

SUGAR, JAGGERY & CANE

08th July 2005

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Remained Mixed Today
- NCDEX Sugar: Surged Up in Late Action Today
- NCDEX Gur: Settled Lower Amidst Range Bound Trade
- NYBOT Sugar Settled Mixed after Early Losses

Technical Analysis

Commodity: Sugar Grade M

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: July (Future)

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

MACD: The MACD (5-day) is lying above its EMA and both are moving upwards. This is showing the strength in the market sentiment.

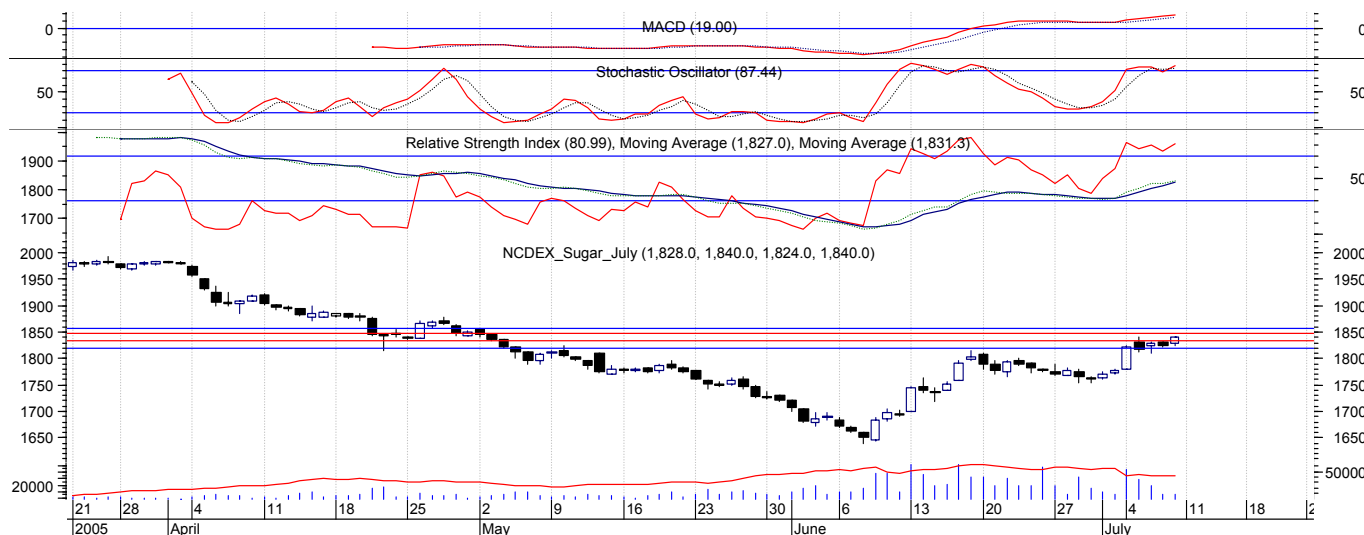
Stochastic: The %K-line after cutting the %D-line from below moving sharply upwards in the overbought region. However, the %D-line is moving almost flat in the overbought region.

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 (80.99) has changed its direction and moving upwards in the overbought region.

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

The first resistance is seen at 1847 mark and the second at 1856 mark. The first support is seen at 1833 mark and the second at 1820 mark.



Outlook:

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

Support and Resistance Levels:

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
July	1833	1820	1847	1856

Technical Analysis

Commodity: Gur (Jaggery)

Exchange: NCDEX

Perspective: Very Short Term (Daily)

Contract: July (Future)

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

MACD: The MACD (5-day) after cutting its EMA from above moving downwards while the EMA is moving almost flat, a bearish indication.

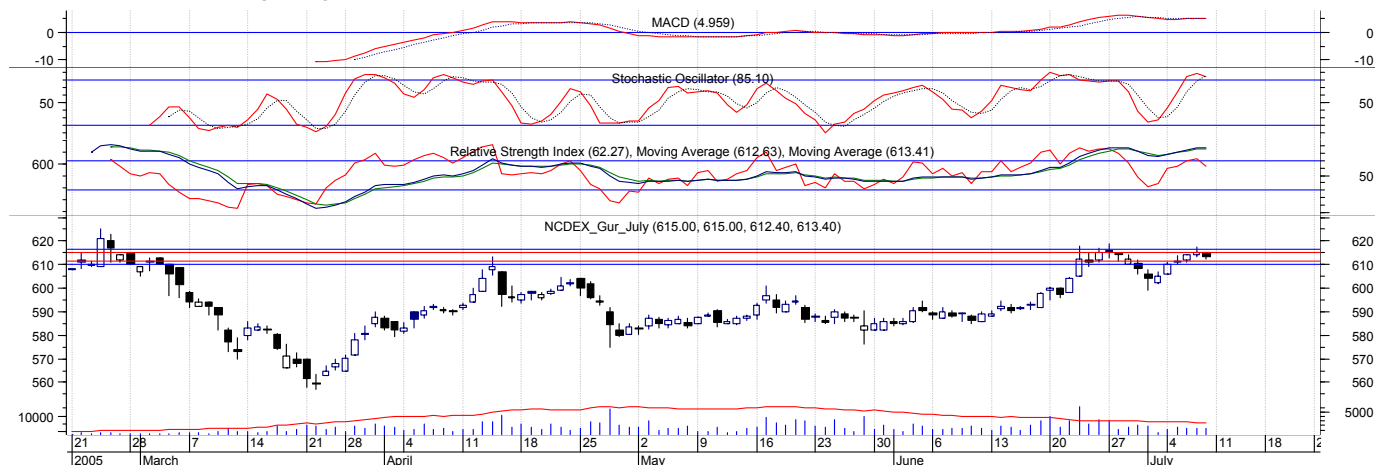
Stochastic: The %K-line after cutting the %D-line from above moving downwards, while the %D-line is still moving upwards in the overbought region.

