

SUGAR

05th May 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Remained Range Bound on Thursday
- NCDEX Sugar: Finished Slightly Lower Amidst Thin Trade

Sugar Futures - Slightly Lower

Fundamentals

Domestic Sugar Prices Remained Range Bound on Thursday

At the domestic markets sugar prices witnessed a range bound movement during Thursday's trade. At the Delhi market it was quoted almost unchanged as against Wednesday. For the last couple of days, sugar prices firmed up on higher demand from bulk consumers of summer season as well as retailers. Traders are eyeing further higher demand in the coming days. However, activity was limited at the higher price levels and consequently millers as well as resellers quoted mostly steady price as compared to Wednesday. Notably, Government has released 14.5 lakh tonnes as free sale sugar quota for the month of May. Meanwhile, according to the Chief Director of Sugar, Government is likely to take a decision regarding sugar export in this week as sugar production during the current season is revised upwards at 191 lakh tonnes.

Amidst such situations, sugar prices are likely to maintain the firm sentiment in the short-term.

NCDEX Sugar M Grade: MAY Contract



NCDEX -Sugar Futures	Last Traded	Tuesday Close	Change
May	2052	2059	-7
June	2121	2124	-3

Future Market Happenings:

NCDEX Sugar: Finished Slightly Lower Amidst Thin Trade

At the futures market the sugar futures at the NCDEX witnessed a downward trade following a steady opening. Increased selling interest has pressurised the futures throughout the day and the futures finally settled in the negative territory. The near-month May contract hovered in the range of 2045.00-2060.00, while the June contract fluctuated in the range of 2112.00-2127.00 during Thursday's trade. The domestic sugar futures are likely to trade moderately downwards following a steady to weak opening initially and upward thereafter.

Trade Recommendations

Buy NCDEX-May Sugar M at 2050 with **target** of 2065. **Stop loss** at 2042.

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

NCDEX Sugar M Grade: MAY Contract

Support-1	2040
Support-2	2027
Previous Close	2052
Resistance-1	2072
Resistance-2	2087

Domestic Prices: Delhi

(Rs/qttl)

Quality	04.05.06	03.05.06	Change
Ready Sugar (M)	2035-2095	2035-2095	-
Ready Sugar (S)	2015-2080	2015-2080	-
Mill Delivery	1925-1975	1925-1975	-
Khandsari	1760-1850	1770-1860	-10
Gur	1500-1600	1500-1600	-
Sulphur	1860-1920	1870-1930	-10

Market Wise Spot Prices:

(Rs/qttl)

Grade	Market	04.05.06	03.05.06
M 30	Muzaffarnagar	2045-2050	2045-2050
	Delhi	2020-2025	2030-2035
	Kolkata	2065-2070	2070-2075
S 30	Chennai	1935-1940	1935-1940
	Kolkata	2035-2040	2035-2040
	Vashi	1950-1955	1955-1960

Weather Forecast

During past 24 hrs. rainfall/thundershowers activity has occurred at a few places over Assam, Sub-Himalayan West Bengal & Sikkim, south Tamil Nadu and at isolated places over Himachal Pradesh, Chhattisgarh, Jharkhand, Orissa, south Madhya Maharashtra and Andhra Pradesh.

The day temperatures have fallen by 2- 4°C over Tamil Nadu, Andhra Pradesh, East Uttar Pradesh, Bihar, Jharkhand, Sub-Himalayan West Bengal and Interior Karnataka. However they are still above 40°C over Rajasthan, Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, interior Maharashtra, and northern parts of Andhra Pradesh.

The day temperatures are likely to fall further by 2-3°C over Peninsular India and northeastern States. However some increase in day temperatures is expected over northwest India and Gangetic Plains.

FOREX

Foreign Currency	Rs. per unit
1 US \$	44.97
1 Euro	56.69
1 British £	82.51
100 Jap. Yen	39.42

Port Watch

Loading of 6,045 MT of sugar is continuing at Mumbai Port on the vessel 'Lady Kyriaki'. Interocean agents is handling the vessel. 'Wise King' has berthed at Mumbai Port and continues to load 20,000 MT of sugar. Interocean agents is handling the vessel.

'Yaad E Mohammed' has berthed at Mumbai Port and continues to load 15,000 MT of sugar. Razvi agents is handling the vessel. Mumbai Port is loading 19,800 MT of sugar on the vessel 'Pacific Sun'. JM Baxi agents is handling the vessel.

The port is expecting 'Amar' to load 13,200 MT of sugar. Loading of 6,500 MT of sugar is expected at the port on the vessel 'Lady Kyriaki'. Interocean agents will be handling these vessels. 'Badalu Valley' is expected at the port to load 3,500 MT Of sugar. Sai Freight agents is handling the vessel.

Loading of 5,000 MT of sugar is continuing at Tuticorin Port on the vessel 'Ocean Venture'. St.John agents is handling the vessel.

Chennai Port loaded 5,000 MT of sugar on the vessel 'Dai Hong Pan'. Chowgule agents handled the vessel.

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