

## SUGAR

19<sup>th</sup> September 2006

### SPOT MARKETS

Sugar spot markets are witnessing firm festive demand these days. It was offered at substantially higher prices in Delhi, Muzaffarnagar and Kolkata on increased demand and slightly controlled supply. Traders believe that sugar is expected to remain firm in the coming days amidst limited quality sugar supply.

### FUTURES MARKETS

On the NCDEX, all sugar futures opened with strong bullish sentiments but again returned near opening prices on profit booking. In the afternoon, the prices again witnessed speculative buying on firm spot market support. Further, there are also strong chances that export permission may be granted after Deepawali festival. So the futures is expected to remain steady to firm in the coming days. The most active October contract traded in the range of Rs. 1865-1885 on Monday.

### PRICE DRIVERS

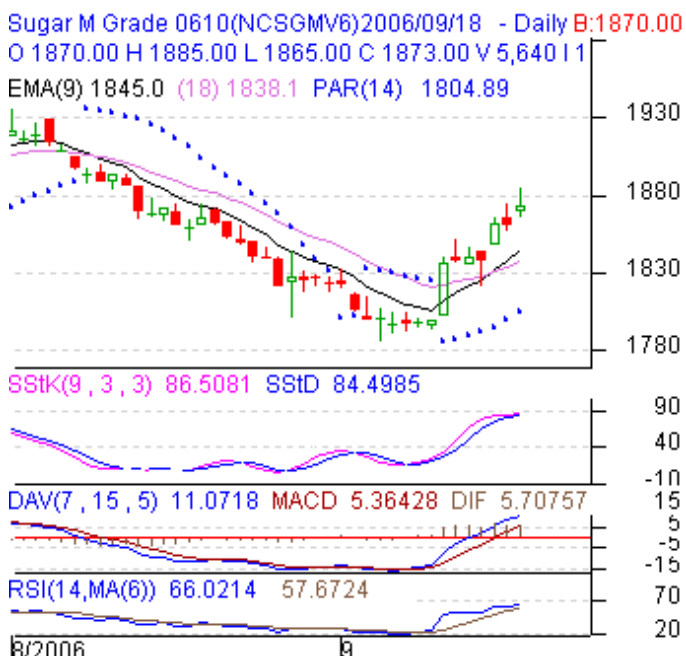
1. Firm spot festive demand
2. Hope for export resumption after Deepawali
3. Good buying in Futures market

### WEATHER

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

### TECHNICALS

In October contract on the NCDEX, candlestick pattern exhibited strong opening followed by profit booking. MACD, RSI and Stochastic favor the bulls. Prices closed far above the EMA. Volume and open interest increased on Monday. Market is technically firm.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-Sugar M-October Contract	1845	1830	1873	1890	1915

### TRADE RECOMMENDATION:

**Buy** NCDEX - October Sugar M near 1868 with **target** around 1888. **Stop loss** below 1858. Do not carry-forward the position until the next day.

### Spot Market Prices

Rs./qtl

Origin/Grade	Center	18.09.06	16.09.06	Change
Ready Sugar (M Grade)	Delhi	1835-1920	1805-1905	+15
Ready Sugar (S Grade)	Delhi	1820-1905	1790-1890	+15
Mill Delivery	Delhi	1750-1835	1720-1820	+15

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