

SUGAR

06th May 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Witnessed Bearish Sentiment
- NCDEX Sugar: Down; Settled Near Day's Low in Final Action

Sugar Futures - Bearish

Fundamentals

Domestic Sugar Prices Witnessed Bearish Sentiment

At the domestic markets sugar prices witnessed a bearish sentiment during Friday's trade. At the Delhi, Muzaffarnagar and Kolkata market it was quoted lower as against Thursday. With activity being limited at the higher price levels, millers as well as resellers quoted lower price as against Thursday. Talks of additional sugar sales quota for the month of May has also pressurised the domestic spot prices. Notably, 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 soon as sugar production during the current season is revised upwards at 191 lakh tonnes. 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 slightly weak in the short-term.

NCDEX Sugar M Grade: MAY Contract



NCDEX -Sugar Futures	Last Traded	Thursday Close	Change
May	2037	2053	-16
June	2113	2122	-9

Future Market Happenings:

NCDEX Sugar: Down; Settled Near Day's Low in Final Action

At the futures market the sugar futures at the NCDEX witnessed a downward trade following a steady opening. Increased selling interest has pressurised the futures throughout the day. The futures settled lower near to the day's low in final action. The near-month May contract hovered in the range of 2037.00-2053.00, while the June contract fluctuated in the range of 2112.00-2126.00 during Friday's trade. The volume of trade has increased as against Thursday. The domestic sugar futures are likely to trade moderately downwards following a steady to weak opening.

Trade Recommendations

Sell NCDEX-May Sugar M at 2040 with **target** of 2025. **Stop loss** at 2048.

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

NCDEX Sugar M Grade: MAY Contract

Support-1	2025
Support-2	2014
Previous Close	2037
Resistance-1	2049
Resistance-2	2060

Domestic Prices: Delhi

(Rs/qty)

Quality	05.05.06	04.05.06	Change
Ready Sugar (M)	2015-2075	2035-2095	-20
Ready Sugar (S)	1995-2060	2015-2080	-20
Mill Delivery	1905-1955	1925-1975	-20
Khandsari	1750-1840	1760-1850	-10
Gur	1500-1600	1500-1600	-
Sulphur	1850-1910	1860-1920	-10

Market Wise Spot Prices:

(Rs/qty)

Grade	Market	05.05.06	04.05.06
M 30	Muzaffarnagar	2040-2045	2045-2050
	Delhi	2015-2020	2020-2025
	Kolkata	2060-2065	2065-2070
S 30	Chennai	1935-1940	1935-1940
	Kolkata	2035-2040	2035-2040
	Vashi	1960-1965	1950-1955

Weather Forecast

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

The day temperatures are above 42°C over Rajasthan and between 40-42°C over Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Interior Maharashtra and northern parts of Andhra Pradesh. The temperatures over these areas are likely to increase by 2-3°C during next 2 days.

Heat wave conditions have set in over West Rajasthan and parts of East Rajasthan. They are likely to continue and may extend into parts of Punjab, Haryana, Delhi and northwest Madhya Pradesh.

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.

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.