

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Traded Range Bound Today
- NCDEX Sugar: Down; Traded Range Bound Today
- NCDEX Gur: Settled Low
- Global sugar prices expected to rise due to monsoon

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 steady at Rs 1793 per quintal today. However, at the Muzaffarnagar market sugar was offered at a price of Rs 1802 per quintal, while sugar prices at the Kolkata market remained steady at an unchanged level of Rs 1839 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. The July future set the day's high at 1788.00 at the early hours of trade but later on dipped down to a lower range of 1770.00-1769.00 thereafter. The August future also traded range bound in the range of 1800.00-1810.00 today. It is expected that the futures will remain weak in the next trading day.

NCDEX Gur: Settled Low

At the NCDEX the July gur lost ground from where it left off during last weekend. The July future set the days high at

619.00 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 in the first half but later on slipped down to a low of 614 today. It is expected that the gur futures will remain weak in the next trading day.

International:

NYBOT market commentary will be available from 28.06.05. The board remained closed on Saturday and Sunday.

News Analysis:

Global sugar prices expected to rise due to monsoon

International sugar prices may rise after latest Indian meteorological data stated that the country's rainfall during June 1-22 is 49 per cent below normal. Indian traders, however, said monsoon could not be the reason for a price rise as the country's cane sowing is progressing well.

India has imported nearly 2 million tonne raw sugar since October last and exporters abroad feel that the global prices could rise if the Asian nation is forced to import similarly large quantities in the coming months. However, Indian traders feel it is too premature to give such a projection since cane output this year on the back of good sowing last year is expected to be on the higher side. This is likely to give a boost to sugar output, which is pegged at 17.5-18.5 million tonne in the 2005-06 season to September.

Sugarcane acreage, as on June 20, has increased marginally to 3.5 million hectares from 3.4 million hectares on the same day last year. Even, though cane acreage is higher on year, there has not been any additional sowing reported under the crop during the week to Monday. Even if monsoon turns out deficient in July and cane output is hit, it will in turn effect sugar production only in the 2006-07, October-September season.

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	27-June	24-June	23-June	22-June	21-June
LDP Raw FOB \$/MT	201.9	203	200	200.8	200.2
LDP Raw CIF \$/MT	261.9	263	260	260.8	260.2
LDP Raw CIF GBP/MT	143.4	144.5	142.9	143.5	143.2
LDP White FOB \$/MT	298.1	296.1	290	286.5	282.5
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
27.06.05	-	1785	1763	1783	-	-

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

Date	M 30	S 30	Mill Delivery	Khand
27.06.05	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
27.06.05	495	610-615	Na	677-700

Na: Arrival finished

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

Date	Dahiya	Balti Sp	No One	Bariya Dara	Dara
27.06.05	1400-1440	Na	Na	Na	Na

Na: Arrival finished

Port Watch (As on 27th June 2005):

No latest vessel position is reported today.

Weather Forecast (As on 27th June 2005):

Forecast for next 24 hours

North: Rain/thundershowers likely at many places over Uttaranchal, Punjab, Himachal Pradesh, west Uttar Pradesh, Haryana including Chandigarh and Delhi and at a few places in the rest region.

East: Rain/thundershowers likely at many places in gangetic West Bengal, Orissa, east Madhya Pradesh and Chhattisgarh and at a few places over the rest region.

South: Rain/thundershowers likely at many places over coastal Karnataka, coastal Andhra Pradesh, Telangana 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, at many places in the rest region out side west Rajasthan where it may be at a few places.

Outlook for subsequent two days

Rainfall activity over east central parts of the country is likely to increase and extends westwards into central and adjoining western parts of the country.

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 west Uttar Pradesh, Himachal Pradesh, Uttaranchal, south Konkan & Goa, madhya Maharashtra and north coastal Andhra Pradesh.

