

## SUGAR

18<sup>th</sup> September 2006

### SPOT MARKETS

Sugar spot market traded with bullish sentiments due to firm festive demand. It was offered at higher prices in Delhi, Muzaffarnagar and Kolkata. The spot market is expected to remain firm on continuation of festive demand till mid October.

### FUTURES MARKETS

On the NCDEX, all sugar futures opened with strong bullish sentiments and rose to unsustainable high levels within few minutes, which in turn resulted in profit booking. In the last, all the futures closed below their opening level. The futures will get support on slightly lower levels that may be taken as buying opportunity. The most active October contract traded in the range of Rs. 1857-1875 on Saturday.

### PRICE DRIVERS

1. Firm spot festive demand
2. Firm hope for export resumption in near future
3. Profit booking in futures market

### WEATHER

Normal weather conditions prevail in the sugarcane growing areas in India.

### TECHNICALS

In October contract on the NCDEX, candlestick pattern exhibited volatility due to speculative buying followed by profit booking. MACD continue its up trend and entered in the positive territory. Stochastic also favors the bulls. Prices closed far above the EMA. Volume and open interest declined on Saturday. Market is technically firm, although small corrections can be seen.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-Sugar M-October Contract	1830	1815	1860	1890	1915

### TRADE RECOMMENDATION:

**Buy** NCDEX - October Sugar M near 1855 with **target** around 1875. **Stop loss** below 1845. Do not carry-forward the position until the next day.

### Spot Market Prices

Rs./qtl

Origin/Grade	Center	16.09.06	15.09.06	Change
Ready Sugar (M Grade)	Delhi	1805-1905	1800-1895	+10
Ready Sugar (S Grade)	Delhi	1790-1890	1785-1880	+10
Mill Delivery	Delhi	1720-1820	1715-1810	+10

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