

SUGAR

10th May 2006

MAJOR ACTIVITY HIGHLIGHTS

- Domestic Sugar Prices Witnessed Stable Sentiment
- NCDEX Sugar: Slid to Settle Near Day's Low in Final Action

Sugar Futures - Bearish

Fundamentals

Domestic Sugar Prices Witnessed Stable Sentiment

At the domestic markets sugar prices witnessed a stable sentiment during Tuesday's trade. Both the prices of 'M' grade as well as 'S' grade sugar were quoted on an average unchanged as against Monday. After the sharp rise in sugar prices on Monday, further rise was capped on Tuesday on limited demand at the higher price levels. Demand from retailers was reported to be higher, while stockists were not active buyer at the higher price levels. The market remained under pressure following the higher sugar sales quota for the month of May at 14.5 lakh tonnes as compared to 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: JUNE Contract



NCDEX -Sugar Futures	Last Traded	Monday Close	Change
May	2029	2045	-16
June	2110	2119	-9

Future Market Happenings:

NCDEX Sugar: Slid to Settle 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 2028.00-2045.00, while the June contract fluctuated in the range of 2102.00-2123.00 during Tuesday's trade. Volume of trade remained higher as against Monday. The domestic sugar futures are likely to trade with a bearish sentiment with possibility of late upward movement.

Trade Recommendations

Buy NCDEX-June Sugar M below 2100 with **target** of 2120. **Stop loss** at 2090.

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

NCDEX Sugar M Grade: JUNE Contract

Support-1	2095
Support-2	2085
Previous Close	2110
Resistance-1	2125
Resistance-2	2135

Domestic Prices: Delhi

(Rs/qty)

Quality	09.05.06	08.05.06	Change
Ready Sugar (M)	2030-2100	2030-2100	-
Ready Sugar (S)	2010-2085	2010-2085	-
Mill Delivery	1920-1980	1920-1980	-
Khandsari	1750-1840	1750-1840	-
Gur	1525-1625	1525-1625	-
Sulphur	1850-1910	1850-1910	-

Market Wise Spot Prices:

(Rs/qty)

Grade	Market	09.05.06	08.05.06
M 30	Muzaffarnagar	2050-2055	2050-2055
	Delhi	2030-2035	2030-2035
	Kolkata	2055-2060	2055-2060
S 30	Chennai	1935-1940	1935-1940
	Kolkata	2035-2040	2035-2040
	Vashi	1960-1965	1960-1965

Weather Forecast

Due to scattered duststorm/thunderstorm activity, the day temperatures have fallen by 2-4°C over parts of north Rajasthan, Haryana, Punjab, Delhi and West Uttar Pradesh resulting in respite from heat wave from some parts. However, the day temperatures are still above 45°C over parts of north Rajasthan and adjoining parts of Haryana, West Madhya Pradesh and Vidarbha, where heat wave conditions are prevailing.

Heat wave conditions are likely to abate from remaining parts of northwest India and Madhya Pradesh.

Scattered rainfall /thundershowers activity over Northeastern States likely to continue.

Port Watch

'Badalu Valley' has berthed at Mumbai Port and continues to load 3,500 MT of sugar. Sai Freight agents is handling the vessel. 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.

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 \$	44.96
1 Euro	57.00
1 British £	83.42
100 Jap. Yen	40.22

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.