

SUGAR, JAGGERY & CANE

14th June 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Extended Bullish Sentiment
- NCDEX Sugar: Settled Lower; Curbed Early Gains
- NCDEX Gur: Remained Bullish Today
- NYBOT Sugar: Marginally Lower Amidst Busy Rolling
- Thailand Physical Sugar Premiums Remained Unchanged

Market Commentary

Domestic Sugar Prices Extended Bullish Sentiment

The domestic sugar prices extended previous day's gain and traded with a strong sentiment today. The sugar prices of both the M and S grade were quoted on an average higher throughout the major sugar markets.

The M grade sugar at the Delhi market was offered at a higher price of Rs 1750-1790 per quintal today, while at Muzaffarnagar market it was also higher at Rs 1765-1770 per quintal. At the Kolkata market also the prices was up at Rs 1810-1815 per quintal.

The S grade sugar at Delhi market was offered at a much higher price of 1725-1750 per quintal, whereas at Vashi market it was also quoted higher at Rs 1775-1780 per quintal. However, at the Chennai market it was offered unchanged at Rs 1675-1680 per quintal, while at the Kolkata market price was remained same at Rs 1765-1770 per quintal. The spot prices at the Hapur market were quoted higher at Rs 1705-1730 per quintal today.

NCDEX Sugar: Settled Lower; Curbed Early Gains

The most active June future at the NCDEX surged up to set 2-week high at 1720.00 in the first hour of trade, but failed to extend the gain further and slipped to session low at 1696.00 near to the close. The June future hovered in a higher range of 1696.00-1720.00 today. The July future fluctuated in the range of 1736.00-1764.00, whereas the August future moved in the range of 1754.00-1785.00 today.

NCDEX Gur: Remained Bullish Today

The most active June gur future at the NCDEX today witnessed some bullish sentiment. The June future today set the session high at 586.40, more than 2 points higher than yesterday's high. Moreover, the session low was also higher at 582.00 than yesterday's low. At the NCDEX, the June future traded with a bullish sentiment in the range of 582.00-586.40 today.

International:

NYBOT Sugar: Marginally Lower Amidst Busy Rolling

The New York Board of Trade (NYBOT) world raw sugar futures settled marginally lower on Monday, but stayed in

Domestic:

Friday's range in busy rolling. The July future at the NYBOT finished down 3 points at 8.87 cents per pound, while the October settled down 2 points at 8.98 cents per pound. After opening marginally changed, the July future pushed up 2 points to a session high of 8.92 cents per pound. However, the July future could not scale Friday's high on producer selling. The July-October rolling was full of activity with a good volume.

Thailand Physical Sugar Premiums Remained Unchanged

The Thailand physical sugar premiums remained unchanged today as a result of poor demand. There was no bidding for Thailand sugar today. Traders are waiting for the next move after the Cane Board meet tomorrow to approve an official forecast for the 2005-06 sugarcane crop. Meanwhile, Thailand raw sugar premiums for June-July shipment were offered unchanged at 1.35 U.S. cents per pound, FOB Bangkok, against the New York Board of Trade's (NYBOT) July contract. Moreover, the white sugar premiums for July-August shipment were also offered unchanged at \$50 per ton, FOB Bangkok, to the London International Financial Futures and Options Exchange's (LIFFE) August contract. The NYBOT July contract settled down 0.03 cent at 8.78 cents per pound, whereas the LIFFE August contract finished up \$1.10 at \$255.10 per ton on Monday.

News Analysis:

China Refined Sugar Output in May Down 65 Percent

According to the National Bureau of Statistics of China, the country has produced 78800 tons of refined sugar in the month of May, down by 65 percent from May last year. The cumulative production of refined sugar during January-May this year added to 6200700 tons, which is also lower by 14 percent from the production during the same period of last year.