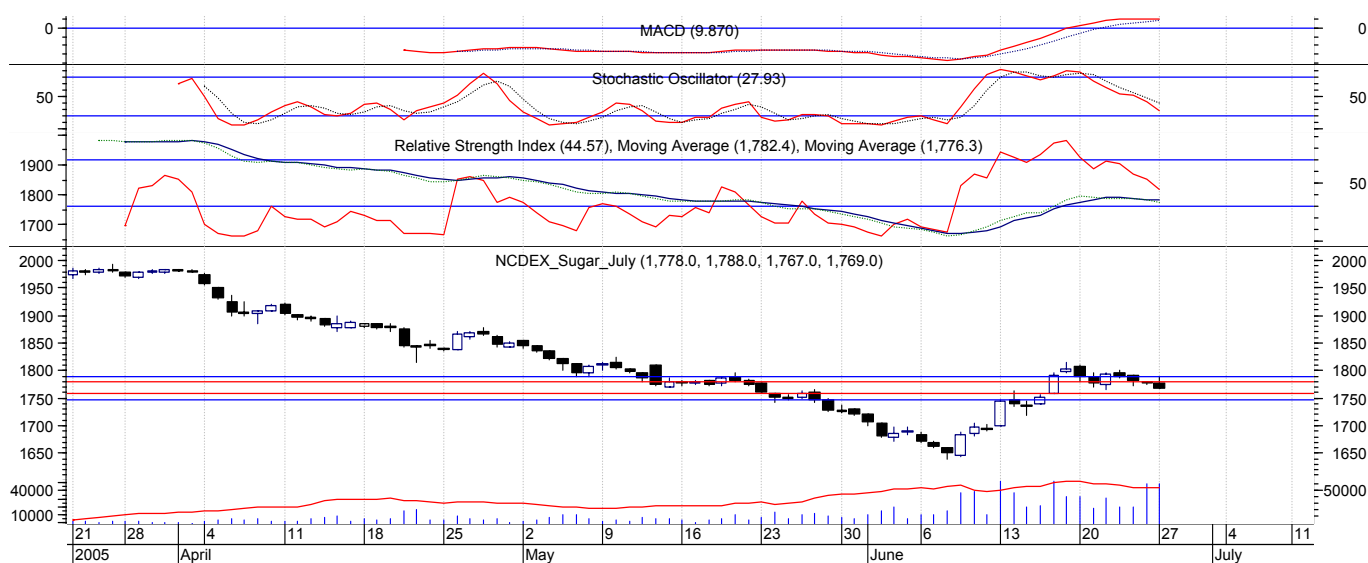
Technical Analysis

Commodity: Sugar Grade M

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: July (Future)



Candlesticks: The candlestick formation is indicating towards a weaker opening and range bound downward trade next day.

MACD: The MACD (5-day) is lying above its EMA but now started turning downward and expecting weaker trade on Tuesday.

Stochastic: The %K-line is lying below the %D-line and both are moving sharply downwards and approaching towards oversold line, indicating further downfall in prices.

Moving Averages (MA): The 3-day MA is movind downward after cutting the 5-day MA from above,

Relative Strength Index (RSI): The RSI (44.57) is slopping downwards in the normal region.

The open interest as well as the volume is steady.

Outlook:

The technical indicators are expecting slight 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	1758	1746	1779	1788

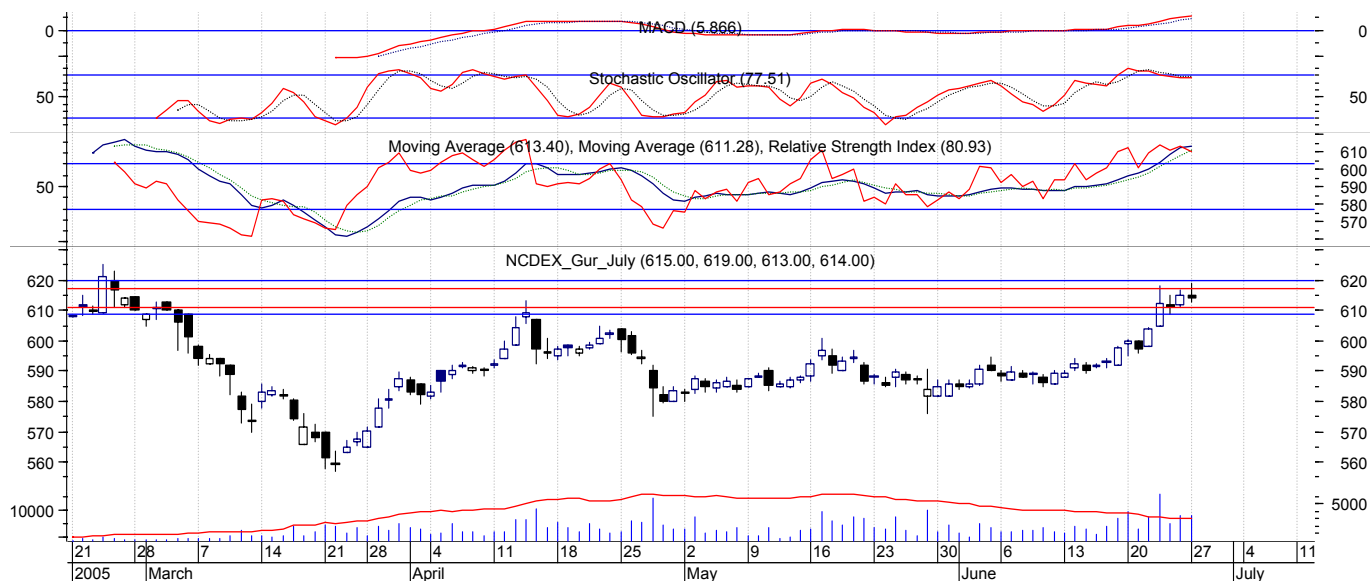
Technical Analysis

Commodity: Gur (Jaggery)

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: July (Future)



Candlesticks: The candlestick formation is indicating towards marginal bearishness in tomorrow's trade. The opening in the next trading day may be weaker.

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 (80.93) has changed its direction and started moving downward in the overbought region.

The open interest and the volume are steady.

Outlook:

The technical indicators are pointing towards marginal bearishness in the market sentiment. As suggested by the candlestick the opening in the next trading day may be on the lower side. It is expected trade may move slightly towards lower side on Tuesday.

Contract	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
July	611.2	608.8	617.2	620

FOREX (As on 27th June 2005):

Foreign Currency	Rs. per unit
1 US \$	43.49
1 Euro	52.82
1 British £	79.39
100 Yen	39.80

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