

SUGAR

08th May 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Witnessed Mixed Sentiment on Saturday
- NCDEX Sugar Futures: Slightly Up Amidst Range Bound Trade

Sugar Futures - Slightly Up

Fundamentals

Domestic Sugar Prices Witnessed Mixed Sentiment on Saturday

At the domestic markets sugar prices witnessed a mixed sentiment during Saturday's trade. At the Delhi market it was quoted higher as against Friday. However, at the Muzaffarnagar market it was offered at a marginally lower price, while at the Kolkata market it was available at an unchanged price. The market remained under pressure for the last couple of days on talks of additional sugar sales quota for the month of May. Government has already released 14.5 lakh tonnes free sale sugar quota for the month of May, much higher than 11 lakh tonnes released during the same period of last year. The entire monthly quota is directed to be sold within the month and any unsold/unlifted free sale sugar would be converted into compulsory levy sugar. The Government has also informed that it is keeping close vigil on domestic sugar prices and would immediately intervene in case of any unwarranted price rise over Rs 2100 per quintal level.

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

NCDEX Sugar M Grade: MAY Contract



NCDEX -Sugar Futures	Last Traded	Friday Close	Change
May	2045	2039	+6
June	2116	2115	+1

Future Market Happenings:

NCDEX Sugar: Slightly Up Amidst Range Bound Trade

At the futures market the sugar futures at the NCDEX witnessed some downward movement following a slightly higher opening at the early hours of trade. However, increased buying interest at the lower levels has supported the futures thereafter. The futures settled higher near to the day's high in final action. The near-month May contract hovered in the range of 2031.00-2047.00, while the June contract fluctuated in the range of 2109.00-2123.00 during Saturday's trade. The domestic sugar futures are likely to trade moderately upwards following a steady to firm opening initially with possibility of some downward movement thereafter.

Trade Recommendations

Buy NCDEX-May Sugar M at 2040 with **target** of 2055.
Stop loss at 2032.

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

NCDEX Sugar M Grade: MAY Contract

Support-1	2025
Support-2	2014
Previous Close	2045
Resistance-1	2060
Resistance-2	2070

Domestic Prices: Delhi

(Rs/qty)

Quality	06.05.06	05.05.06	Change
Ready Sugar (M)	2020-2080	2015-2075	+5
Ready Sugar (S)	2000-2065	1995-2060	+5
Mill Delivery	1910-1960	1905-1955	+5
Khandsari	1750-1840	1750-1840	-
Gur	1525-1625	1500-1600	+25
Sulphur	1850-1910	1850-1910	-

Market Wise Spot Prices:

(Rs/qty)

Grade	Market	06.05.06	05.05.06
M 30	Muzaffarnagar	2040-2045	2040-2045
	Delhi	2025-2030	2015-2020
	Kolkata	2060-2065	2060-2065
S 30	Chennai	1935-1940	1935-1940
	Kolkata	2035-2040	2035-2040
	Vashi	1955-1960	1960-1965

Weather Forecast

During past 24 hrs. rainfall/thundershowers activity has occurred at a few places over Assam, Arunachal Pradesh, Sub-Himalayan West Bengal & Sikkim, and at isolated places over Gangetic West Bengal, Orissa and Interior Karnataka.

The day temperatures are above 44°C over Rajasthan, south Haryana, north Punjab, and West Madhya Pradesh and between 42-44°C over rest parts of Punjab, Haryana, Madhya Pradesh and Interior Maharashtra. The temperatures over these areas are likely to increase by 2-3°C during next 2 days.

Heat wave conditions have set in over northwest Madhya Pradesh, south Haryana, Delhi and most parts of Rajasthan. They are likely to continue and may extend into more parts of northwest India and adjoining central India.

FOREX

Foreign Currency	Rs. per unit
1 US \$	44.86
1 Euro	57.11
1 British £	83.40
100 Jap. Yen	39.84

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.

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.

Chennai Port is expecting 'Al Muztuba' to load 7,000 MT of sugar. Imperial agents will be handling the vessel.

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