

SUGAR

06th October 2006

SPOT MARKETS

Spot sugar trade remained lacklustre due to poor demand in the major markets like Delhi and Muzaffarnagar. It was offered at marginally lower prices at these places. Kolkata also exhibited similar trend. Demand is there, but buyers are not ready to purchase on much higher prices. However, sharp downward correction is not expected in spot prices. The sugar prices will hover near its current range for few more days.

FUTURES MARKETS

On the NCDEX, most actively traded October and November contracts opened with bearish sentiments in the absence of active buying. However, contracts starting from December improved slightly due to some buying support. Overall, prices hovered in a very narrow range. Volume of trade also remained low. The October contract hovered in the range of 1832-1839 on Thursday. Market should improve slightly on Friday.

PRICE DRIVERS

1. Lacklustre demand in the spot market
2. Mixed sentiments in futures market
3. Sufficient quota for October month

WEATHER

Sugarcane is almost ready for harvesting in its grown areas. Weather is no more a concern for this crop in whole India.

TECHNICALS

In October contract on the NCDEX, chart pattern exhibit slightly weak sentiments, which marginally improved on last minutes buying. The prices closed below the 9-days and 18-days EMA. RSI and MACD hint towards steady sentiments in near future while Stochastic favours the bulls. Volume and open interest marginally declined on Thursday. October contract is expected improve slightly on Friday.

Sugar M Grade 0610(NCSGMV6)2006/10/05 - Daily B:1837.00 / O 1838.00 H 1839.00 L 1832.00 C 1839.00 V 2,520 I 1
EMA(9) 1839.5 (18) 1839.3 PAR(14) 1864.31



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-Sugar M-October Contract	1816	1803	1839	1860	1870

TRADE RECOMMENDATION:

Buy NCDEX - October Sugar M near 1835 with **target** of 1845. **Stop loss** below 1830. Do not carry-forward the position until the next day.

Spot Market Prices

Rs./qtl

Origin/Grade	Center	05.10.06	04.10.06	Change
Ready Sugar (M Grade)	Delhi	1835-1915	1835-1920	-5
Ready Sugar (S Grade)	Delhi	1820-1900	1820-1905	-5
Mill Delivery	Delhi	1750-1830	1750-1835	-5

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>