

SUGAR, JAGGERY & CANE

25th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Traded Range Bound Today
- NCDEX Sugar: Down; Traded Range Bound Today
- NCDEX Gur: Up; Retraced Back from Yesterday's Losses
- NYBOT Sugar Down as Producer Selling Curbed Rise

Market Commentary

Domestic:

Domestic Sugar Traded Range Bound Today

The domestic sugar prices remained steady in a range bound trade today. Both the 'M' and 'S' grade sugar at the major sugar markets were offered at an unchanged level as against yesterday.

The M grade sugar at the Delhi market remained marginally higher at Rs 1770-1795 per quintal today. However, at the Muzaffarnagar market sugar was offered at an unchanged price of Rs 1800-1805 per quintal, while sugar prices at the Kolkata market remained steady at Rs 1835-1840 per quintal today.

The S grade sugar at the Delhi market was quoted marginally higher at Rs 1740-1760 per quintal today. At the Chennai market sugar prices were unchanged at Rs 1690-1695 per quintal, while at the Vashi market it remained steady at Rs 1780-1785 per quintal. At the Kolkata market also sugar was offered steady at Rs 1775-1780 per quintal today.

The sugar prices at the major markets are expected to remain range bound with a moderately strong undertone in the coming week. The traders are waiting for the monthly sugar sales quota announcement. A likely lower sales quota may boost the sugar prices in the coming week.

NCDEX Sugar: Down; Traded Range Bound Today

The July future at the NCDEX traded range bound today with a weaker undertone and remained in yesterday's range. The July future set the day's high at 1780.00 at the early hours of trade and remained in a lower range of 1774.00-1780.00 thereafter. The August future also traded range bound in the range of 1802.00-1810.00 today. It is expected that the futures will remain weak in the next trading day.

NCDEX Gur: Up; Retraced Back from Yesterday's Losses

At the NCDEX the July gur retraced back today from previous day's losses. The July future set the day's high at 617.00 today, higher than yesterday's high. Moreover, the session low was also higher than yesterday's low. The July future at the NCDEX traded with a bullish sentiment and remained in a higher range of 611.20-617.00 today. It is expected that the gur futures will witness some strong sentiment in the next trading day.

International:

NYBOT Sugar Down as Producer Selling Curbed Rise

The world raw sugar futures at the New York Board of Trade (NYBOT) settled lower on Friday though the futures touched 3-month highs but ran into producer selling. The futures surged up in early action by a strong London whites market, which touched 4-year highs. At the NYBOT, the July future finished down 7 points at 8.97 cents per pound, while the most active October future settled down 9 points at 9.09 cents per pound. The futures opened higher on trade and speculators buying and July future crossed previous day's high on the open, whereas the October future crossed the previous day's highs at mid session. The October future slipped through lows of the previous two days in final sell off. The July future will expire in four days and it is expected that the futures may get through the overhead gaps in the next week.

News Analysis:

NCDEX June Sugar Delivery Touched 12920 MT

The National Commodity and Derivatives Exchange Ltd (NCDEX) has created a new record with deliveries of over 1.10 lakh tonnes in various commodities traded at the exchange during the first quarter (April-June) of 2005-06. In the month of June alone deliveries are expected to be more than 36000 metric tonnes (MT). Among the major commodities in which deliveries took place in June, the sugar M-30 delivery touched 12810 MT, lower than 23340 MT delivered in May contract. The delivery of sugar S-30 stands at 110 MT, lower than 220 MT delivered in May contract. The major delivery centres for sugar were Kolkata, Delhi and Vashi.

Mexico 2004-05 Sugar Harvest Remained Higher

According to the National Sugar Cane Growers Union of Mexico, the country has produced 5.776 million metric tons (MMT) of mostly semi-refined sugar upto 18th June. The latest weekly harvest report of the Union has reported that the production has increased by 115.5 percent over the same date last year. The union has raised its forecast of a crop of 5.792 MMT of standard sugar, higher than the previous forecast at 5.789 MMT.