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	14-June	13-June	10-June	9-June	8-June
LDP Raw FOB \$/MT	197.3	198.9	197.5	196.4	195.8
LDP Raw CIF \$/MT	257.3	258.9	257.5	256.4	255.8
LDP Raw CIF GBP/MT	142.4	143.8	141.3	140.7	139.4
LDP White FOB \$/MT	273	270.8	270	266	264.7
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	Khatauli	Morna	Deoband	Titawi	Nanoata
14.06.05	1735	1760	1720	1740	1742	1703

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

Date	M 30	S 30	Mill Delivery	Khand
14.06.05	1750-1790	1725-1750	1660-1700	1685-1700

Jaggery at Spot Market

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

Date	Raskat	Chaku	Khurpa padh	Shakkar
14.06.05	460-472	570-585	Na	625-675

Na: Arrival finished

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

Date	Dahiya	Balti Sp	No One	Bariya Dara	Dara
14.06.05	1475-1525	Na	Na	Na	Na

Na: Arrival finished

Weather Forecast (As on 13th June 2005):

Weekly weather forecast for the period during 13-19 June 2005

Monsoon Outlook:

South-west Monsoon is in weak phase. Prediction suggests that monsoon may continue to be in weak phase for another 2-3 days. The rainfall activity over South peninsular India may revive by 16th June 2005. The NE States is likely to witness increased rainfall activity during next 2 days.

Weather Systems:

At present, a weak western disturbance lies over J&K and adjoining area. Under its influence, isolated

rainfall/thundershowers are expected over hilly regions of NW India today. Isolated duststorm/ thunderstorm is also likely over some parts of plains of NW India during next 48 Hrs.

Mainly dry weather is likely to prevail over northwest and central India during next 3-4 days.

Prevailing heat wave condition over Orissa, Bihar, Jharkhand, East Uttar Pradesh, Chattisgarh, Madhya Pradesh and Vidarbha may continue for another 2 days and thereafter the situation may improve.

Rainfall:

Fairly widespread to widespread rainfall are likely over NE States and Sub- Himalayan West Bengal during next 4-5 days.

Fairly widespread rainfall is likely over Andaman & Nicobar Islands and Lakshadeep. Scattered rainfall is expected over Kerala, Coastal Karnataka, South Interior Karnataka, and Coastal A.P. during next 2 days. Rainfall activity may

enhance over Lakshadeep, Kerala and Coastal Karnataka from 16th June onwards.

Isolated rainfall/thundershowers are expected over Konkan & Goa, Madhya Maharashtra, Marathwada, Gangetic West Bengal, Orissa, Jharkhand, Bihar, Tamil Nadu, Jammu & Kashmir and Himachal Pradesh during next 3 days.

Port Watch (As on 14th June 2005):

No latest vessel movement is reported.

FOREX (As on 14th June 2005):

Foreign Currency	Rs. per unit
1 US \$	43.65
1 Euro	52.90
1 British £	78.79
100 Yen	39.91

