



16 January 2012

CHANA (Bearish)

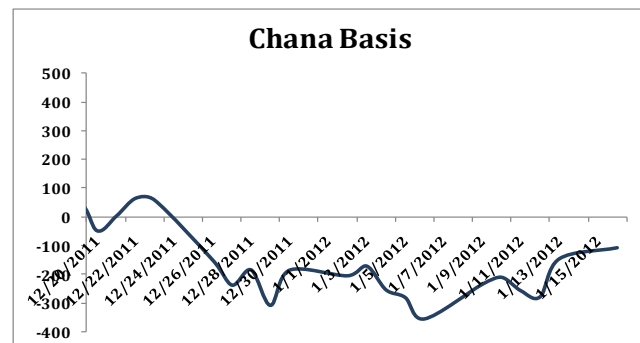
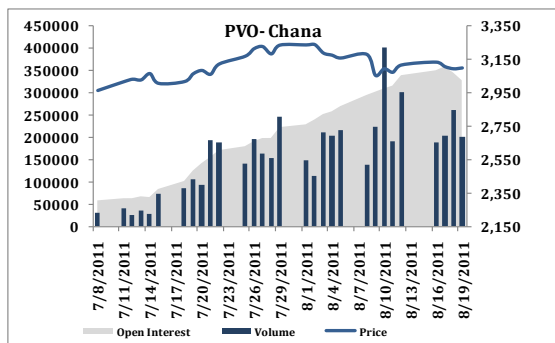
Recommendation: Chana February NCDEX: Sell at 3420-3430 TP 3200 SL 3530

Review: Chana futures have gained by around 0.5% during last week despite steep fall in the mid week which occurred due to roll over of the contracts and sluggish spot activities. Spot prices hovered around 3420/quintal across major markets while arrivals also remained around 30 motors in Delhi market. Some cold wave conditions caused threat to the crop while towards the end of the week this wave shifted towards the Northern India. Overall production estimates are lower during current year which helped the prices to close the week positive.

Chana

NCDEX (₹/Quintal)									
Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Jan-12	3450.00	3450.00	3414.00	3419.00	-1.44%	21470	-95.95%	94050	-24.76%
Feb-12	3352.00	3352.00	3315.00	3320.00	-1.57%	26930	-93.35%	73730	22.60%
Mar-12	3271.00	3273.00	3233.00	3242.00	-1.61%	8830	-93.99%	30900	-1.97%

