

## SUGAR

12<sup>th</sup> June 2006

### SPOT MARKETS

At the domestic market narrow range bound trading was observed on Saturday. At the Muzaffarnagar market it was offered at higher price while at Delhi market it was quoted lower today as against yesterday. The Kolkata market did not witness any significant change from the previous trading day. The present trend is expected to continue in future also as the June futures sugar prices are hovering below the spot prices.

### FUTURES MARKETS:

The domestic sugar futures at the NCDEX witnessed on an average a moderately upward trade today. The NCDEX June Sugar contract hovered in the range of 1942-1951 while the July contract fluctuated in the range of 1962-1969 during the day. The sugar futures are likely to trade in a small range amidst slightly bullish sentiments in the futures market.

### PRICE DRIVERS:

1. Relatively good stock position in spot market
2. Good crop harvest prospects
3. Sugar scarcity in the neighbor countries
4. Range bound trading at futures market
5. Good export prospects in neighbor countries

### WEATHER

Largely dry weather conditions with day temperature of 42-44°C are prevailing over northwest and central India. The temperatures are likely to rise further with possibility of development of heat wave conditions over some parts of northwest India. Sugarcane crop will remain unaffected, as these are normal weather conditions as far as sugarcane is concerned.

### TECHNICALS

The domestic sugar June futures at the NCDEX witnessed on an average a moderately upward trade on Saturday. The candlestick pattern indicates slight bullish sentiments in the futures market. Stochastic is ruling upward in neutral zone indicating strength in the market. The DAV made bullish cross over with MACD and moving apart an upward showing strength in the market. In June futures volume and open interest continued to decline on Saturday as against Friday's trade which is indicative of volatility in the futures market. The Sugar futures are likely to trade small range bound with a bullish undertone in the near future.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-Sugar M-June Contract	1936	1928	1950	1958	1964

### TRADE RECOMMENDATION:

**Buy** NCDEX- June Sugar M at 1945 with **target** of 1955, **Stop loss** at 1940. Do not carry-forward the position until the next day.

### Spot Market Prices

Rs./qtl

Origin/Grade	Center	08.06.06	07.06.06	Change
Ready Sugar (M Grade)	Delhi	1990-2020	1990-2020	-
Ready Sugar (S Grade)	Delhi	1975-2005	1975-2005	-
Mill Delivery	Delhi	1900-1930	1900-1930	-

### 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.