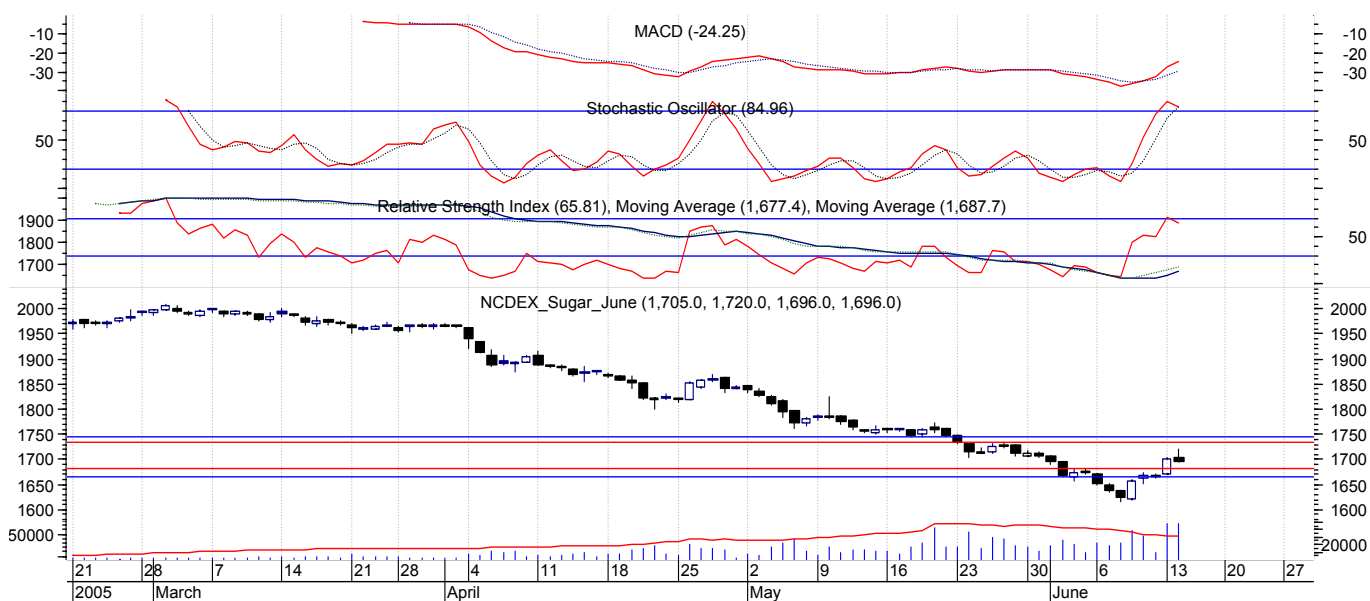
Technical Analysis

Commodity: Sugar Grade M

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: June (Future)



Candlesticks: The candlestick formation is indicating towards trend reversal pattern. The opening in the next day may be on the lower side.

MACD: The MACD (5-day) along with its EMA moving upwards in the negative territory and the MACD is lying above its EMA.

Stochastic: The %K-line has changed its direction and moving downwards, but the %D-line is still lying below the %K-Line and moving upwards in the overbought region.

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

Relative Strength Index (RSI): The RSI (65.81) has entered the normal region after changing its direction and moving downwards.

The first resistance level is seen at 1733 and the second at 1744. The first support level is at 1683 and the second at 1666.

The technical indicators are showing some mixed sentiment. Moreover, the open interest is declining, while the volume is good.

Outlook:

The technical indicators are pointing towards a mixed sentiment. As suggested by the candlesticks the opening on the next day may be on the lower side. It is expected that the futures would witness weakly bullish sentiment in the next day. However, as suggested by the stochastic and the RSI, a downward technical correction is likely in the coming days.

Technical Analysis

Commodity: Gur (Jaggery)

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: June (Future)



Candlesticks: The candlestick formation is showing a trend reversal pattern. The opening in the next day may be on the lower side.

MACD: The MACD (5-day) is still lying below its EMA and both are moving downwards in the negative territory, a bearish indication.

Stochastic: The %K-line after cutting the %D -line from below, moving upwards and about to enter the normal region, a bullish indication.

Moving Averages (MA): The 5-day MA is lying above the 3-day MA. However, the movement of the 3-day MA is rather flat than the 5-day MA.

Relative Strength Index (RSI): The RSI (30.22) is moving downwards and it is about to enter the oversold region.

The first resistance is seen at 588.8 and next at 591.7 marks. The first support level is at 579.7 and the next 577.0 marks.

The indicators are showing a bearish trend except the stochastic. The volume and the open interest are steady.

Outlook:

The technical indicators are showing a bearish trend except the stochastic. As suggested by the candlesticks, the opening in the next day may be on the lower side. It is expected that the futures would remain bearish in the next day. However, an upward technical correction is expected in the near future.

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