

SUGAR, JAGGERY & CANE

30th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Higher Amidst Lower Supply
- NCDEX Sugar: Settled Higher on Speculative Buying
- NCDEX Gur: Marginally Up in Range Bound Trade
- NYBOT Sugar Settled Lower as Speculator Liquidated

Technical Analysis

Commodity: Sugar Grade M

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: AUGUST (Future)

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

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

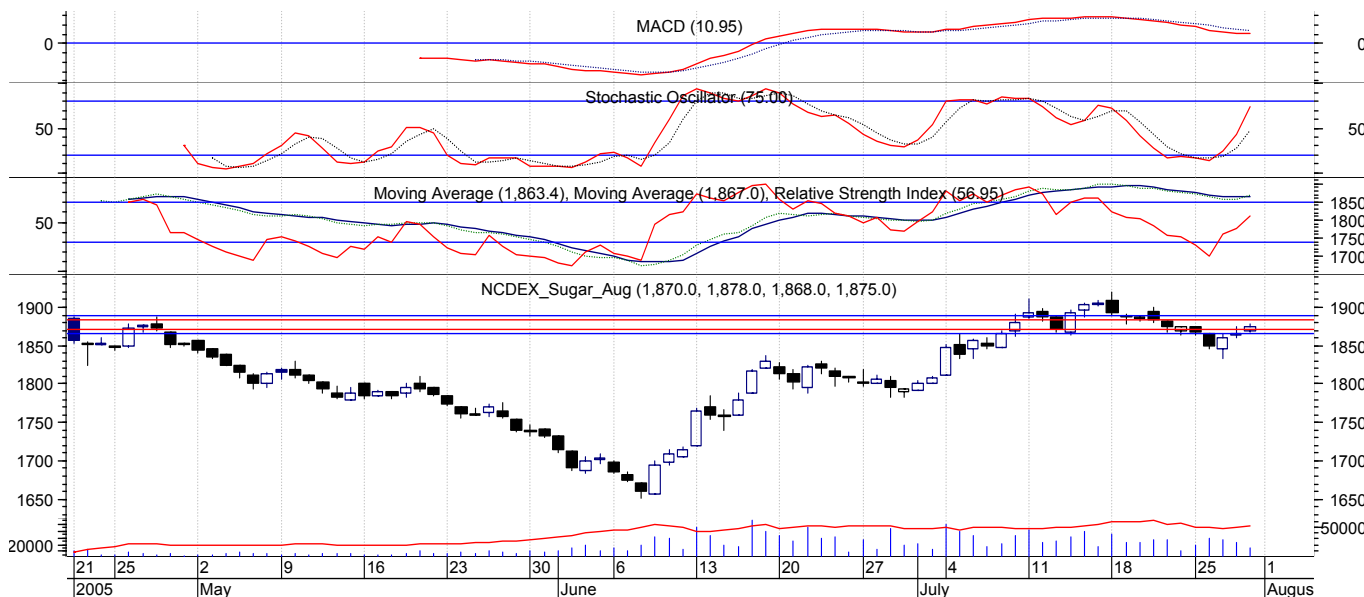
Stochastic: The %K-line is moving sharply upwards in the normal region along with the %D-line.

Relative Strength Index (RSI): The RSI (56.95) is moving continuously upwards in the normal region.

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

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

The first resistance is seen at 1884 mark and the second at 1889 mark. The first support is seen at 1870 mark and the second at 1865 mark.



Outlook:

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

Support and Resistance Levels:

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
August	1870	1865	1884	1889

Technical Analysis

Commodity: Gur (Jaggery)

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: AUGUST (Future)

Candlesticks: The candlestick formation is pointing towards a weakly bullish sentiment. The opening in the next trading day may be on the upper side.

