

## **Chickpeas (Chana)**

### **Market Recap:**

Chana prices featured a slightly improved tone during the week ending January 10<sup>th</sup>, 2012 as compared to previous week on some fresh buying support.

### **Current Market Dynamics & Outlook:**

Chana prices in the benchmark markets (Delhi "Lawrence Road", Bikaner and Indore) featured an improved sentiment during the period under review amid some fresh buying support from millers/processors.

The average chana prices in the benchmark markets Delhi Lawrence Road inched up by Rs89/Qtl to Rs 3503/Qtl for MP origin chana while the Rajasthan origin chana in Lawrence road increased by Rs95/Qtl to Rs 3403/Qtl during the period. Other benchmark markets (Bikaner and Indore) also featured a similar trend and prices went up by Rs 75/Qtl each to Rs 3235 and Rs 3403/Qtl respectively.

Lower sown area under chana this Rabi 2011-12 further supported the sentiment to some extent. As per the latest crop progress report of ministry of agriculture, as of Jan. 6<sup>th</sup>, sown area under chana is down by 6 per cent to 87.22 lakh hectares as compared to same period last year's sown area (92.77 lakh hectares). Shifting of chana acreage to peas in Uttar Pradesh and in Wheat in Rajasthan besides lower sown area in key southern states (Karnataka, Maharashtra, AP etc) are mainly attributed to decline in sown area.

On crop condition front, Chana crop is in good shape in MP, UP and Rajasthan which is at vegetative to early flowering stage in these states. Weather looks congenial as of now and recent precipitation over some parts of MP along with western UP and eastern Rajasthan may add to the soil moisture which brighten the yield prospect if everything goes well during coming couple of weeks. However, sources revealed that the rains in Rajasthan was limited to some areas of eastern Rajasthan and other important growing area need irrigation/rains in coming fortnights time otherwise this may hinder the growth as well as yield of crop. At the same time crop harvest is started in the key southern states (Karnataka, Maharashtra and AP) and the key markets in south like Gulbarga (Karnataka) and Latur (Maharashtra) featuring average new crop arrivals of around 1000-1200 and 5000 bags (1 bag=100Kg) on daily basis respectively. The new crop arrivals in the key southern markets are expected to increase in coming days which might weigh on prices for a very short period probably in mid January as the arrivals are expected to be lower than last year following expectation of lower crop output in southern states on lower sown area.

Further, millers/processors in Delhi during the mid of the last week has contracted for Australian origin chana from Mumbai at around average price of Rs3300-3350/qtl which is at par with the MP origin chana available in Delhi at around Rs3525-3550/Qtl.

Meanwhile, Rajasthan state government (Agriculture Department) has released the **1<sup>st</sup> advance estimate of Rabi crops in which the chana output is forecast at 14.76 lakh tonnes** which is slightly higher from the last year's (2010-11) production of 14-14.25 lakh tonnes in Rajasthan.

Internationally, chana fundamentals continue to remain on stronger side amid expected lower crop output in all the key growing countries. However, subdued import activity from Indian buyers due to disparity keeping international prices mostly stable.

**Market Outlook:**

Chana prices are expected to trade range bound with slightly weak tone in coming days amid commencement of new crop arrivals in southern part of the country. However, any dip or decline in prices from the current prevailing prices may be considered as a buying opportunity and one can buy chana in the physical market on averaging basis as medium to long term prospect looks strong for chana.

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


As evident from the above chart, levels 3331 and 3476 is acting as a good support and resistance and breaching the same either side would give prices new direction. Prices are also holding above the short term EMAs (9 & 18 days) which supports firmness in short term. Oscillator RSI remains in the neutral zone and favours a sideways market.

We expect chana prices to remain range bound between 3331-3476 levels.

S2	S1	PCP	R1	R2
3258	3331	3425	3476	3590
Call	Entry	T1	T2	SL
Wait	-	-	-	-

**Futures Technical (NCDEX):**
**CHANA**



As reflected in the chart, prices are moving range bound and sideways between 3340 – 3401 levels which is also acting as of good support and resistance. Breakout either side of the mentioned level would give prices new direction. Also in the daily chana chart (Feb contract) double bottom formation is there and breakout above the neck line at 3401 level may take prices towards 3650 level.

Oscillator RSI remain in neutral region and supports firmness. Short term EMAs also stand supportive for prices.