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

Relative Strength Index (RSI): The RSI (62.27) has entered the normal region and it is moving downwards.

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

The first resistance is seen at 614.9 mark and the second at 616.4 mark. The first support is seen at 611.6 mark and the second at 610.1 mark.



Outlook:

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

Support and Resistance Levels:

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
July	611.6	610.1	614.9	616.4

Market Commentary

Domestic:

Domestic Sugar Prices Remained Mixed Today

The domestic sugar prices remained mixed today amidst a range bound trade. The 'M' grade sugar was quoted mixed today, while the 'S' grade sugar was offered at marginally higher rates today at the major sugar markets.

The M grade sugar at the Delhi market was quoted marginally higher at Rs 1845-1885 per quintal today as against yesterday. At the Kolkata market sugar was traded steady at Rs 1845-1850 per quintal today, while at the Muzaffarnagar market sugar was offered at a lower price of Rs 1840-1845 per quintal today.

The S grade sugar at the Delhi market was offered at a marginally higher price of Rs 1785-1825 per quintal today as against yesterday. At the Chennai market sugar was traded unchanged at Rs 1715-1720 per quintal, while at the Kolkata market it was quoted moderately higher at Rs 1810-1815 per quintal today. At the Vashi market it was offered at a steady rate of Rs 1815-1820 per quintal today as against yesterday. At the Hapur market sugar was traded marginally higher at Rs 1800-1825 per quintal today.

The sugar prices at the domestic market are expected to remain moderately strong in the next day. Lower production

estimates of the 2004-05 sugarcane crop by the government is likely to have a positive impact on the sugar 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: Surged Up in Late Action Today

The sugar futures at the NCDEX traded range bound in the morning session of trade but retraced back again in late action. The July future set the day's high at 1840.00 near to the close. The July future at the NCDEX hovered within a higher range of 1824.00-1840.00 today. The August future also moved in a higher range of 1847.00-1869.00 during today's trade. Speculative buying in the final hours of trade supported the futures to go up. It is expected that the futures will remain bullish in the next day.

NCDEX Gur: Settled Lower Amidst Range Bound Trade

The July gur future at the NCDEX traded with a bearish sentiment today and set the day's high at 615.00, over 2 points lower than yesterday. Moreover, the day's low was also lower than yesterday. The July gur future at the NCDEX fluctuated in a lower range of 612.40-615.00 today. It is expected that the gur futures will undergo a moderately bearish trend in the next day.

International:

NYBOT Sugar Settled Mixed after Early Losses

The world raw sugar futures at the New York Board of Trade (NYBOT) settled narrowly mixed after earlier losses due to London attacks were curbed. The NYBOT October future finished 2 points higher at 9.37 cents per pound, while the March future settled unchanged at 9.45 cents per pound. The futures opened lower after a sell off in London though trade buying supported the futures. The NYBOT October future hovered around 9.33 cents per pound for some times. However, speculative buying and short covering by the locals pushed up the futures. The October future went up 4 points in late action but producer selling capped further rise. The volume of trade was thin after the futures set contract highs on previous day.

News Analysis:

Govt Estimated 2004-05 Cane Production at 232.3 MT

According to the fourth advance estimates of the Department of Agriculture, Government of India, 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.

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

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

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 Muzaffamagar Mandi (Rs. /quintal)

Date	Shya-mli	Khat-auli	Morna	Deob-and	Titawi	Nano-ata
08.07.05	1837	1835	NR	1825	NR	1790

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

Date	M 30	S 30	Mill Delivery	Khand
08.07.05	1845-1885	1785-1825	1690-1740	1685-1705

Jaggery at Spot Market

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

Date	Raskat	Chaku	Khurpa padh	Shakkar
08.07.05	480-495	605-620	Na	650-680

Na: Arrival finished

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

Date	Dahiya	Balti Sp	No One	Bariya Dara	Dara
08.07.05	1500-1550	Na	Na	Na	Na

Na: Arrival finished

Port Watch (As on 08th July 2005):

No latest vessel position is reported today.

Weather Forecast (As on 08th July 2005):

Forecast for next 24 hours

North: Rain/thundershowers likely at many places over Himachal Pradesh and Jammu & Kashmir; at a few places in the rest region outside east Uttar Pradesh where it may be isolated. The rainfall activity over these areas is likely to decrease further.

East: Rain/thundershowers likely at many places over Orissa and at a few places in the rest region outside Bihar and Jharkhand where it may be isolated. Increase in rainfall activity over Orissa and Chhattisgarh on 10th July.

South: Rain/thundershowers likely at many places over north coastal Andhra Pradesh and Telangana and at a few places in the rest region outside south interior Karnataka, Tamil Nadu & Pondicherry where it may be isolated. The rainfall activity will increase over Telangana and coastal Andhra Pradesh on 9th onwards.

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

Outlook for subsequent two days

Rainfall activity over north peninsular India including Maharashtra is likely to increase slightly. Rainfall activity over northeastern states, plains of northwest and northern India is likely to remain subdued.

Warning

Isolated heavy rainfall likely over Jammu & Kashmir, Himachal Pradesh and Orissa.

FOREX (As on 08th July 2005):

Foreign Currency	Rs. per unit
1 US \$	43.63
1 Euro	52.02
1 British £	75.99
100 Yen	38.85

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