

SUGAR, JAGGERY & CANE

09th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Remained Bullish Today
- NCDEX Sugar: Extended Previous Day's Gains Today
- NCDEX Gur: Settled Higher Amidst Range Bound Trade
- NYBOT Sugar Sets New Contract Highs on Fund Buying

Technical Analysis

Commodity: Sugar Grade M

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: July (Future)

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

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

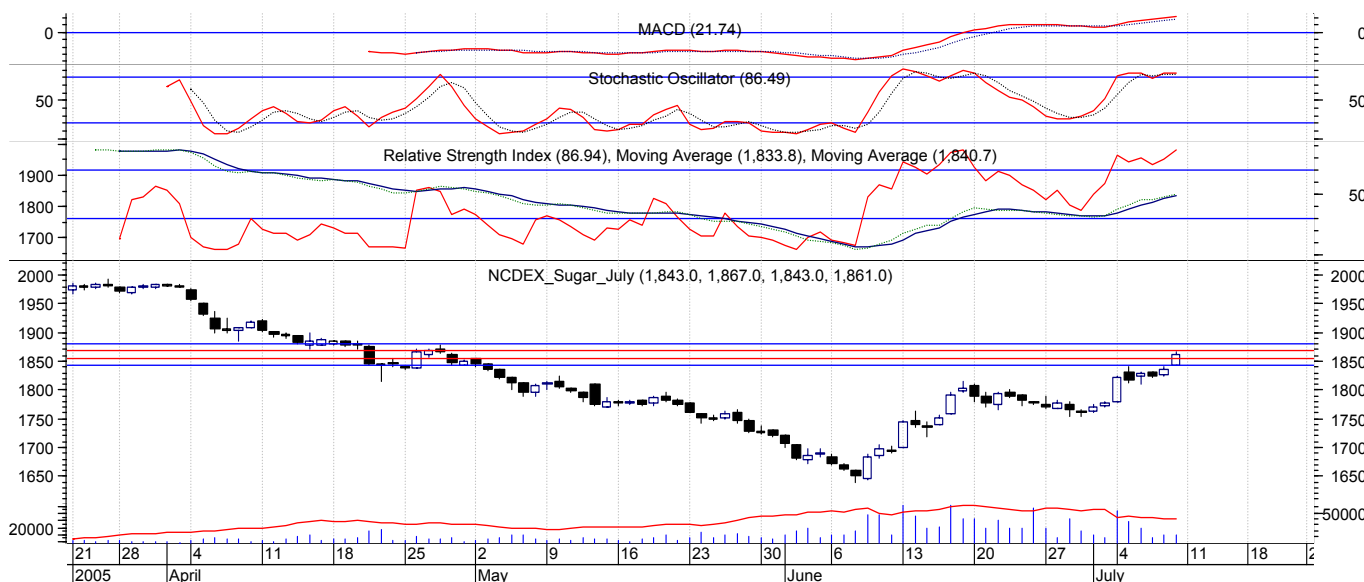
Stochastic: The %K-line after cutting the %D-line from below moving moderately upwards in the overbought region. However, the %D-line is moving almost horizontally.

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

Relative Strength Index (RSI): The RSI (86.94) is moving sharply upwards in the overbought region.

The open interest as well as the volume of trade is steady.

The first resistance is seen at 1870 mark and the second at 1881 mark. The first support is seen at 1854 mark and the second at 1843 mark.



Outlook:

The technical indicators are pointing towards a bullish market sentiment. As suggested by the candlestick the opening in the next trading day may be on the upper side of today's range. It is expected that the futures will remain moderately bullish in the next trading day.

Support and Resistance Levels:

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
July	1854	1843	1870	1881

Technical Analysis

Commodity: Gur (Jaggery)

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: July (Future)

Candlesticks: The candlestick formation is showing a moderately bullish trend in the gur futures market. As suggested by the candlestick the opening in the next trading day may be within today's range.

MACD: The MACD (5-day) after cutting its EMA from below moving almost flat along with its EMA in the positive territory.