*Tables are updated as on 16/1/2012 at 11.00 A.M



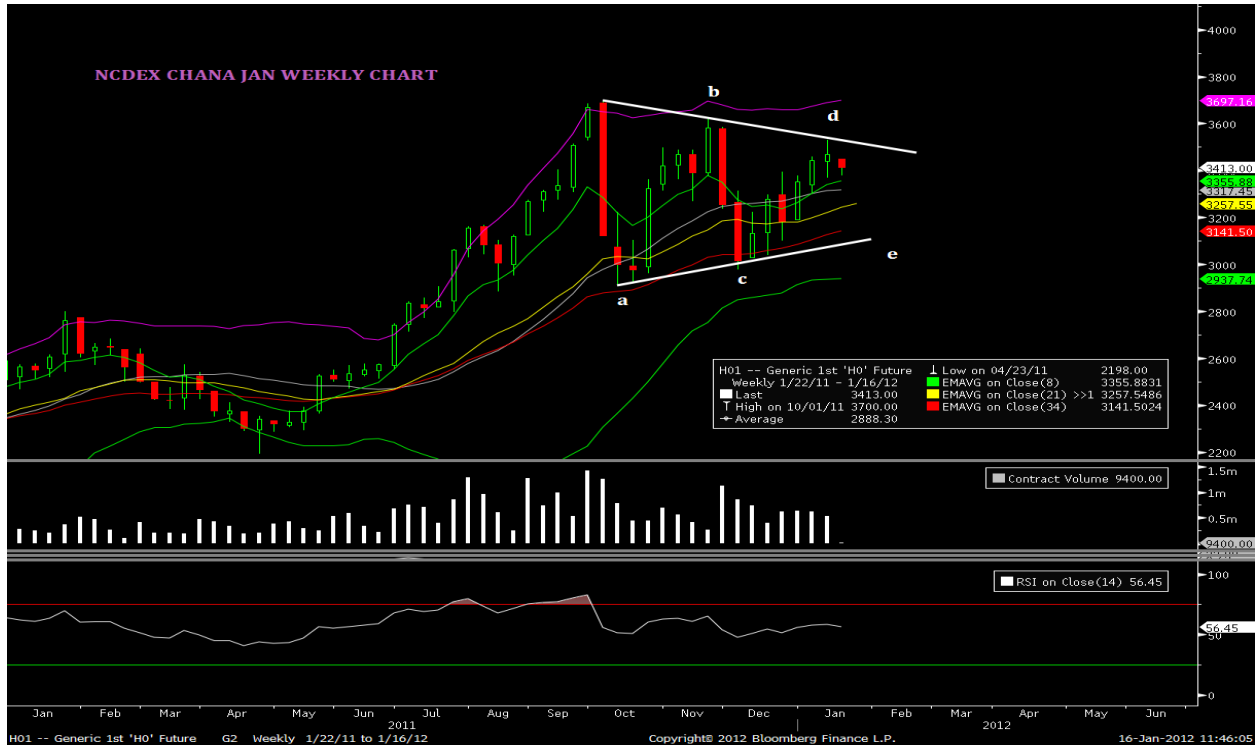
Outlook: Chana prices might remain during the week ahead as arrivals from South India might hit the spot markets. Weather in Rajasthan regions is also supporting good crop growth which might erase crop concerns further exerting pressure on prices. Harvesting is in full swing across south India which might arrives in markets from next week after Sankranti which might weigh on prices. Post festive season demand for dal and besan might also reduce across major markets which might further exert pressure on prices. Imports of yellow peas from Canada and Australia might land at major ports during next week which might keep prices under pressure.

Technical Analysis:

Chana prices have reflected down trend during the week and reached its short-term resistance levels. Prices have opened at 3440 and made a high of 3531 against the low of 3373 levels and finally settled by 0.49% up from the last weeks closing. We can observe that prices had an attempt to break the trend line resistance, but failed to do the same and ended as a “spinning top” candlestick pattern which signifies for the trend reversal in near-term. According to Elliott wave, it is quite visible from the chart that chana prices have successfully completed wave d and waiting for wave d on down side at 3530 levels, now its time to watch the



prices action for a negative close at higher levels for initiating short positions for near-term perspective. The near-term outlook remains bearish as long as the prices restrict below 3530 levels, on down side support levels seems to be around 3200 levels on break of the same will drag the prices towards the next support of 2950 levels.



Disclaimer

The report contains the opinions of the author that are not to be construed as investment advice. The author, directors and other employees of Karvy, and its affiliates, cannot be held responsible for the accuracy of the information presented herein or for the results of the positions taken based on the opinions expressed above. The above-mentioned opinions are based on the information which is believed to be accurate and no assurance can be given for the accuracy of this information. There is risk of loss in trading in derivatives. The author, directors and other employees of Karvy and its affiliates cannot be held responsible for any losses in trading.

Commodity derivatives trading involve substantial risk. The valuation of the underlying may fluctuate, and as a result, clients may lose their entire original investment. In no event should the content of this research report be construed as an express or an implied promise, guarantee or implication by, or from, Karvy Comtrade that you will profit or that losses can, or will be, limited in any manner whatsoever. Past results are no indication of future performance. The information provided in this report is intended solely for informative purposes and is obtained from sources believed to be reliable. Information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted.

We do not offer any sort of portfolio advisory, portfolio management, or investment advisory services. The reports are only for information purposes and not to be construed as investment advice.

For a detailed disclaimer please go to following URLs:

<http://www.karvycomtrade.com/disclaimer.asp>

<http://www.karvycomtrade.com/riskDisclaimer.asp>



PULSES WEEKLY