

SUGAR, JAGGERY & CANE

25th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Remained Slightly Weak Today
- NCDEX Sugar: Down; Remained in Saturday's Range
- NCDEX Gur: Traded with Range Bound Sentiment Today

Technical Analysis

Commodity: Sugar Grade M

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: AUGUST (Future)

Candlesticks: The candlestick formation is pointing towards the weakness in the market sentiment. The opening in the next day may be on the lower side.

MACD: The MACD (5-day) along with its EMA still moving downwards in the positive territory.

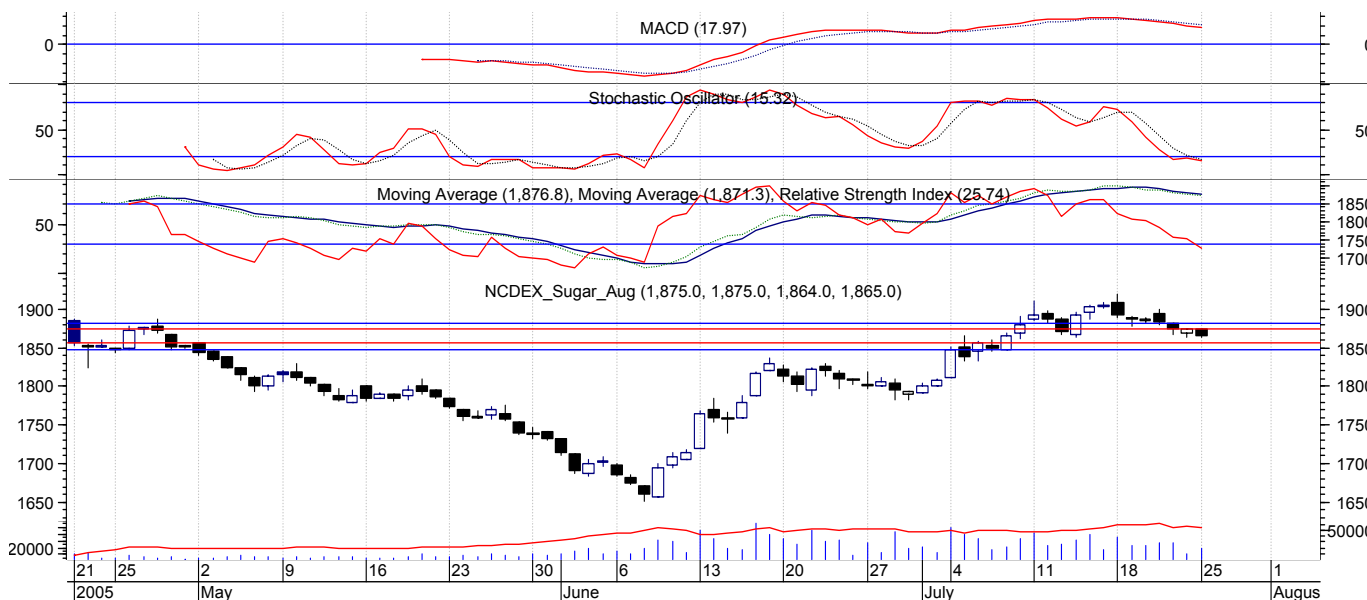
Stochastic: The %K-line after changing its direction moving downwards along with the %D-line in the oversold region.

Relative Strength Index (RSI): The RSI (25.74) is moving downwards in the oversold region.

Moving Averages (MA): The 3-day MA is lying below the 5-day MA, while both are slopping downwards almost parallel to each other.

The open interest has declined while the volume of trade has increased.

The first resistance is seen at 1875 mark and the second at 1882 mark. The first support is seen at 1856 mark and the second at 1848 mark.



Outlook:

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

Support and Resistance Levels:

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
August	1856	1848	1875	1882

Technical Analysis

Commodity: Gur (Jaggery)

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: AUGUST (Future)

Candlesticks: The candlestick formation is showing a moderately bullish sentiment. The opening in the next day may be on the upper side of today's range.

MACD: The MACD (5-day) is still lying below its EMA, while both are moving downwards in the positive territory.

