

SUGAR

12th May 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Traded in Narrow Range on Thursday
- NCDEX Sugar Futures: Slid to 1-Month Lows on Increased Selling

Sugar Futures - Slid to 1-Month Lows

Fundamentals

Domestic Sugar Prices Traded in Narrow Range on Thursday

At the domestic markets sugar prices remained range bound with a weak undertone during Thursday's trade. At the Delhi, Muzaffarnagar and Kolkata market it was quoted marginally lower as against Wednesday. Both the prices of 'M' grade as well as 'S' grade sugar were quoted on an average range bound to slightly lower as against Wednesday. The market remained under pressure following the higher sugar sales quota for the month of May. The entire monthly quota is directed to be sold within the month. The Government is closely watching the price of this essential commodity at the open market. The Government has also revised upwards the 2005-06 sugarcane crop at 272 million tonnes as against 237 million tonnes in the previous sugar year. Notably, the Government earlier in February estimated 2005-06 sugarcane output at 266.8 million tonnes. Pakistan has issued another 50000 tons sugar import tender, bids of which to be submitted by 20th May.

Amidst such situations, sugar prices are likely to remain range bound in the short-term.

NCDEX Sugar M Grade: JUNE Contract



NCDEX -Sugar Futures	Last Traded	Wednesday Close	Change
May	2003	2029	-26
June	2091	2113	-22

Future Market Happenings:

NCDEX Sugar: Slid to 1-Month Lows on Increased Selling

At the futures market the sugar futures at the NCDEX witnessed a highly bearish sentiment following a steady opening. Increased selling interest has underpinned the downward trade and the futures slid to 1-month lows during mid-session. The near-month May contract hovered in the range of 1996.00-2029.00, while the June contract fluctuated in the range of 2084.00-2116.00 during Thursday's trade. The domestic sugar futures are likely to trade moderately downwards following a steady to weak opening and upward thereafter.

Trade Recommendations

Better to stay away from the market until the market closes above/below major resistance/support levels.

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

NCDEX Sugar M Grade: JUNE Contract

Support-1	2079
Support-2	2067
Previous Close	2091
Resistance-1	2102
Resistance-2	2114

Domestic Prices: Delhi

(Rs/qty)

Quality	11.05.06	10.05.06	Change
Ready Sugar (M)	2020-2090	2025-2095	-5
Ready Sugar (S)	2000-2075	2005-2080	-5
Mill Delivery	1910-1970	1915-1975	-5
Khandsari	1740-1830	1750-1840	-10
Gur	1525-1625	1525-1625	-
Sulphur	1840-1900	1850-1910	-10

Market Wise Spot Prices:

(Rs/qty)

Grade	Market	11.05.06	10.05.06
M 30	Muzaffarnagar	2045-2050	2045-2050
	Delhi	2025-2030	2025-2030
	Kolkata	2055-2060	2055-2060
S 30	Chennai	1930-1935	1935-1940
	Kolkata	2035-2040	2035-2040
	Vashi	1970-1975	1970-1975

Weather Forecast

The day temperatures are above 40°C over the plains of northwest India, north Gujarat, central India, Interior Maharashtra and interior Andhra Pradesh which are 2-4°C above normal.

Heat wave conditions continue to prevail over pockets of Rajasthan, western Haryana, Northwest Madhya Pradesh and Vidarbha, where day temperatures are still above 45°C. Heat wave conditions over these areas are likely to continue.

The temperatures however are likely to remain below normal over eastern parts of the country as scattered to fairly widespread rainfall is likely over the area.

Scattered to fairly widespread rainfall /thundershowers activity over Northeastern States likely to continue.

FOREX

Foreign Currency	Rs. per unit
1 US \$	45.07
1 Euro	57.45
1 British £	83.67
100 Jap. Yen	40.54

Port Watch

'Badalu Valley' has berthed at Mumbai Port and continues to load 3,500 MT of sugar. Sai Freight agents is handling the vessel. Loading of 7,500 MT of sugar is continuing at Mumbai Port on the vessel 'Asha Himani'. Shaan Marine 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. 'Yaad E Mohammed' has berthed at Mumbai Port and continues to load 15,000 MT of sugar. Razvi 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.

Chennai Port is loading 7,000 MT of sugar on the vessel 'Al Muztuba'. Imperial agents is handling the vessel. The port is expecting 'Taurus' to load 9,000 MT of sugar. The vessel will be handled by Interocean agents.

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