U.S. Sugar Supply and Use

(1000 Short Tons, Raw Value)

Items	2003-04	2004-05	2005-06 Projections	
			May	June
Beginning stocks	1,670	1,897	1,343	1,343
Production	8,649	8,067	8,140	8,140
Imports	1,754	1,639	1,591	1,591
Supply, total	12,073	11,603	11,074	11,074
Exports	288	240	200	200
Deliveries	9,862	10,020	10,115	10,115
Miscellaneous	26	0	0	0
Use, total	10,176	10,260	10,315	10,315
Ending stocks	1,897	1,343	759	759

Source: ERS, USDA

World Total Production, Supply and Distribution of Centrifugal Sugar

(1000 Metric Tons, Raw Value)

Year	2001-02	2002-03	2003-04	2004-05	2005-06
Beginning Stock	39,605	36,654	41,032	39,008	35,789
Production	134,382	148,787	142,294	142,066	146,252
Imports	39,136	40,348	40,163	41,395	41,183
Total Supply	213,123	225,789	223,489	222,469	223,224
Exports	41,917	46,345	45,713	46,041	46,290
Domestic Consumption	134,552	138,412	138,669	140,639	142,711
Ending Stocks	36,654	41,032	39,107	35,789	34,223

Source: FAS, USDA

India Total Production, Supply and Distribution of Centrifugal Sugar

(1000 Metric Tons, Raw Value)

Year	2001-02	2002-03	2003-04	2004-05	2005-06
Beginning Stock	11,985	11,670	12,430	9,100	6,050
Production	20,475	22,140	15,180	13,770	18,340
Imports	100	10	550	2,000	1,000
Total Supply	32,560	33,820	28,160	24,870	25,390
Exports	1,130	1,410	250	20	20
Domestic Consumption	19,760	19,980	18,810	18,800	19,300
Ending Stocks	11,670	12,430	9,100	6,050	6,070

Source: FAS, USDA

Sugar at Spot Market:

International:

London Daily Price (LDP)

Particulars	24-June	23-June	22-June	21-June	20-June
LDP Raw FOB \$/MT	203	200	200.8	200.2	200.2
LDP Raw CIF \$/MT	263	260	260.8	260.2	260.2
LDP Raw CIF GBP/MT	144.5	142.9	143.5	143.2	142.6
LDP White FOB \$/MT	296.1	290	286.5	282.5	280
London Freight \$/MT	60	60	60	60	60
London Freight GBP/MT	33	33	33	33	33

Source: London International Financial Futures and Options Exchange (LIFFE)

Na: Exchange remained close on Saturday and Sunday.

Domestic:

Spot Price of Sugar at Muzaffarnagar Mandi (Rs. /quintal)

Date	Shyamli	Khat-auli	Morna	Deob-and	Titawi	Nano-ata
25.06.05	-	1787	1762	1782	-	-

Spot Price of Sugar at Delhi Mandi (Rs. /quintal)

Date	M 30	S 30	Mill Delivery	Khand
25.06.05	1770-1795	1740-1760	1675-1690	1690-1700

Jaggery at Spot Market

Spot Price of Gur at Muzaffarnagar Mandi (Rs. /40 kg)

Date	Raskat	Chaku	Khurpa padh	Shakkar
25.06.05	480-495	600-615	Na	675-700

Na: Arrival finished

Spot Price of Gur at Hapur Mandi (Rs. /quintal)

Date	Dahiya	Balti Sp	No One	Bariya Dara	Dara
25.06.05	1550-1590	Na	Na	Na	Na

Na: Arrival finished

Port Watch (As on 25th June 2005):

No latest vessel position is reported today.

Weather Forecast (As on 25th June 2005):

Forecast for next 24 hours

North: Rain/thundershowers likely at many places over Uttar Pradesh and at a few places over Uttaranchal, Haryana & Delhi and isolated in the rest region outside Jammu & Kashmir where weather will be mainly dry.

East: Rain/thundershowers likely at many places in the northeastern states, West Bengal & Sikkim, Orissa, Jharkhand and Bihar and at a few places over the rest region.

South: Rain/thundershowers likely at many places over coastal Karnataka and Kerala and at a few places in the rest of the region outside Tamil Nadu & Pondicherry where it may be isolated.