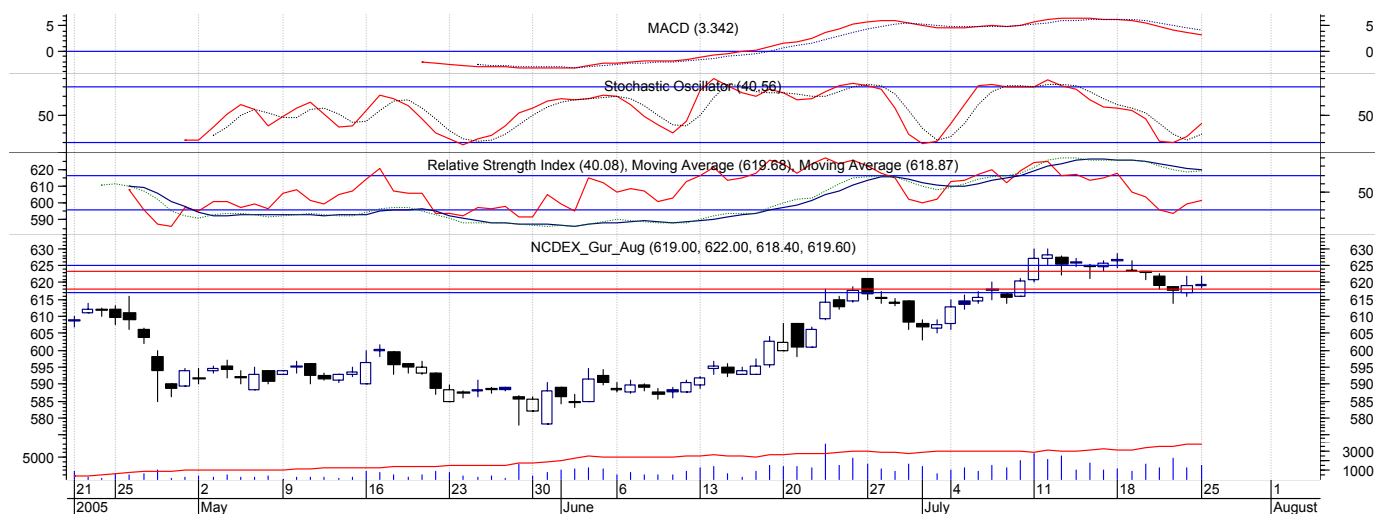
Stochastic: The %K-line after cutting the %D-line from below moving sharply upwards in the normal region. The %D-line is also moving upwards after entering the normal region.

Relative Strength Index (RSI): The RSI (40.08) is moving upwards in the normal region.

Moving Averages (MA): The 3-day MA is lying below the 5-day MA and moving marginally upwards, while the 5-day MA is still slopping downwards.

The open interest as well as the volume of trade has increased.

The first resistance is seen at 623.4 mark and the second at 625.1 mark. The first support is seen at 618.1 mark and the second at 616.9 mark.



Outlook:

The technical indicators are pointing towards a moderately strong sentiment in the gur futures market. As suggested by the candlestick the opening in the next day may be on the upper side. It is expected that the gur futures will remain moderately strong in the next day.

Support and Resistance Levels:

Contract	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
August	618.1	616.9	623.4	625.1

Market Commentary

Domestic:

Domestic Sugar Prices Remained Slightly Weak Today

The domestic sugar market remained marginally weak today with range bound movement. Both the 'M' and the 'S' grade sugar were quoted steady to lower today as against Saturday.

The M grade sugar at the Delhi market was quoted marginally lower at Rs 1840-1870 per quintal today as against Saturday. At the Kolkata market sugar was offered lower at Rs 1900-1905 per quintal today, while at the Muzaffarnagar market it was available steady at Rs 1855-1860 per quintal today as against Saturday. At the Mumbai market M grade sugar was available at a marginally lower

price of Rs 1870-1900 per quintal today as against Saturday.

The S grade sugar at the Delhi market was available steady at Rs 1810-1830 per quintal today as against Saturday. At the Chennai market also it was offered at an unchanged price of Rs 1755-1760 per quintal, while at the Kolkata market it was quoted lower at Rs 1850-1855 per quintal today as against Saturday. At the Vashi market S grade sugar was offered steady at 1875-1880 per quintal today as against Saturday.

The sugar prices at the major sugar markets are expected to remain weak in the next day. Lower demand amidst low volume trade was the main feature of the sugar trade today.

NCDEX Sugar: Down; Remained in Saturday's Range

At the futures market the sugar futures tested Saturday's high at the open but failed to move up further. The August sugar future at the NCDEX traded with a bearish sentiment today. The August sugar future set the session high at 1875.00 at the open. The August future remained weak thereafter and remained within previous trading day's range. The August sugar future at the NCDEX hovered in the range of 1864.00-1875.00 today. The September contract moved in a slightly lower range of 1883.00-1893.00 during today's trade. It is expected that the sugar futures will remain bearish in the next day.

International:

NYBOT Sugar:

The New York Board of Trade (NYBOT) remained closed on Saturday and Sunday.

