

## SUGAR

13<sup>th</sup> October 2006

### SPOT MARKETS

Sugar traded with steady sentiments with no major change in the spot prices in the major markets like Delhi and Muzaffarnagar amidst normal demand. However, in Kolkata sentiments slightly improved due to continued festive demand. Spot sugar prices are expected to hover in its current range with no major change. If export permission is granted in the review meeting of the Government, spot prices will improve in the coming days. Otherwise, they may slightly ease on bumper production estimates. In Uttar Pradesh State Advised Prices of sugarcane are likely to be announced after first week of the November. Most of the mills will start crushing in November in UP.

### FUTURES MARKETS

On the NCDEX, sugar futures opened with improved sentiments and showed some strength owing to increased buying interest. The October contract hovered in the range of 1862-1885 while the November contract fluctuated between 1792-1805 on Thursday. October contract is proceeding towards its settlement period and sideways movement in most of the contracts is seen. In fact, futures market is seeking its direction and waiting for the outcome of the review meeting on the sugar export. Till then, sentiments are expected to remain slightly positive.

### PRICE DRIVERS

1. Steady spot market demand
2. Slight buying support in futures market
3. Review on Export ban in October
4. Bumper production prospects

### WEATHER

Weather is fine all over the country for the sugarcane crop.

### TECHNICALS

On the NCDEX, in November contract, candlestick pattern exhibit positive sentiments. The prices closed above the 9-days and 18-days EMA. Technical indicators like MACD, RSI and Stochastic hint towards improved sentiments. Improved sentiments are expected on Friday.

Sugar M Grade 0611(NCSGMX6)2006/10/12 - Daily B:1796.00 A  
O 1793.00 H 1805.00 L 1792.00 C 1800.00 V 2,900 I 12  
EMA(9) 1791.9 (18) 1790.3 PAR(14) 1775.42



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-Sugar M-November Contract	1763	1757	1800	1815	1820

### TRADE RECOMMENDATION:

**Buy** NCDEX - November Sugar M near 1796 with **target** of 1806  
**Stop loss** below 1791. Do not carry-forward the position until the next day.

### Spot Market Prices

Rs./qtl

Origin/Grade	Center	12.10.06	11.10.06	Change
Ready Sugar (M Grade)	Delhi	1795-1885	1795-1890	-5
Ready Sugar (S Grade)	Delhi	1780-1870	1780-1875	-5
Mill Delivery	Delhi	1710-1800	1710-1805	-5

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