However, as mentioned prices are currently hovering between 3340-3401 level, so one has to wait for the breakout either side for clear direction of prices till then we expect prices to remain between the mentioned levels.

**Strategy:** wait for the breakout and take the position accordingly

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Chana	NCDEX	February	3306	3340	3393	3401	3441
Intraday Trade Call			Call	Entry	T1	T2	SL
Chana	NCDEX	February	Wait	-	-	-	-

#### Domestic Prices & Arrivals:

Centre	Prices (Rs/Qtl)			
	Variety	12-1-2012	29-12-2011	Change
Mumbai	Australian	3425	3500	-75
Delhi	Rajasthan	3450	3400	+50
	Madhya Pradesh	3550	3500	+50
Bikaner	Desi	3300	3250	+50
Indore	Kantewala	3450	3425	+25
Kanpur	Desi	3650	3625	+25

Latur	Gauran	3400	3300	<b>+100</b>
	Annagiri	3800	3700	<b>+100</b>
	G-12	3500	3450	<b>+50</b>

All paid prices (including all taxes and levies)

Centre	Arrivals (in bags of 1 Quintal)			
	Variety	12-1-2012	29-12-2011	Change
Delhi	Rajasthan	15	10	<b>+5</b>
	Madhya Pradesh	15	10	<b>+5</b>
Indore	Kantewala	800	1000	<b>-200</b>
Latur	Gauran	5000	5000	<b>Unch</b>
	Annagiri	-	-	-
	G-12	-	-	-

Arrivals at Delhi markets are in Motors, 1 motor = 9 or 15 Metric Tonnes.

#### Processed Chana Rates (Dal):

Centre	Prices (Rs/Qtl)		
	12-1-2012	29-12-2011	Absolute Change
Jalgaon	4300	4300	<b>Unch</b>
Latur	4300	4300	<b>Unch</b>
Kanpur	4100	4100	<b>Unch</b>
Bikaner	4000	3950	<b>+50</b>
Indore	4375	4350	<b>+25</b>
Delhi	4025	4000	<b>+25</b>
Gulbarga	4500	4500	<b>Unch</b>

#### Peas (Matar)

##### Market Recap:

Mostly a steady sentiment featured in peas prices during the period on subdued trading activity and higher imports.

##### Current Market Dynamics & Outlook:

Both the desi (local) and imported peas prices mostly remained stable during the week under review as increasing imports and rising peas sown area this Rabi 2011-12 keeping a lid on prices.

As per the latest update of ministry of agriculture the sown area under peas crop this Rabi 2011-12 has reached to 8.02 lakh hectares against 6.88 lakh hectares in same period last year. Shifting of chana and masoor area towards peas cultivation is mainly attributed to the increase in peas sown area.

In Uttar Pradesh, around 60,000 hectares of chana and masoor area is 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. Thanks to higher prices in the last season (2010-11) and stable prices throughout this season which motivated farmers to bring more acres under peas crop.

On crop condition front, at the moment overall the crop is in good shape in all the key growing states (MP, UP & Bihar) and recent rains over MP, UP and Bihar further favours good crop development and higher yield.

At the same time, preliminary production estimates from trade suggests that peas production this year (2011-12) will 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.

Meanwhile, on imports front during April-October 2011 period total peas imports stood at 10.56 lakh tonnes up by 19% compared to same period last year.

Key Factor to be watched: weather and crop development/condition in January month is to be watched very carefully as peas prices would be guided by these two factors in medium term. Also price movement of chana would also guide the peas prices.

#### Market Outlook:

A range bound movement between Rs2298-2352/Qtl (Kolkata) level is expected in peas prices during the coming week.

#### Price Outlook for Canadian Yellow Peas at Kolkata Market:



As evident from the chart, prices are in consolidation phase and moving between the range of 2298-2352. Breaching either side of the mentioned level would give prices new direction. Overall the price trend remains up and intact. Other indicators like RSI and MACD also hints for a sideways and range

bound trade.

We expect prices to remain range bound between 2298-2352 levels.