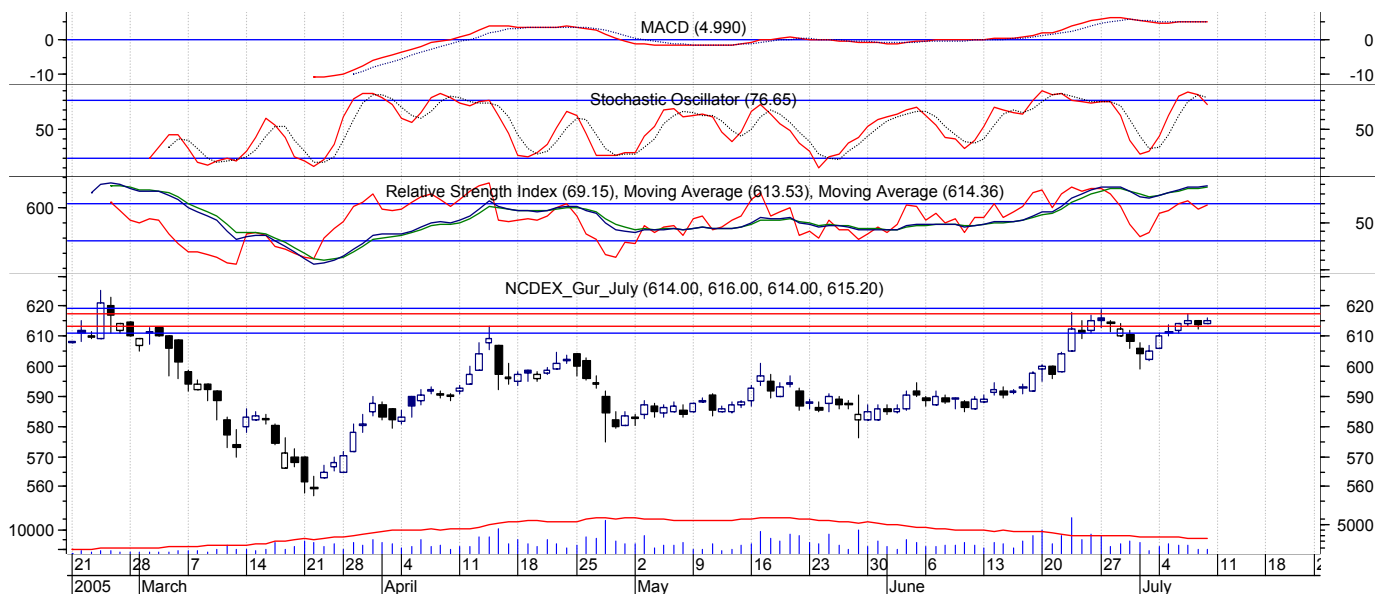
Stochastic: The %K-line after cutting the %D-line from above moving downwards and it has entered the normal region. The %D-line is also moving downwards in the overbought region.

Moving Averages (MA): The 5-day MA is still lying below the 3-day MA and both are moving upwards almost parallel to each other.

Relative Strength Index (RSI): The RSI (69.15) is moving upwards in the normal region and it is about to enter the overbought region.

The open interest is steady while the volume of trade has declined.

The first resistance is seen at 617.2 mark and the second at 619.1 mark. The first support is seen at 613.2 mark and the second at 611.2 mark.



Outlook:

The technical indicators are showing some mixed sentiment in the gur futures market. As suggested by the candlestick the opening in the next trading day may be within today's range. It is expected that the futures will remain range bound with a moderately strong undertone in the next trading day.

Support and Resistance Levels:

Contract	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
July	613.2	611.2	617.2	619.1

Market Commentary

Domestic:

Domestic Sugar Prices Remained Bullish Today

The domestic sugar prices were quoted higher today as against yesterday. Both the 'M' grade as well as the 'S' grade sugar were offered at higher rates today at the major sugar markets.

The M grade sugar at the Delhi market was available at a higher price of Rs 1850-1885 per quintal today. At the Muzaffarnagar market also sugar was offered at a higher price of Rs 1850-1855 per quintal, while at the Kolkata market it was quoted higher at Rs 1855-1860 per quintal today as against yesterday.

The S grade sugar at the Delhi market was quoted at Rs 1790-1825 per quintal today. However, at the Chennai

market sugar was available steady at Rs 1715-1720 per quintal, while at the Kolkata market it was traded at a higher price of Rs 1815-1820 per quintal today. At the Vashi market also sugar was offered higher at Rs 1820-1825 per quintal today as against yesterday. At the Hapur market it was quoted higher at Rs 1805-1825 per quintal today.

The sugar prices at the domestic market are expected to remain bullish in the next trading day. Lower production estimates of the 2004-05 sugarcane crop by the government remained the main supportive feature for the higher prices. Moreover, speculation that Pakistan may lift the sugar import ban from India in the near future remains one of the supportive features for the domestic sugar prices.

NCDEX Sugar: Extended Previous Day's Gains Today

The July sugar future at the NCDEX extended previous day's advances and continues to remain strongly bullish today. The July future set the day's high near to 100-days high at 1867.00 and hovered in the range of 1843.00-1867.00 during today's trade. The August future also fluctuated in higher range of 1863.00-1891.00 today. It is expected that the futures will remain moderately bullish in the next trading day.

