10,750 | 8,160 | -24.09 | 10,750 | 9,030 | -16 |
| Dry edible beans | 14,42,470 | 8,99,610 | -37.63 | 14,42,470 | 8,94,890 | -37.96 |
| Dry edible peas | 6,45,050 | 2,55,150 | -60.44 | 6,45,050 | 2,44,620 | -62.08 |
| Lentils | 3,92,670 | 2,14,640 | -45.34 | 3,92,670 | 2,13,870 | -45.53 |

As per USDA latest release on 12th Jan, 2012, U.S. dry edible bean production is forecast at 899,610 MT for 2011, up 0.5 percent from Dec, 2011 estimate and down 38 percent from 2010. Planted area is estimated at 488,020 hectares, down 37 percent from last year's 773,520 hectares. Harvested area is forecast at 467,780 hectares, 38 percent below the previous year. This year production is on lower side in

most of the states of country as on rainfall in spring season resulted lesser area and slower maturation in planted crop.

Country's dry edible peas production is forecast at 255,150 MT for 2011, up 4.3 percent from Dec, 2011 estimate and down 60 percent from 2010. The rise in production is due to increase in yield by 6% to 1.84MT per hectare from the previous estimation of 1.73 MT per hectares.

The latest estimate also forecast 9 percent fall in Australian winter peas production to 8160 MT from 9,030 MT estimated in earlier projection in Dec, 2011. This is majorly due to fall of 18% in yield to 1.64 MT per hectares from the earlier estimation of 2.01 MT per hectares in Dec, 2011.

(Source: USDA)

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>