West: Rain/thundershowers likely at most places in north Konkan, Saurashtra and Gujarat region at many places over south Konkan & Goa, and at a few places in the rest region out side west Rajasthan where isolated duststorm is likely.

Outlook for subsequent two days

Rainfall activity over northeastern and eastern parts of the country and over Konkan & Goa and south Gujarat likely to continue.

Warning

Heavy to very heavy rainfall likely at a few places over coastal Orissa, north Konkan & south Gujarat region isolated heavy rainfall also likely over northeastern states sub-himalayan West Bengal & Sikkim north Bihar, Saurashtra and south Konkan & Goa.

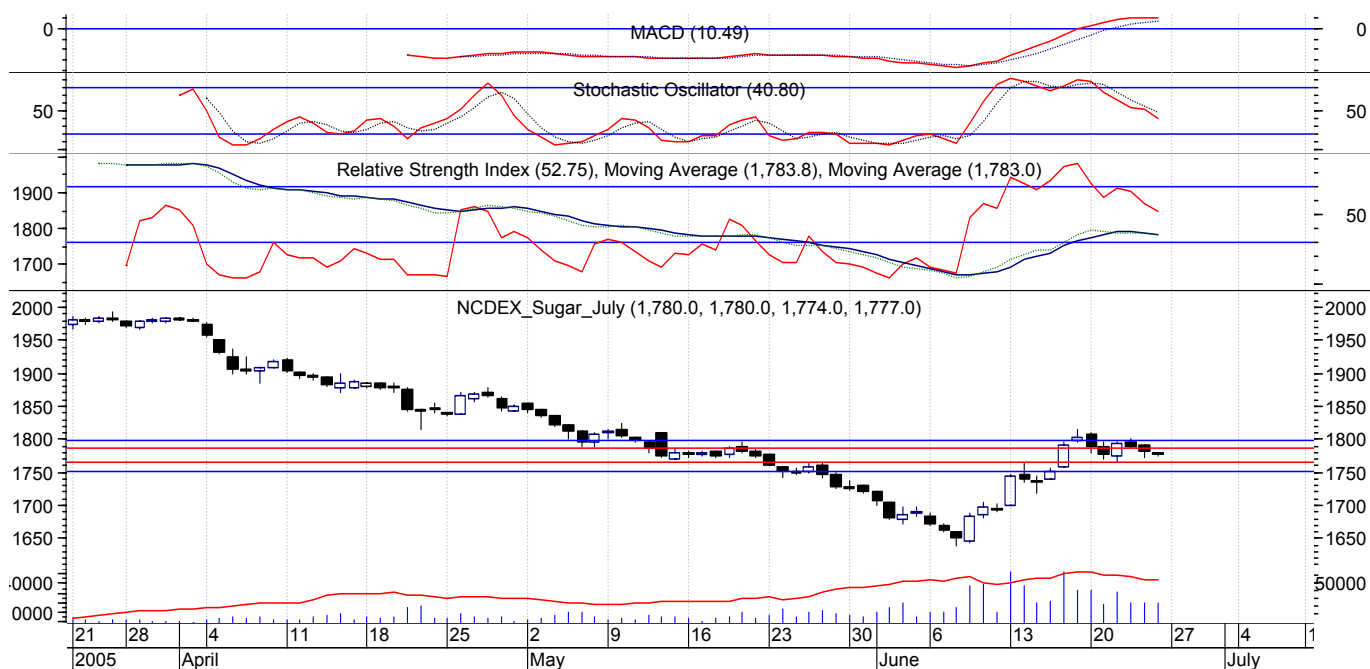
Technical Analysis

Commodity: Sugar Grade M

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: July (Future)



Candlesticks: The candlestick formation is indicating towards a weakly bearish trend. The opening in the next trading day may be on the lower side.

MACD: The MACD (5-day) is lying above its EMA and both are moving slightly upwards in the positive territory.

Stochastic: The %K-line is lying below the %D-line and both are moving sharply downwards in the normal region.

Moving Averages (MA): The 5-day MA after cutting the 3-day MA from below, moving almost flat while the 3-day MA is moving downwards.

