

SUGAR

03rd May 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Witnessed Firm Sentiment on Tuesday
- NCDEX Sugar: Finished Higher Near Day's High in Late Action

Sugar Futures - Surged Up

Fundamentals

Domestic Sugar Prices Witnessed Firm Sentiment on Tuesday

At the domestic markets sugar prices witnessed a firm sentiment during Tuesday's trade. At the Delhi and Muzaffarnagar market it was quoted higher as against Monday. Moreover, at the Kolkata market it was traded at a higher price as against the last weekend. Sugar prices remained bearish during the last week on month-end activity as well as delay of May free sale quota release. The Government has released 14.5 lakh tonnes as free sale sugar quota for the month of May. However, demand from retail customers as well as bulk consumers of summer season remains higher during this period, that may eventually support the sugar prices in near-term. 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. Sugar factories should take advantage of the prevailing higher global sugar prices, while the domestic sugar prices are at a reasonable level.

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

NCDEX Sugar M Grade: MAY Contract



NCDEX -Sugar Futures	Last Traded	Monday Close	Change
May	2069	2047	+22
June	2135	2117	+18

Future Market Happenings:

NCDEX Sugar: Finished Higher Near Day's High in Late Action

At the futures market the sugar futures at the NCDEX witnessed an upward trade following a firm opening. Increased buying interest has supported the futures throughout the day. The futures settled higher near to the day's high in final action. The near-month May contract hovered in the range of 2050.00-2069.00, while the June contract fluctuated in the range of 2117.00-2135.00 during Tuesday's trade. The volume of trade has increased as against Monday's trade. The domestic sugar futures are likely to trade moderately upwards following a steady to firm opening.

Trade Recommendations

Buy NCDEX-May Sugar M at 2065 with **target** of 2080. **Stop loss** at 2057.

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

NCDEX Sugar M Grade: MAY Contract

Support-1	2054
Support-2	2039
Previous Close	2069
Resistance-1	2085
Resistance-2	2099

Domestic Prices: Delhi

(Rs/qty)

Quality	02.05.06	01.05.06	Change
Ready Sugar (M)	2020-2080	2000-2060	+20
Ready Sugar (S)	2000-2065	1980-2045	+20
Mill Delivery	1910-1970	1890-1950	+20
Khandsari	1770-1860	1765-1860	-
Gur	1500-1600	1475-1575	+25
Sulphur	1870-1930	1870-1930	-

Market Wise Spot Prices:

(Rs/qty)

Grade	Market	02.05.06	01.05.06
M 30	Muzaffarnagar	2035-2040	2030-2035
	Delhi	2015-2020	2010-2015
	Kolkata	2060-2065	Closed
S 30	Chennai	1935-1940	1930-1935
	Kolkata	2030-2035	Closed
	Vashi	1950-1955	Closed

Weather Forecast

Mainly dry weather prevailed over the country except scattered rainfall over northeastern states and Sub-Himalayan West Bengal & Sikkim and isolated over Himachal Pradesh, Jammu & Kashmir and Tamil Nadu. Isolated duststorm/thunderstorm have also occurred over Rajasthan. Day temperatures are above 40 deg Celsius over the entire plains of northwest India, Uttar Pradesh, Bihar, Madhya Pradesh, Chhattisgarh, Vidarbha, Marathawada, interior Andhra Pradesh and Tamil Nadu. This scenario is likely to continue except over Tamil Nadu and Andhra Pradesh where they are likely to fall.

Heat wave conditions continue to prevail over Tamil Nadu. They are likely to abate during next 1-2 days, as isolated rainfall is likely over the area.

Port Watch

'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. Loading of 15,000 MT of sugar is continuing at Mumbai Port on the vessel 'Bolan'. The vessel is being handled by Interocean agents.

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.

'Gusto' has berthed at Kandla Port and continues to load 4,500 MT of sugar to Karachi. Act Infra agents is handling the vessel.

Chennai Port is expecting 'Dai Hong Pan' to load 5,000 MT of sugar. Chowgule agents will be handling the vessel.

FOREX

Foreign Currency	Rs. per unit
1 US \$	44.90
1 Euro	56.47
1 British £	81.88
100 Jap. Yen	39.46

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