

## SUGAR

09<sup>th</sup> May 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Remained Firm on Stockists Buying
- NCDEX Sugar: Steady; Profit Taking Capped Early Advances

### Sugar Futures - Steady

#### Fundamentals

#### Domestic Sugar Prices Remained Firm on Stockists Buying

At the domestic markets sugar prices remained firm during Monday's trade. At the Delhi and Muzaffarnagar market it was quoted higher as against last weekend. However, at the Kolkata market it was offered at a lower price. Demand was reported to have outpaced supplies and with the stockiest buying prices edged up as millers as well as resellers quoted higher price as against the last weekend. The market was under pressure last week on talks of additional free sale sugar quota for the month of May. Notably, 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. Meanwhile, Indian Sugar Exim Corporation is reported to have bagged a 50000 tonnes sugar import tender by Pakistan at \$510 per tonne CNF Karachi.

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	Saturday Close	Change
May	2045	2045	-
June	2118	2117	+1

#### Future Market Happenings:

#### NCDEX Sugar: Steady; Profit Taking Capped Early Advances

At the futures market the sugar futures at the NCDEX witnessed an upward trade following a firm opening initially. However, profit taking at the higher levels capped further advances and the futures traded mostly range bound downwards thereafter. The near-month May contract hovered in the range of 2043.00-2057.00, while the June contract fluctuated in the range of 2115.00-2128.00 during Monday's trade. The domestic sugar futures are likely to trade moderately upwards following a steady to weak opening with possibility of some late downward movement.

#### 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/qttl)

Quality	08.05.06	06.05.06	Change
Ready Sugar (M)	2030-2100	2020-2080	+20
Ready Sugar (S)	2010-2085	2000-2065	+20
Mill Delivery	1920-1980	1910-1960	+20
Khandsari	1750-1840	1750-1840	-
Gur	1525-1625	1525-1625	-
Sulphur	1850-1910	1850-1910	-

**Market Wise Spot Prices:**

(Rs/qttl)

Grade	Market	08.05.06	06.05.06
M 30	Muzaffarnagar	2050-2055	2040-2045
	Delhi	2030-2035	2025-2030
	Kolkata	2055-2060	2060-2065
S 30	Chennai	1935-1940	1935-1940
	Kolkata	2035-2040	2035-2040
	Vashi	1960-1965	1955-1960

**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.

**Port Watch**

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.

'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.

**FOREX**

Foreign Currency	Rs. per unit
1 US \$	44.88
1 Euro	56.94
1 British £	83.07
100 Jap. Yen	39.47

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.