News Analysis:

Sugar Industry Eyeing Pakistan, SE Asian Markets

The Indian sugar industry has urged the government to explore the possibility of exporting sugar to Pakistan. Pakistan is facing a shortfall in domestic sugar production and has already imported 1-lakh tonnes of sugar from an UAE firm in order to meet the domestic requirements. Pakistan is supposed to import another 3 lakh tonnes of sugar in the current year and estimated to import 5 lakh tonnes of sugar in the coming year. Indian traders are of the view that India can supply sugar to Pakistan at a cheaper rate in the wake of surging global sugar prices. It has been estimated that India will have a surplus stock of around 4.5 million tonnes (MT) at the end of the current season in September. The domestic sugarcane acreage situation is also good and reported to have increased by around 9 percent at 4.085 million hectares on year so far. The domestic sugar output is projected to be around 18-18.5 MT in the coming season and thereby leaving enough opportunity to export around 2 MT sugar. The global sugar prices at the London exchange is hovering around \$330-336 per ton in the recent time and expected to move up further on the withdrawal of the European sugar export subsidy. With the global prices on the upswing, domestic sugar industry is eyeing to catch the markets in South East Asia as the leading exporters like Thailand, Australia, China have reported downfall in sugar output this year.

U.S. Sugar Supply and Use (As on 12.07.2005)

(1000 Short Tons, Raw Value)

Items	2003-04	2004-05	2005-06 Projections	
			June	July
Beginning stocks	1,670	1,897	1,343	1,476
Production	8,649	8,110	8,140	8,152
Imports	1,754	1,729	1,591	1,591
Supply, total	12,073	11,736	11,074	11,219
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	1,476	759	904

Source: ERS, USDA

NCDEX Gur: Traded with Range Bound Sentiment Today

At the futures market, the gur futures remained range bound today. The August gur future at the NCDEX opened marginally lower than previous trading day's close and set the day's range within the first hour of trade. The August gur future set the day's high at 622.00, same as Saturday's high. However, the day's low was higher than Saturday's low. The August gur future at the NCDEX fluctuated in the range of 618.40-622.00 during today's trade. It is expected that the gur futures will remain moderately strong in the next day.

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	25-July	22-July	21-July	20-July	19-July
LDP Raw FOB \$/MT	216.1	211.9	205	211	207.7
LDP Raw CIF \$/MT	271.1	266.9	260	266	262.7
LDP Raw CIF GBP/MT	156	152.3	149	153.1	150.9
LDP White FOB \$/MT	336.5	332.5	324.7	332	328.5
London Freight \$/MT	55	55	55	55	55
London Freight GBP/MT	31.5	31.5	31.5	32	31.50

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
25.07.05	1822	1830	NS	1817	NS	1790

NS: No Sale

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

Date	M 30	S 30	Mill Delivery	Khand
25.07.05	1840-1870	1810-1830	1700-1750	1680-1690

Jaggery at Spot Market

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

Date	Raskat	Chaku	Khurpa padh	Shakkar
25.07.05	465-485	605-620	Na	650-690

Na: Arrival finished

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

Date	Dahiya	Balti Sp	No One	Bariya Dara	Dara
25.07.05	1550-1575	Na	Na	Na	Na

Na: Arrival finished

Weather Forecast (As on 25th July 2005):

Forecast valid for next 72 hours

North: Rain/thundershowers likely at few places in Uttaranchal, Himachal Pradesh and Uttar Pradesh and at isolated places in the rest region.

East: Rain/thundershowers likely at most places over South Orissa, at many places over Jharkhand, Chhattisgarh, rest Orissa and at a few places in the rest region. Increase in rainfall over East Madhya Pradesh after 26th.

South: Rain/thundershowers likely at most places over Coastal Andhra Pradesh, Coastal Karnataka, at many places over interior Andhra Pradesh, interior Karnataka, Kerala and Andaman & Nicobar Islands and at a few places over Lakshadweep and Tamil Nadu & Pondicherry.

West: Rain/thundershowers likely at most places over Konkan and Goa at many places over Madhya Maharashtra and at a few places in Marathwada and Vidarbha and isolated in the rest region.

Outlook for subsequent two days

Increase in rainfall activity over west central India. Ongoing rainfall activity over east central India, Orissa and Andhra Pradesh is likely to continue. Ongoing rainfall activity along West coast is likely to continue. Subdued rainfall activity over Northeastern States of India and Sub- Himalayan West Bengal & Sikkim.

Warning

Heavy to very heavy rainfall likely at a few over south Orissa, North Coastal Andhra Pradesh, Konkan & Goa and Coastal Karnataka. Isolated heavy rainfall also likely over rest Orissa, Chhattisgarh, Madhya Maharashtra and south coastal Andhra Pradesh, Telangana.

Port Watch (As on 25th July 2005):

No latest vessel position is reported today.

FOREX (As on 25th July 2005):

Foreign Currency	Rs. per unit
1 US \$	43.50
1 Euro	52.43
1 British £	75.56
100 Yen	38.95

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