

SUGAR

11th April 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Maintained Firm Sentiment
- NCDEX Sugar: Extended Previous Advances Further

Sugar Futures - Surge Up

Fundamentals

Domestic Sugar Prices Maintained Firm Sentiment

Domestic sugar market extended previous advances further during Monday's trade. Both the 'M' grade as well as 'S' grade sugar was quoted higher on Monday as against the last weekend. The demand at the physical market remained higher amidst lower supply. However, activity was quite restricted at the higher price levels. The market sentiments remained in favour of the bulls despite the second quarterly free sale sugar quota released by the Government is much higher corresponding to the same quarter of the last year. Even, the large April month quota failed to cast the desired bearish impact on the domestic market. The market is eyeing the overseas export demand with the neighbouring countries in urgent need of large quantity of white sugar. The Pakistan Government has floated fresh 50000 tons sugar import tender after it recently tendered for 50000 tons sugar for the third time in this year. Notably, the Indian Sugar Exim Corporation bagged the first two tenders of this year. On the other hand, Bangladesh is also looking for importing refined sugar to meet the domestic shortage and contain surging local prices. Amidst such situations, sugar prices at the domestic markets are likely to remain firm in the short-term.

NCDEX Sugar M Grade: APRIL Contract



NCDEX -Sugar Futures	Last Traded	Saturday Close	Change
April	1985	1952	+33
May	2112	2044	+68

Future Market Happenings:

NCDEX Sugar: Extended Previous Advances Further on Monday

At the futures market the sugar futures at the NCDEX witnessed a firm sentiment following the domestic as well as global sugar market trend. The later month contracts registered sharp gains after a firm opening. The near-month April contract hovered in a higher range of Rs 1954-1990 per quintal, while the May contract traded in a much higher range of Rs 2047-2114 per quintal during Monday's trade. The sugar prices at the futures market are likely to witness an upward trade following a firm opening. However, some downward correction is likely during the later session of trade.

Trade Recommendations

Buy NCDEX-April Sugar M near 1980 with **target** of 2000. **Stop loss** at 1970.

Do not carry-forward the position until the next day.

NCDEX Sugar M Grade: APRIL Contract

Support-1	1968
Support-2	1950
Previous Close	1985
Resistance-1	1999
Resistance-2	2025

International Markets

NYBOT Sugar

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

London Daily Spot Prices

Particulars	10.04.06	07.04.06
LDP Raw FOB \$/MT	384.00	394.00
LDP Raw CIF \$/MT	426.00	436.00
LDP Raw CIF GBP/MT	243.90	249.10
LDP White FOB \$/MT	457.20	462.80
London Freight \$/MT	42.00	42.00
London Freight GBP/MT	24.00	24.00

Source: London International Financial Futures and Options Exchange (LIFFE)

Note: Exchange remains closed on Saturday and Sunday.

Domestic Prices: Delhi

(Rs/ctl)

Quality	10.04.06	08.04.06	Change
Ready Sugar (M)	1980-2050	1980-2040	+10
Ready Sugar (S)	1875-2035	1865-2025	+10
Mill Delivery	1850-1940	1835-1925	+15
Khandsari	1800-1900	1800-1900	-
Gur	1400-1500	1400-1500	-
Sulphur	1900-1950	1900-1950	-

Market Wise Spot Prices:

(Rs/ctl)

Grade	Market	10.04.06	08.04.06
M 30	Muzaffarnagar	2000-2005	1970-1975
	Delhi	1980-1985	1970-1975
	Kolkata	2030-2035	2015-2020
S 30	Chennai	1910-1915	1910-1915
	Kolkata	2005-2010	1880-1885
	Vashi	1910-1915	1890-1895

Weather Forecast

NORTH-WEST Region

Rain/snow is likely at a few places over Jammu & Kashmir and isolated over Himachal Pradesh & Uttaranchal. Mainly dry weather over the rest region. The day temperatures over the region are likely to decrease.

EAST Region

Rain/thundershowers are likely at a few places over Sub- Himalayan West Bengal & Sikkim and isolated over Orissa and Gangetic West Bengal. Mainly dry weather is likely over rest region.

NORTH-EAST Region

Rain/thundershowers are likely at many places over Arunachal Pradesh, Assam & Meghalaya and at a few places over the rest region.

SOUTH Region

Weather will be mainly dry over the region except isolated rain/ thundershowers over north Coastal Andhra Pradesh and Andaman & Nicobar Islands. Day

Port Watch

Mumbai Port is loading 13,500 MT of sugar on the vessel 'Bunglar Urmi'. JM Baxi agents is handling the vessel.

The port is expecting 'Arihant' to load 14,000 MT of sugar. Shaan Marine agents is handling the vessel.

FOREX

Foreign Currency	Rs. per unit
1 US \$	44.74
1 Euro	54.14
1 British £	77.95
100 Jap. Yen	37.84

temperatures over interior Andhra Pradesh are likely to remain 3-5 °C above normal.

WEST Region

Weather will be mainly dry over the region. Day temperatures over Rajasthan and Gujarat are likely to fall.

CENTRAL Region

Weather will be mainly dry over the region. Day temperatures are likely to decrease by 2-3 °C over Madhya Pradesh.

Overall, favourable weather conditions are prevailing over sugarcane areas of North and South India.

International Sugar Futures Settlement Prices

International Futures	Last Settlement (07.04.06)	Change
NYBOT-May (c/lb)	17.12	-0.65
LIFFE-May (\$/MT)	456.50	-6.70

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