

## SUGAR

02<sup>nd</sup> May 2006

### MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Remained Steady Amidst Thin Trade
- NCDEX Sugar: Settled Lower Amidst Lacklustre Trading

### Sugar Futures - Bearish

#### Fundamentals

##### Domestic Sugar Prices Remained Steady Amidst Thin Trade

The domestic sugar market witnessed a stable sentiment at the start of this week. At the Delhi market it was quoted unchanged as against Saturday. However, at the Muzaffarnagar market it was offered at a higher price. Sugar prices remained mostly steady amidst thin trading activity as confusions prevailed over May free sale sugar quota. Moreover, many sugar mills remained closed on celebration of Labour Day. According to the Chief Director of Sugar, Government is likely to take a decision regarding sugar export early next 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. Meanwhile, Pakistan has awarded its sixth 50000 tons sugar import tender to a UAE based firm at \$523 per ton CNF Karachi.

Amidst such situations, sugar prices are likely to remain range bound in the days ahead.

#### NCDEX Sugar M Grade: MAY Contract



NCDEX -Sugar Futures	Last Traded	Saturday Close	Change
May	2050	2051	-1
June	2115	2128	-13

#### Future Market Happenings:

##### NCDEX Sugar: Settled Lower Amidst Lacklustre Trading

At the futures market the sugar futures at they NCDEX traded moderately downwards following a firm opening. The June contract registered maximum loss at the final hour of trade and settled near day's low in late action. The near-month May contract hovered in the range of 2045.00-2057.00, while the June contract fluctuated in the range of 2115.00-2133.00 during Monday's trade. The domestic sugar futures are likely to trade moderately downwards following a steady to weak opening with possibility of some upwards movement later in the session.

#### Trade Recommendations

**Sell** NCDEX-May Sugar M at 2055 with **target** of 2045, then 2040. **Stop loss** at 2062.

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

#### NCDEX Sugar M Grade: MAY Contract

Support-1	2026
Support-2	2015
Previous Close	2050
Resistance-1	2060
Resistance-2	2070

**Domestic Prices: Delhi**

(Rs/qty)

Quality	01.05.06	29.04.06	Change
Ready Sugar (M)	2000-2060	2000-2060	-
Ready Sugar (S)	1980-2045	1985-2045	-
Mill Delivery	1890-1950	1890-1950	-
Khandsari	1765-1860	1770-1870	-10
Gur	1475-1575	1450-1550	+25
Sulphur	1870-1930	1880-1940	-10

**Market Wise Spot Prices:**

(Rs/qty)

Grade	Market	01.05.06	29.04.06
M 30	Muzaffarnagar	2030-2035	2015-2020
	Delhi	2010-2015	2015-2020
	Kolkata	Closed	2055-2060
S 30	Chennai	1930-1935	1930-1935
	Kolkata	Closed	2030-2035
	Vashi	Closed	1945-1950

**Weather Forecast**

Mainly dry weather prevailed over the country except isolated rainfall over Andaman & Nicobar Islands, coastal Orissa and western Himalayan region.

Mainly dry weather will continue to prevail over most parts of the country except isolated to scattered rain/thundershowers activity over northeastern States from 3rd onwards.

Heat wave conditions continue to prevail over south-coastal Andhra Pradesh and north coastal Tamil Nadu.

The day temperatures over plains of northwest India, Gangetic plains, Jharkhand, central India, interior Maharashtra and parts of Andhra Pradesh and north Tamil Nadu are likely to remain above 40° C.

**FOREX**

Foreign Currency	Rs. per unit
1 US \$	44.86
1 Euro	56.60
1 British £	81.88
100 Jap. Yen	39.62

**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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