

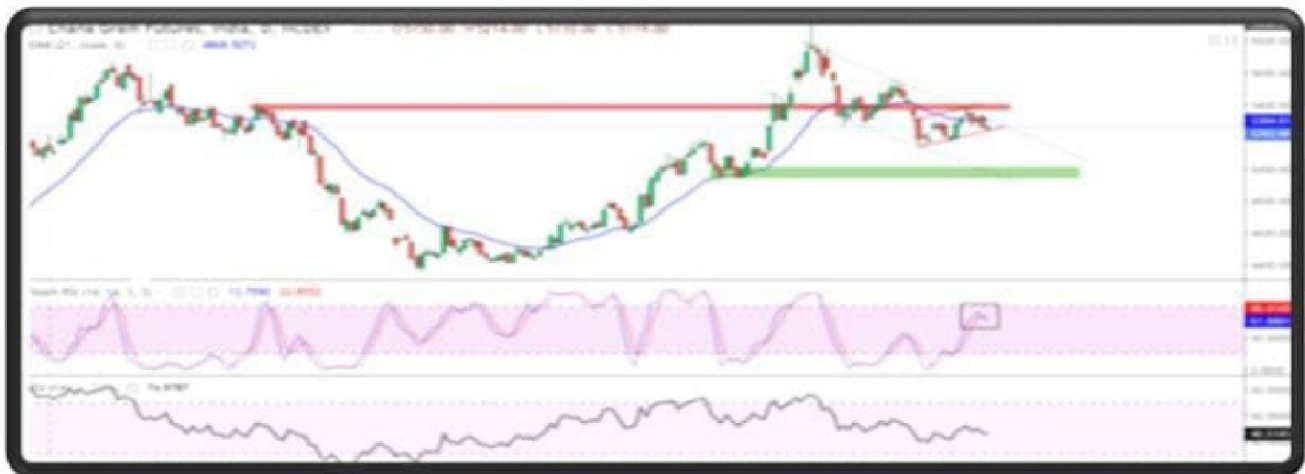
# CHANA



## News & Development

NCDEX Chana Future prices had traded bearish during the May month, closing at Rs.5271/quintal by 3th June. It is lower by 2.14% compared to Rs.5384/quintal reported on 30th April. Lower demand in the domestic market was weakened amid lockdown situation in various states. Moreover, weak demand for gram flour, Basan and chana daal was witnessed which added pressure in prices. But then, the state governed of Madhya Pradesh had decided to continue to procure Chana until 15th June which limited extreme bearishness in prices.

Fundamentally for the month ahead, NCDEX Chana futures is estimated to witness sideways trend as NAFED is expected to continue to procure huge amount of crops from farmers in Gujarat, Haryana, Maharashtra, Rajasthan and Karnataka. Moreover, farmers and traders have shifted their focus to the kharif crops and its sowing amid the monsoon season which is expected to pick up pace in the coming weeks. Moreover, the major retail markets in India continues to remain closed as various state governments is taking precautions with slow reopening of the Indian markets amid worries of third wave of covid-19. Additionally, we not likely to see any festive demand during June-July months which is forecasted to cap any bullish movement in Chana prices. The Central Govt. released 3rd Advance estimates for 2020-21 on food-grains production and Bengal Gram (Chana) production is increased by 10 lakh metric tonnes to 126.1 lakh Metric tonnes. Meeting is going on regarding duty cuts and government of India is considering this but no final decision has been taken yet. The prices of pulses is expected to remain under pressure due to the lifting of quantitative restrictions on import of tur, urad and moong by the central government as well as the government's decision to ask mills for stock details on a weekly basis.



On the daily chart, NCDEX Chana (July) future has been trading continuously in **Bearish Channel** from last couple of days. In addition, the price has settled below the **21 Exponential Moving Averages** with **Bearish Flag** pattern, which point-out negative trend for the near term. Moreover, an oscillator **Stochastic RSI** also shows for the short position with negative crossover. Furthermore, a momentum indicator **RSI (14)** reading is below 50 levels, which suggest bearish move for the near term. **Hence, based on above technical structure one can initiate a short position in NCDEX Chana (July) future at CMP 5270 or a rise in the price till 5350 levels can be used as selling opportunity for the downside target of 4700. However, the bearish view will be negated if NCDEX Chana (July) future close above the resistance level of 5550.**