S2	S1	PCP	R1	R2
2272	2298	2320	2352	2432
Call	Entry	T1	T2	SL
Wait	-	-	-	-

#### Domestic & International Prices:

Centre		Price (Rs/Qtl)		
	Variety	12-1-2012	29-12-2011	Change
Mumbai	White American	2181	2170	+11
	White Canadian	2101	2100	+1
	Green American	2835	2825	+10
	Green Canadian	2625	2625	Unch
Kanpur*	Desi	2475	2480	-5
International Prices at Chennai Port (\$/Ton)				
Chennai	Yellow Peas	450	465	-15

\*All paid delivered prices

#### Pigeon pea (Tur)

##### Market Recap:

Both domestic and imported tur prices featured a firm tone during the period on improved buying activity in the markets.

##### Current Market Dynamics & Outlook:

Desi (local) tur prices in the key domestic markets featured a firm tone during the week ending January 11<sup>th</sup>, 2012 amid improved buying support despite new crop arrivals.

Tur prices in the key markets of Maharashtra (Latur & Jalna) went up by Rs 178-386/Qtl to Rs4178 and Rs 3228/Qtl while in Karnataka prices were up by Rs 140/Qtl to Rs4021/Qtl. New crop arrivals also failed to pressure prices as the overall crop production this year (2011-12) is expected to be much lower than previous year. The preliminary estimates suggests that Tur production during 2011-12 would be around 22.5-23 lakh tonnes which is significantly down from the previous year's 28.5 lakh tonnes. Significant decline in sown area during Kharif 2011 due to lower and undistributed rains during August-October period over the key southern states affected the sowing of the commodity and also affected the yields. Overall tur supply during the current marketing season is expected to remain short of demand by almost 1-1.5 lakh tonnes considering if the imports remains at last year's level i.e. 3 lakh tonnes which may further remains supportive for tur prices.

In tandem with increasing tur prices domestically, international offers for tur also increased during the period despite 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 average C&F quotes for tur lemon in Chennai increased from USD 595/MT to USD 611/MT during the period.

Meanwhile, rupee has started appreciating compared to USD and it looks that the INR may appreciate upto 49.5 level in coming weeks which is currently at 51.5 level which would make imports viable and import activity is expected to pick up pace. The following table shows the parity calculation of imported lemon tur at current value of INR and at expected value i.e. 49.5. Also the domestic tur prices are expected to improve further in days to come which would further make imports lucrative.

	At Current Value of INR (51.5)	At Expected Value of INR (49.5)
<b>C&amp;F Chennai Prices (in \$/MT)</b>	625	625
<b>INR</b>	32187	30937
<b>Expenses (loading/unloading/clearing etc) at port</b>	1500	1500
<b>Total Landed Cost (Rs/MT)</b>	33687	32437
<b>Domestic Price at Chennai (Rs/MT)</b>	32250	33500*
<b>Parity/Disparity (Rs/MT)</b>	<b>-1437</b>	<b>1063</b>

*\*likely prices*

#### Market Outlook:

We expect tur prices to remain firm during the coming week on aforesaid reasons.

#### Price Outlook for Tur at Gulbarga Market:



As reflected in the chart prices are moving range bound and sideways between 3780-4102 level which is also acting as a immediate support and resistance. Breaching either side of the mentioned levels would take prices towards 3496 and 4399 levels (support & resistance). Other indicators suggests for short term firmness in prices.

We expect tur prices to remain range bound between the above mentioned level in coming week.

<b>S2</b>	<b>S1</b>	<b>PCP</b>	<b>R1</b>	<b>R2</b>
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3496	3780	3900	4102	4399
<b>Call</b>	<b>Entry</b>	<b>T1</b>	<b>T2</b>	<b>SL</b>
<b>Wait</b>	-	-	-	-

**Domestic Prices & Arrivals:**

Centre		Price (Rs/Qtl)		
	Variety	12-1-2012	29-12-2011	Change
Mumbai	Burmese Lemon	3435	3425	<b>+10</b>
	Arusha	3350	3325	<b>+25</b>
Delhi	Burmese Lemon	3575	3650	<b>-75</b>
Chennai	Burmese Lemon	3300	3200	<b>+100</b>
Gulbarga	Red	3900	4100	<b>-200</b>
Latur	Red	4100	4300	<b>-200</b>
Jalna	Red	3100	3400	<b>-300</b>
Jalgaon	Red	4200	4200	<b>Unch</b>
<b>International Prices at Chennai Market (\$/Ton)</b>				
Chennai	Burmese Tur	630	610	<b>+20</b>

Centre		Arrivals (in bags of 1 Quintal)		
	Variety	12-1-2012	29-12-2011	Change
Gulbarga	Red	1100	8000	<b>+3000</b>
Latur	Red	10000	10000	<b>Unch</b>
Jalna	Red	100	50	<b>+50</b>
Jalgaon	Red	1200	1000	<b>+200</b>

**Black Matpe (Urad)**
**Market Recap:**

A steady to slightly firm tone featured in urad prices during the week ending January 11<sup>th</sup>, 2011 on some fresh buying interest and expected lower production.