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

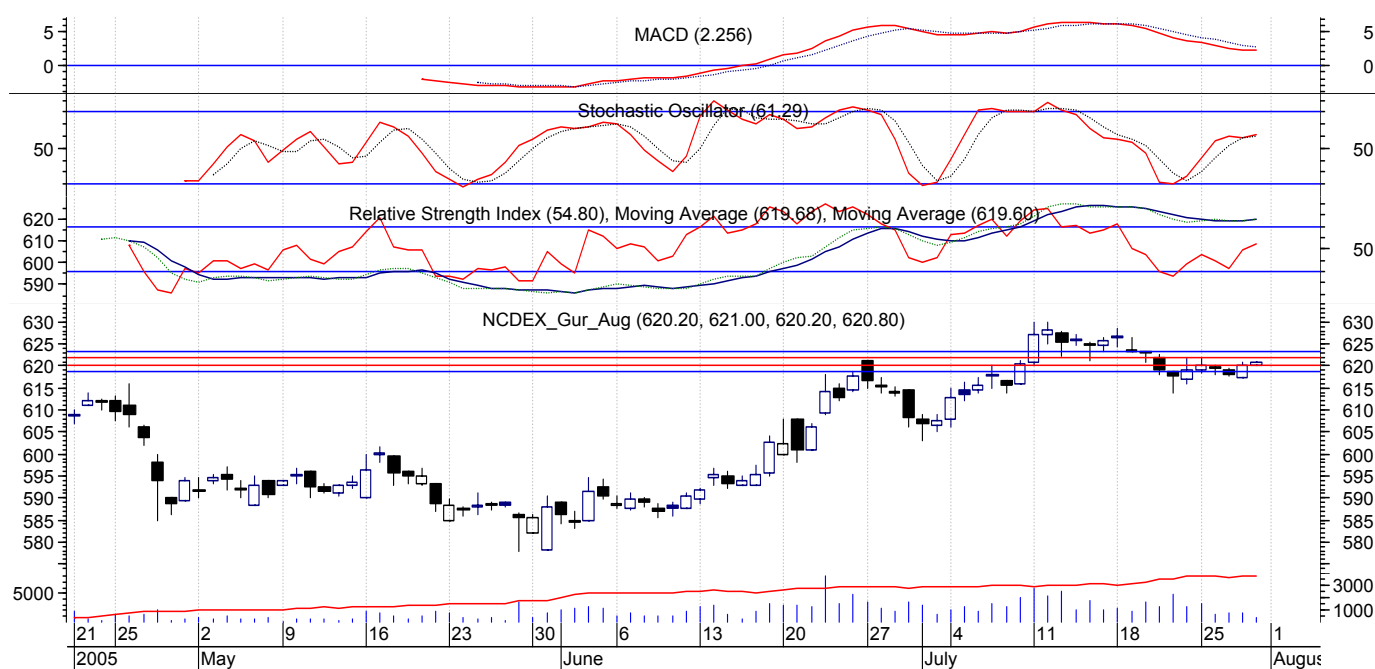
Stochastic: The %K-line is moving upwards along with the %D-line in the normal region.

Relative Strength Index (RSI): The RSI (54.80) is moving upwards in the normal region.

Moving Averages (MA): The 5-day MA after cutting the 3-day MA from below moving upwards, while the 3-day MA is also started moving upwards.

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

The first resistance is seen at 622 mark and the second at 623.2 mark. The first support is seen at 620.3 mark and the second at 618.9 mark.



Outlook:

The technical indicators are showing a weakly bullish sentiment in the gur futures market. As suggested by the candlestick the opening in the next trading day may be on the upper side. It is expected that the gur futures will remain marginally strong in the next trading day.

Support and Resistance Levels:

Contract	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
August	620.3	618.9	622	623.2

Market Commentary

Domestic:

Domestic Sugar Prices Higher Amidst Lower Supply

The domestic sugar prices continue to remain firm today. Both the 'M' as well as 'S' grade sugar was quoted steady to higher today as against yesterday.

The M grade sugar at the Delhi market remained firm at Rs 1850-1880 per quintal today as against yesterday. At the Kolkata market sugar was quoted higher at Rs 1900-1905 per quintal today, while at the Muzaffarnagar market it was

available at an unchanged price of Rs 1860-1865 per quintal today as against yesterday.

The S grade sugar at the Delhi market was quoted steady at Rs 1820-1840 per quintal today as against yesterday. At the Chennai market it was offered higher at Rs 1755-1760 per quintal today, while at the Kolkata market S grade sugar was available at an unchanged price of Rs 1845-1850 per quintal today as against yesterday.

The domestic spot sugar prices are expected to witness a range bound movement with a strong undertone in the next trading day. Today being the last trading day of the month was characterised by a lesser supply amidst a moderate demand in the spot markets which has pressurised the prices.

NCDEX Sugar: Settled Higher on Speculative Buying

At the futures market the sugar futures extended previous day's advances and traded with a bullish sentiment today. The August sugar future at the NCDEX opened higher than yesterday's close and remained bullish thereafter. The August future tested 1-week high at 1878.00 with increased buying activity and hovered in an improved range of 1868.00-1878.00 today. The September future also moved in a higher range of 1886.00-1898.00 during today's trade.

International:

NYBOT Sugar Settled Lower as Speculator Liquidated

The world raw sugar future at the New York Board of Trade (NYBOT) settled lower on Friday following a technical correction as the speculators liquidated amidst some producers selling. The NYBOT October future finished down 9 points at 9.83 cents per pound, while the March future settled down 7 points at 9.81 cents per pound. The futures turned downwards after the October future failed to go through the 10 cents per pound level in this week and

News Analysis:

Import of Indian Sugar Remained Banned in Pakistan

The opening up of the Wagah border trade between India and Pakistan has a little significance for the Indian domestic sugar industry since import of Indian sugar remained banned in Pakistan. The State Bank of Pakistan has notified that the import of raw sugar by the private sector is allowed without limit and time bar, from worldwide sources except India and Israel. Earlier the government of Pakistan allowed the private sector to import sugar in order to meet the domestic supply shortfall and to ensure enough stock before the festive season. Pakistan had removed sugar from its positive lists of trade with India in 2001 when importing of Indian sugar resulted in a significant decline in the domestic sugar prices. However, the Pakistani sugar traders are still expecting that the government may reconsider importing of Indian sugar since the domestic sugar prices are still high enough.

