

## SUGAR

10<sup>th</sup> June 2006

### SPOT MARKETS

At the domestic market sugar prices maintained the previous day trend. At all the major markets i.e. Muzaffarnagar, Delhi and Kolkata, it was quoted lower today as against yesterday. Less trade amidst low buying interest at the physical market is the main reason for the weakness in the spot market.

### FUTURES MARKETS:

The Sugar Futures market witnessed slight improvement over yesterday's trade and traded range bound throughout the day.. The NCDEX June Sugar contract hovered in the range of 1933-1949 while the July contract fluctuated in the range of 1951-1966 during the day. The sugar futures are likely to trade in a small range amidst mixed sentiments in the futures market.

### PRICE DRIVERS:

1. Weak demand at the spot market.
2. Relatively good stock position
3. Range bound trading at futures market
4. Good export prospects in neighbor countries

### WEATHER

Dry and hot weather still continues over the northern India especially over Punjab, Haryana, Delhi and West Uttar Pradesh and the temperature is likely to remain around 40-42 °C. The present conditions are not harmful as far as sugarcane crop is concerned. Few protected irrigation will however be required if it does not rain for long.

### TECHNICALS

The NCDEX Sugar June futures Contract, witnessed a range bound trade with the slight upward movement on Friday. The candlestick pattern indicates slight bullish sentiments in the futures market. Volume and open interest continued to decline on Friday's trade, indicating volatility still persists. The futures are likely to trade small range bound in the same fashion in the coming days.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-Sugar M-June Contract	1932	1927	1946	1956	1961

### TRADE RECOMMENDATION:

**Sell** NCDEX- June Sugar M near 1948 with **target** of 1935, **Stop loss** at 1952. 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	-

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