**Current Market Dynamics & Outlook:**

Urad prices in the key markets featured a slightly improved tone on some fresh buying interest as well as estimation of overall lower urad production this season. The average weekly prices of urad in Indore (MP) increased by Rs10/Qtl to Rs3080/Qtl while in Jalna (Maharashtra) and Vijaywada (AP) markets prices increased by Rs 29/Qtl each to Rs 3257 and Rs 4171/Qtl respectively. However, the upward move was limited due to expected higher Rabi output this season (2011-12). The main Rabi urad comes from AP



and Tamil Nadu and production this Rabi as per the trade sources is expected to be good at around 3.25-3.5 lakh tonnes on increased sown area good climatic condition during the entire crop development period particularly in AP. However, recent cyclone Thane has affected some sown area in Tamil Nadu due to which quality is expected to deteriorate. Further, the new urad arrivals has started in Vijaywada with average daily arrivals of 500-600 bags (1 bag=100kg) which is likely to pick up pace from January end onwards which may weigh on prices in short term besides reportedly good stocks of imported urad in southern ports.

Overall urad supply (including Kharif & Rabi production and Imports) are likely to remain neck to neck with demand. So, rabi crop output should be watched very carefully as any variation in production estimate may guide the prices accordingly.

Imported quotes for Urad also improved during the period in tandem with the domestic prices. The average Urad FAQ C&F Chennai prices rose by USD 7/MT to USD 627/MT.

Internationally, 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 which in turn also limit the gains in domestic urad prices.

#### Market Outlook:

Domestic urad prices are expected to trade range bound in the coming week.

#### Price Outlook for Burmese Urad at Mumbai Market:



As evident from the chart after breaching the key support level at 3600 price has come down to its next good support at 3044 level from where prices bounced back. Currently it looks that prices may remain between this range (3044-3600). Indicators also favour a sideways and range bound markets.

S2	S1	PCP	R1	R2
2848	3044	3275	3600	3850

Call	Entry	T1	T2	SL
BUY	3044-3125	3400	3600	2866

**Domestic & International Prices:**

Centre		Prices (Rs/Qtl)		
	Variety	12-1-2012	29-12-2011	Change
Mumbai	Burmese FAQ	3150	3375	-225
Delhi	Burmese FAQ	3400	3450	-50
Chennai	Burmese FAQ	3375	3450	-75
	Burmese SQ	3725	3850	-125
Indore	Desi	3100	3100	Unch
	MH	3500	3500	Unch
Vijayawada	Polished	4100	4300	-200
Latur	Local	4100	4000	+100
Akola	Local	3400	3500	-100
Jalgaon	Desi	3500	3700	-200
Ashok Nagar	Local	2950	3100	-150
<b>Indicative International Prices (USD/MT)</b>				
Chennai	Burmese FAQ	625	635	-10
	Burmese SQ	665	680	-15

Centre		Arrivals (in bags of 1 Quintal)		
	Variety	12-1-2012	29-12-2011	Change
Jalgaon	Desi	100	100	Unch
Latur	Local	2000	2000	Unch
Akola	Local	400	300	+100
Ashok Nagar	Local	1000	1000	Unch
Indore	MH	500	500	Unch

**Processed Urad Rates:**

Centre	Prices (Rs/Qtl)		
	17-12-2011	10-12-2011	Change
Jalgaon	5400	5500	-100
Bikaner (Split)	4500	4600	-100
Indore	5800	5900	-100

## Lentils (Masoor)

### Market Recap:

Firm tone witnessed in lentil prices during the week ended on January 11, 2011 on improved buying interest at lower levels.

### Current Market Dynamics & Outlook:

Masoor prices in all the key markets featured a firm tone amid improved buying activity. The prices in Kanpur (UP), Inodre (MP) and Mumbai increased by Rs 84, 89 and 139 per quintal to Rs 3126, 3110 and 2860 per quintal respectively.