International:

NYBOT Sugar Sets New Contract Highs on Fund Buying

The New York Board of Trade world raw sugar futures rallied to new contract month highs yesterday as the fund and small speculators bought in large quantities while the locals also did some buying. However, the producers sold into the advance. The NYBOT October future finished 17 points higher at 9.54 cents per pound, while the March future settled up 14 points at 9.59 cents per pound. The positive sentiment in the London market also supported the futures at the NYBOT. Following a mild setback, the market extended its gain and the October future touched 9.55 cents per pound, while the March future scaled 9.60 cents per pound with late fund buying. The market situation is perceived as good both technically and fundamentally. It is expected that the world raw sugar futures will maintain the bullish sentiment in the coming days.

News Analysis:

Pakistan Sugar Prices Up on Forward Deals

The sugar prices at the Pakistan domestic market continue to remain substantially higher in this week. The domestic sugar prices are hovering around Rs 30 per kg at the retail market as the market players are busy in doing some profitable business. The Pakistani sugar millers are busy in forward deals through their dealers in the market, which have got immense popularity in the recent times. Such forward deals on the stockpiles of the mills have become a profitable business for the investors, who have booked sugar at Rs 2900 per 100 kg bag for sale in August. This inturn have resulted in a sudden rise in the sugar prices at the retail market. Traders are of the view that the Trading Corporation of Pakistan (TCP) can help reduce the sugar prices by releasing its sugar stockpiles.

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

NCDEX Gur: Settled Higher Amidst Range Bound Trade

The July gur future at the NCDEX traded with a moderately bullish trend today and set the day's high at 616.00, 1 point higher than yesterday's high. Moreover, the day's low at 614.00 was also higher than yesterday's low. The July gur future at the NCDEX moved in a moderately higher range of 614.00-616.00 during today's trade. It is expected that the futures will remain range bound with a moderately strong undertone in the next trading 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

Govt Estimated 2004-05 Cane Production at 232.3 MT

According to the fourth advance estimates of the Ministry of Agriculture, the domestic sugarcane production is estimated at 232.3 million tonnes (MT) during 2004-05. This estimate is 14 percent below the production target for 2004-05 crop year and 2 percent lower than the production of 237.3 MT of sugarcane during 2003-04 crop year.

Sugar at Spot Market:

International:

London Daily Price (LDP)

Particulars	08-July	07-July	06-July	05-July	04-July
LDP Raw FOB \$/MT	207.7	203.9	207	207.2	205
LDP Raw CIF \$/MT	262.7	258.9	262	262.2	260
LDP Raw CIF GBP/MT	151.5	148.8	149.5	149.5	148
LDP White FOB \$/MT	316.5	315.2	309.6	308	305.7
London Freight \$/MT	55	55	55	55	55
London Freight GBP/MT	31.5	31.5	31	31	31

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
09.07.05	1848	1845	NR	1830	NR	1795

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

Date	M 30	S 30	Mill Delivery	Khand
09.07.05	1850-1885	1790-1825	1700-1760	1690-1710

Jaggery at Spot Market

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

Date	Raskat	Chaku	Khurpa padh	Shakkar
09.07.05	485-495	605-625	Na	660-710

Na: Arrival finished

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

Date	Dahiya	Balti Sp	No One	Bariya Dara	Dara
09.07.05	1515-1560	Na	Na	Na	Na

Na: Arrival finished

Port Watch (As on 09th July 2005):

No latest vessel position is reported today.

Weather Forecast (As on 09th July 2005):

Forecast for next 24 hours

North: Rain/thundershowers likely at a few places over east Uttar Pradesh, Uttaranchal, Himachal Pradesh and Jammu & Kashmir and isolated in the rest region.

East: Rain/thundershowers likely at many places over northeastern states, Sub-Himalayan West Bengal & Sikkim, Orissa and Chhattisgarh at a few places in the rest region. Increase in rainfall activity over Bihar and northeastern states on 11th and 12th July.

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

West: Rain/thundershowers likely at many places over Konkan & Goa and Vidarbha and at a few places over the region outside Gujarat state and Rajasthan where it may be isolated.

Outlook for subsequent two days

Increase in rainfall activity over Uttar Pradesh, Bihar, northeastern states and along the west coast. Rainfall activities over plains of northwest India likely remain subdued.

Warning

Isolated heavy rainfall likely over northeastern states, north coastal Andhra Pradesh, Telangana, coastal Karnataka and Kerala.

FOREX (As on 09th July 2005):

Foreign Currency	Rs. per unit
1 US \$	43.61
1 Euro	52.22
1 British £	75.79
100 Yen	38.87

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