Relative Strength Index (RSI): The RSI (52.75) is slopping downwards in the normal region.

The first resistance level is seen at 1786 and second at 1798. The first support level is at 1766 and second at 1752.

The open interest as well as the volume is steady.

Outlook:

The technical indicators are showing the bearishness of the market sentiment. As suggested by the candlestick the opening in the next trading day may be on the lower side. It is expected that the futures will remain bearish in the next trading day.

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
July	1766	1752	1786	1798

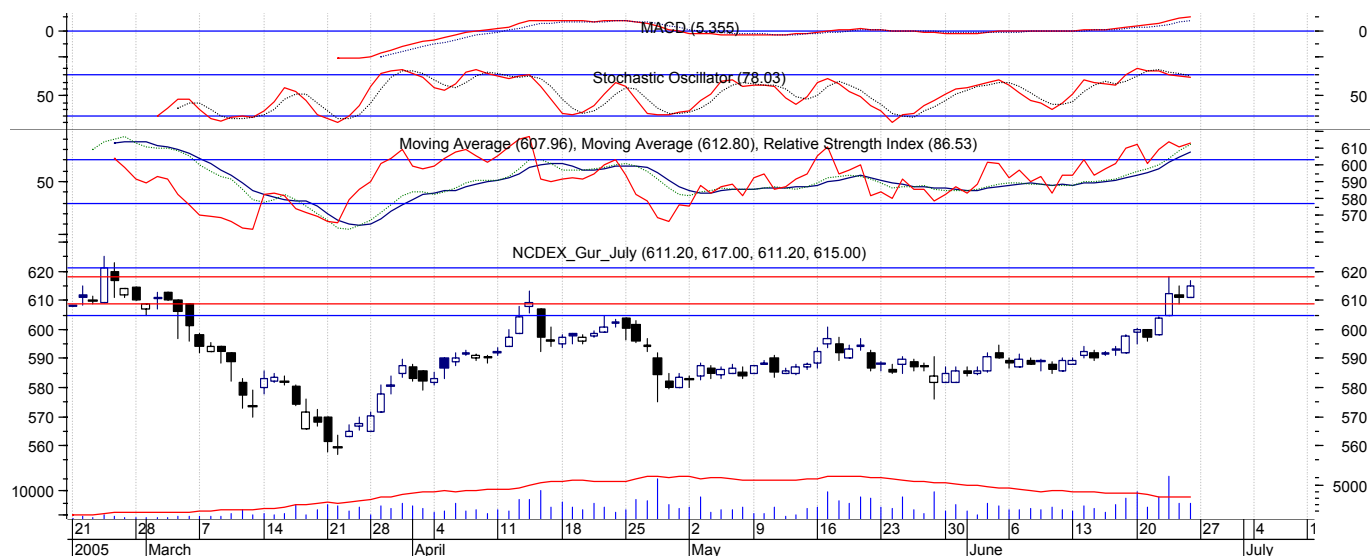
Technical Analysis

Commodity: Gur (Jaggery)

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: July (Future)



Candlesticks: The candlestick formation is indicating towards a strong market sentiment. The opening in the next trading day may be on the upper side.

MACD: The MACD (5-day) is lying above its EMA and both are moving upwards in the positive ground.

Stochastic: The %K-line along with the %D-line has entered the normal region and both are moving downwards in the normal region.

Moving Averages (MA): The 5-day MA is lying below the 3-day MA and both are moving upwards.

Relative Strength Index (RSI): The RSI (86.53) has changed its direction and started moving upwards in the overbought region.

The first resistance is seen at 618.1 and next at 621.3 marks. The first support level is at 609 and next at 604.9 marks.

The open interest and the volume are steady.

Outlook:

The technical indicators are pointing towards the bullishness of the market sentiment. As suggested by the candlestick the opening in the next trading day may be on the upper side. It is expected that the futures will remain strong in the next trading day. However, a downward technical correction is expected shortly.

Contract	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
July	609	604.9	618.1	621.3

FOREX (As on 25th June 2005):

Foreign Currency	Rs. per unit
1 US \$	43.58
1 Euro	52.70
1 British £	79.48
100 Yen	39.97

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.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.