Decline in sown area this Rabi 2011-12 and reportedly lower stocks in the markets supported the sentiment. Also improved tone in Tur or Arhar further lends support to masoor prices as it substitutes tur in southern states.

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. Overall prices are expected to remain firm in coming days.

On other considering the lower tur supply this year once again the demand for the substitute (Masoor) is likely to improve mainly for imports which may result into higher international prices moving forward despite comfortable supply situation internationally.

### Outlook:

Prices are likely to remain range bound with firm bias during the coming week.

### Price Outlook of Desi Masoor at Kanpur Market:



A reversal pattern formation in the chart (triple bottom) suggests if prices breaches above the neck like at 3352 then prices are expected to touch the highs near 3782 level. So one should be very cautious in the coming days. Failed to breach the neck line, prices would again come down to 3133 level.

Currently prices are sustaining above the resistance level of 3133 and it looks prices may remain in the range of 3133 to 3352 level with firm bias.

S2	S1	PCP	R1	R2
3023	3133	3200	3352	3468
Call	Entry	T1	T2	SL
BUY	Above 3133	3271	3352	3064

**Domestic & International Prices:**

Centre		Prices (Rs/Qtl)		
	Variety	12-1-2012	29-12-2011	Change
Mumbai	Red Lentils	3100*	2800	
Delhi	Chanti Export	4700	4600	+100
	MP/ Kota Line	3250	3200	+50
	UP/ Sikri Line	3500	3450	+50
Kanpur	Mill Delivery	3080	3080	Unch
	Bareilly Delivery	3160	3170	-10
Indore	Mota Masra	3050	3150	-100

\*New crop prices

**Processed Masoor Rates:**

Centre	Prices (Rs/Qtl)		
	12-1-2012	29-12-2011	Change
Kanpur (Malka)	3520	3500	+20
Indore	3000	3100	-100
Delhi (Badi Masoor)	3800	3750	+50
Delhi (Choti Masoor)	4700	4550	+150
Katni	3500	3650	+150

## Green Gram (Moong)

### Market Recap:

Firm tone featured in desi moong prices during the week under review on some fresh buying support.

### Current Market Dynamics & Outlook:

Both desi (local) and imported moong prices featured a firm tone during the period amid slight improved buying activity in the markets. The average prices in Indore, Jaipur, Akola and Mumbai increased by Rs100, 57, 58 and 84 per quintal to Rs 4500, 3814, 4291 and 4576 per quintal.

Expectation of lower rabi output this season (2011-12) also lend support to the moong prices besides improved tone in other pulses

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.

The rabi season planted crop is reportedly in satisfactory condition with no report of any pest in disease in the standing crop. However, rains/irrigation at the moment would help the crop for better productivity.

### Market Outlook:

We expect range bound movement with slight firmness in moong prices during next weeks.

### Price Outlook for Desi Moong at Jaipur Market:



As reflected in the chart, moong prices are in long consolidation phase between 4000 and 4500 level. Breaching either side of the level would give prices new direction. So, it is advisable to take positions on breakout (above or below) with two consecutive closes above the breakout level.

S2	S1	PCP	R1	R2
3773	4000	4500	4500	4791

Call	Entry	T1	T2	SL
Wait	-	-	-	-

**Domestic Prices:**

Centre		Prices (Rs/Qtl)		
	Variety	12-1-2012	29-12-2011	Change
Mumbai	Annaseva	3525	3500	+25
Chennai	Pedishwa	5100	5100	Unch
Delhi	Karnataka	5000	5000	Unch
	Merta city Mogar	4500	4500	Unch
Indore	Chamki	4500	4500	Unch
Kanpur	Desi	3500	3625	-125
Jaipur	Desi	3800	3800	Unch
Jalna	Chamki	4200	4200	Unch
Akola	Local	4300	4200	+100

Centre	Arrivals (in bags of 1 Quintal)		
	12-1-2012	29-12-2011	Change
Indore	800	800	Unch
Jaipur	45000	30000	+150000
Kanpur	-	50	-
Jalna	100	100	Unch
Akola	300	500	-200

**Processed Moong Rates:**

Centre	Prices (Rs/Qtl)		
	12-1-2012	29-12-2011	Change
Jalgaon	5700	5700	Unch
Bikaner (Split)	5100	5200	-100
Indore	5600	5700	-100

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