

## SUGAR

30th March 2007

### SPOT MARKETS

Sugar prices quoted on the stronger side at Kolkata on some demand from bulk buyers while remained unchanged in the major markets of Muzaffarnagar and Delhi on subdued trading activity against normal supply from mills. In Maharashtra, co-operative mills will now get an export price of Rs. 1320/mt delivery at JNPT Mumbai port against the earlier price of Rs. 1300/mt ex-mill. The export cell under the aegis of state sugar commissioner decided the price. Further, the relief package which government has announced earlier is referred to the Election Commission (EC) for its approval due to upcoming elections in UP. The prices are expected to gain some momentum if EC approves the proposal, which is awaited. Moreover, the price movement also depends on the free sale quota (FSQ) for the month of April, May and June, which is likely to announce soon by the government.

### FUTURES MARKETS

Sugar futures at NCDEX observed narrow range bound trade with slightly bullish tone. April contract opened firm at Rs. 1461/mt, up Rs. 2 against the previous close of Rs. 1459/mt and hovered in the range of Rs. 1457-1467/mt and finally settled at Rs. 1466/mt. Volume increased significantly while open interest increased marginally.

### PRICE DRIVERS

1. Govt. decided to create buffer stock and to give export subsidy for export of sugar.
2. Estimated bumper production this year
3. Weak physical demand
4. Increased supply position in the commodity

### WEATHER

Weather is favourable for harvesting of mid-season sugarcane crop and recently sown seasonal sugarcane.

### TECHNICALS

NCDEX April contract, candlestick chart pattern exhibits bullish sentiment. Technical indicator Stochastic and RSI is rising in neutral region. MACD is in negative territory and moving downward. Prices closed below both the 9 days and 18 days EMA. Market is expected to trade upwards following a steady to slightly weak opening with possibility of slight late downward movement.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
NCDEX-Sugar M-April Contract	1457	1450	1466	1485	1488

### TRADE RECOMMENDATION:

**BUY** NCDEX - April Sugar M above 1466 with **target** towards 1474 and then 1478. **Stop loss** near 1461 Do not carry-forward the position until the next day.

### Spot Market Prices (Rs./mt)

Origin/Grade	Center	29.03.07	28.03.2007	Change
Ready Sugar (M Grade)	Delhi	1480-1520	1480-1520	-
Ready Sugar (S Grade)	Delhi	1465-1505	1465-1505	-
Mill Delivery	Delhi	1395-1435	1395-1435	-

### 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>