

SUGAR

04th May 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Maintained Firm Sentiment on Wednesday
- NCDEX Sugar: Settled Down; Profit Taking Curbed Early Advances

Sugar Futures - Down on Profit Taking

Fundamentals

Domestic Sugar Prices Maintained Firm Sentiment on Wednesday

At the domestic markets sugar prices extended previous advances further during Wednesday's trade. At the Delhi and Muzaffarnagar market it was quoted much higher as against Tuesday. Moreover, at the Kolkata market it was offered at a higher price. Sugar prices firmed on increased demand from the bulk consumers of summer season as well as retailers. Eyeing further higher demand, sugar mills are quoting higher prices amidst lower supplies. The Government has released 14.5 lakh tonnes as free sale sugar quota for the month of May. 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	Tuesday Close	Change
May	2059	2067	-8
June	2125	2133	-8

Future Market Happenings:

NCDEX Sugar: Settled Down; Profit Taking Curbed Early Advances

At the futures market the sugar futures at the NCDEX witnessed a moderately upward trade following a firm opening initially. However, the futures ran into profit booking at the higher levels and turned downwards thereafter to finish near day's low. The near-month May contract hovered in the range of 2055.00-2075.00, while the June contract fluctuated in the range of 2118.00-2139.00 during Wednesday's trade. The domestic sugar futures are likely to trade slightly downwards initially following a steady to weak opening and upward thereafter.

Trade Recommendations

Buy NCDEX-May Sugar M at 2050 with target of 2065. Stop loss at 2042.

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

NCDEX Sugar M Grade: MAY Contract

Support-1	2045
Support-2	2032
Previous Close	2059
Resistance-1	2070
Resistance-2	2083

Domestic Prices: Delhi

(Rs/qrtl)

Quality	03.05.06	02.05.06	Change
Ready Sugar (M)	2035-2095	2020-2080	+15
Ready Sugar (S)	2015-2080	2000-2065	+15
Mill Delivery	1925-1975	1910-1970	+15
Khandsari	1770-1860	1770-1860	-
Gur	1500-1600	1500-1600	-
Sulphur	1870-1930	1870-1930	-

Market Wise Spot Prices:

(Rs/qrtl)

Grade	Market	03.05.06	02.05.06
M 30	Muzaffarnagar	2045-2050	2035-2040
	Delhi	2030-2035	2015-2020
	Kolkata	2070-2075	2060-2065
S 30	Chennai	1935-1940	1935-1940
	Kolkata	2035-2040	2030-2035
	Vashi	1955-1960	1950-1955

Weather Forecast

During past 24 hrs. rainfall/thundershowers activities has occurred at a few places over northeastern states, Sub-Himalayan West Bengal & Sikkim, South Interior Karnataka and south Tamil Nadu and isolated over Himachal Pradesh, Jammu & Kashmir, East Uttar Pradesh, Chhattisgarh and Orissa.

Due to the rainfall activity, the heat wave conditions have abated from Tamil Nadu. The day temperatures have fallen by 2- 4°C over Tamil Nadu, Andhra Pradesh, Punjab, East Uttar Pradesh, Bihar, Sub-Himalayan West Bengal and northeastern States. However they are still above 40°C over Rajasthan, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Jharkhand, interior Maharashtra, and northern parts of Andhra Pradesh and Karnataka.

FOREX

Foreign Currency	Rs. per unit
1 US \$	44.86
1 Euro	56.77
1 British £	82.84
100 Jap. Yen	39.71

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.

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