Free Sale Sugar Quota for the Month of August

Government has released 11 lakh tonnes of sugar as quota for indigenous free sale for the month of August 2005. With the release of 2.16 lakh tonnes as levy quota for the month, the total availability of sugar for domestic consumption for August would be 13.16 lakh tonnes. It has been reported that the Ministry of Consumer Affairs, Food and Public Distribution is monitoring the price and availability of sugar in the country and with enough stock of sugar in hand is in a position to release further substantial quantities additionally if required.

Source: PIB

Latest Sowing Progress of Kharif Sugarcane Crop

According to the latest data on kharif crop area coverage by the Ministry of Agriculture, the kharif sugarcane acreage

It is expected that the sugar futures will witness a moderately strong sentiment in the next trading day.

NCDEX Gur: Marginally Up in Range Bound Trade

At the futures market, the gur futures witnessed a range bound trade with a marginally strong sentiment. The August gur future at the NCDEX opened slightly higher than yesterday's close and set the day's high at 621.00 within the first hour of trade. The August future set the day's low at 620.20, more than 3 points higher than yesterday's low and remained range bound throughout the session. The August gur future at the NCDEX fluctuated in a narrow range of 620.20-621.00 during today's trade. It is expected that the gur futures will remain marginally strong in the next trading day.

set a contract high at 9.99 cents per pound early this week. The October future went down as low as 9.82 cents per pound on the open but pared its losses. The October future hovered in the range of 9.84 to 9.89 cents per pound for most of the session before it slid to 9.81 cents per pound in the final action. The declines in the futures are seen as a little technical correction since the futures are in an overbought position at present.

stands at 41.29 lakh hectares, up 10 percent as compared to the last year figure at 37.49 lakh hectares. This year the kharif sugarcane acreage is likely to be much higher following various state governments announcing higher purchase rates. The major acreage gain is reported from Maharashtra, where the acreage under sugarcane has gone by more than 75 percent as against last year, followed by Gujarat and Tamil Nadu. Moderate increase is also reported from Uttar Pradesh. However, Karnataka has witnessed lower acreage by more than 14 percent as compared to last 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

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	29-July	28-July	27-July	26-July	25-July
LDP Raw FOB \$/MT	218	222.5	222	223.3	216.1
LDP Raw CIF \$/MT	273	270.5	277	278.3	271.1
LDP Raw CIF GBP/MT	155.8	158.2	159.5	160.3	156
LDP White FOB \$/MT	327	334	338.5	341.1	336.5
London Freight \$/MT	55	55	55	55	55
London Freight GBP/MT	31.5	31.5	31.5	31.5	31.5

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
30.07.05	1852	1850	NS	1840	NS	1795

NS: No Sale

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

Date	M 30	S 30	Mill Delivery	Khand
30.07.05	1850-1880	1820-1840	1720-1760	1690-1705

Jaggery at Spot Market

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

Date	Raskat	Chaku	Khurpa padh	Shakkar
30.07.05	480-490	610-630	Na	675-700

Na: Arrival finished

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

Date	Dahiya	Balti Sp	No One	Bariya Dara	Dara
30.07.05	1550-1575	Na	Na	Na	Na

Na: Arrival finished

Port Watch (As on 30th July 2005):

No latest vessel position is reported today.

Weather Forecast (As on 30th July 2005):

Forecast valid for next 72 hours

North: Rain/thundershowers likely at a few places in the region.

East: Rain/thundershowers likely at most places over Orissa and Chhattisgarh; at many places over Gangetic West Bengal, Jharkhand and East Madhya Pradesh; at a few places in the rest region. Increase in rainfall activity over East Madhya Pradesh on 1st August.

South: Rain/thundershowers likely at many places over North Coastal Andhra Pradesh, Coastal Karnataka, Kerala and Andaman & Nicobar Islands; a few places in the rest region outside Tamil Nadu & Pondicherry where it may be isolated. Rainfall activity likely to increase over Telangana on 1st August.

West: Rain/thundershowers likely at many places in Konkan & Goa, Madhya Maharashtra and Vidarbha and at a few places in the rest region. Rainfall activity likely to increase over Maharashtra & Goa, West Madhya Pradesh on 1st August.

Outlook for subsequent two days

Further increase in rainfall activity over central India and Maharashtra & Goa. Slight increase in rainfall activity over Gangetic Plains and north peninsular India. Subdued rainfall activity likely to continue over northeastern States.

Warning

Heavy to very heavy rainfall likely at a few places over Orissa and Chhattisgarh. Isolated heavy rainfall also likely over Konkan & Goa, Madhya Maharashtra, Vidarbha, Coastal Karnataka, Gangetic West Bengal, Jharkhand, East Madhya Pradesh and Kerala.

FOREX (As on 30th July 2005):

Foreign Currency	Rs. per unit
1 US \$	43.44
1 Euro	52.66
1 British £	76.36
100 Yen	38.62

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