

SUGAR

11th May 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Remained Range Bound on Wednesday
- NCDEX Sugar Futures: Pared Early Losses to Settle Unchanged

Sugar Futures - Range Bound

Fundamentals

Sugar Prices Remained Range Bound on Wednesday

At the domestic markets sugar prices remained range bound with a mixed sentiment during Wednesday's trade. At the Delhi and Muzaffarnagar market it was quoted on an average lower as against Tuesday. However, at the Kolkata market it was offered at a marginally higher price. Traders attributed the sharp rise in sugar prices during the last few days to active buying by stockists. Though the demand from retailers was reported to be higher, stockists were not active buyer at the higher price levels. The market remained under pressure following the higher sugar sales quota for the month of May at 14.5 lakh tonnes as compared to 11 lakh tonnes released during the same period of last year. The entire monthly quota is directed to be sold within the month. Meanwhile, 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 tons as against 237 million tonnes in the previous sugar year. Notably, the Govt earlier in February estimated 2005-06 sugarcane output at 266.8 million tonnes.

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	Tuesday Close	Change
May	2027	2031	-4
June	2110	2110	-

Future Market Happenings:

NCDEX Sugar: Pared Early Losses to Settle Unchanged

At the futures market the sugar futures at the NCDEX witnessed a downward trade following a weak opening initially. However, moderate buying interest at the lower levels supported the futures thereafter. The June contract settled at no change level in final action. The near-month May contract hovered in the range of 2018.00-2035.00, while the June contract fluctuated in the range of 2100.00-2117.00 during Wednesday's trade. Volume of trade remained slightly higher as against Tuesday. The domestic sugar futures are likely to trade range bound with a firm undertone.

Trade Recommendations

Buy NCDEX-June Sugar M below 2100 with **target** of 2120. **Stop loss** at 2090.

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

NCDEX Sugar M Grade: JUNE Contract

Support-1	2095
Support-2	2085
Previous Close	2110
Resistance-1	2125
Resistance-2	2135

Domestic Prices: Delhi

(Rs/qty)

Quality	10.05.06	09.05.06	Change
Ready Sugar (M)	2025-2095	2030-2100	-5
Ready Sugar (S)	2005-2080	2010-2085	-5
Mill Delivery	1915-1975	1920-1980	-5
Khandsari	1750-1840	1750-1840	-
Gur	1525-1625	1525-1625	-
Sulphur	1850-1910	1850-1910	-

Market Wise Spot Prices:

(Rs/qty)

Grade	Market	10.05.06	09.05.06
M 30	Muzaffarnagar	2045-2050	2050-2055
	Delhi	2025-2030	2030-2035
	Kolkata	2055-2060	2055-2060
S 30	Chennai	1935-1940	1935-1940
	Kolkata	2035-2040	2035-2040
	Vashi	1970-1975	1960-1965

Weather Forecast

Due to duststorm/thunderstorm activity, the day temperatures have fallen further by 2-4°C over parts of north Rajasthan, Haryana, Punjab and Delhi resulting in respite from heat wave from these areas. However, the day temperatures are still above 45°C over parts of Rajasthan Madhya Pradesh and Vidarbha, where heat wave conditions are prevailing in isolated pockets.

The day temperatures are still likely to remain between 42-44°C over Rajasthan, Haryana, North Gujarat, Madhya Pradesh, Chhattisgarh and Vidarbha with heat wave like conditions over some parts of Rajasthan.

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.

FOREX

Foreign Currency	Rs. per unit
1 US \$	44.93
1 Euro	57.35
1 British £	83.82
100 Jap. Yen	40.49

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