

SUGAR

03rd October 2006

SPOT MARKETS

The sugar spot market traded with slightly weak sentiments owing to October non-levy released quantity, which appears to be good enough to meet the ongoing festive demand. It was offered at lower prices in Delhi and Muzaffarnagar. Markets will remain closed till Monday. The prices are expected to behave in a range bound manner with slightly bearish undertone on Tuesday.

FUTURES MARKETS

On the NCDEX, most of the sugar futures opened with weak sentiments due to selling interest on the released free sale quota quantity for October-December Quarter. However, the December and onward contracts exhibited improved sentiments while the most active October and November contracts closed with bearish undertone. The October contract hovered in the range of 1826-1838 on Saturday. Market may exhibit slightly bearish sentiments

PRICE DRIVERS

1. Lacklustre physical demand
2. Review on export ban in October
3. Selling interest in futures market on quota quantity
4. 16-lakh MT non-levy sugar for October

WEATHER

Conducive weather is prevailing for the crop in the major growing areas of the country.

TECHNICALS

In October contract on the NCDEX, candlestick formed doji like pattern, which indicates indecisiveness in the market. The prices closed below the EMA. Stochastic gives slight bullish signals. RSI and MACD indicate towards slightly weak sentiments. Volume declined while open interest marginally increased on Saturday. October contract may trade with slightly bearish undertone on Tuesday.

Sugar M Grade 0610(NCSGMV6)2006/09/30 - Daily B:1833.C
O 1836.00 H 1837.00 L 1826.00 C 1835.00 V 1,630
EMA(9) 1837.3 (18) 1838.2 PAR(14) 1873.23



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-Sugar M-October Contract	1814	1803	1835	1865	1875

TRADE RECOMMENDATION:

Sell NCDEX - October Sugar M near 1840 with **target** of 1826. **Stop loss** above 1847. Do not carry-forward the position until the next day.

Spot Market Prices

Rs./qtl

Origin/Grade	Center	30.9.09.06	29.09.06	Change
Ready Sugar (M Grade)	Delhi	1795-1885	1795-1895	-10
Ready Sugar (S Grade)	Delhi	1780-1870	1780-1880	-10
Mill Delivery	Delhi	1710-1800	1710-1810	-10

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>