

## CHANA

NCDEX Chana Future prices had traded bullish during the March month, closing at Rs.5182/quintal by 4th April. It is higher by 8.73% compared to Rs.4766/quintal reported on 26th February. Reports of delayed harvesting had lifted up the prices even though initial production numbers were forecasted to be higher by 4-5%. Moreover, NCDEX Chana Futures also started to witness uptrend as lower prices had invited fresh buying from the domestic traders as the spot prices in various mandis were trading below the MSP price of Rs.5100/quintal.

Fundamentally for the month ahead, NCDEX Chana futures is estimated to witness further uptrend as NAFED has begun to procure huge amount of new crops from farmers in Gujarat, Haryana, Maharashtra, Rajasthan and Karnataka. Though the crop conditions has been reported well in the above states, however, possible decline in yield is forecasted by local traders in Rajasthan. Reports of rainfall in Madhya Pradesh in March month has led to crop damage during the on-going harvest season which is forecasted to reduce the yield and production numbers in the said state. Traders have forecasted that the damage could be greater than we think. Moreover, on-going sentiments about the peak lockdown in Maharashtra and worries in the above states has led to panic buying by the domestic traders. Correspondingly, the export of Kabuli Chana is now being done indiscriminately from Madhya Pradesh and Karnataka, one of the first initiatives from traders/farmers over the years. Chana and Chickpeas (Chole), from Australia is expected to be lower this year (2020-21), as India is moving towards in becoming more self-reliant and expected to improve domestic production in the years to come. As per the Ministry of Agriculture, Chana output has been pegged at 11.6 million tonnes in 2020-21 (Jul-Jun) against 11.1 million tonnes last year. As per the AAFC data, Canada's Chana production is expected to fall down to 1.7 lakh tonnes for the year 2021, lower compared to 2.4 lakh tonnes in the year 2020.

**Overall, we expect a bullish trend for the month ahead and recommend buying in NCDEX Chana May Futures at CMP Rs.5240/quintal for a target price of Rs.6000/quintal and maintaining a stop loss below Rs.4940/quintal on a closing basis.**

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