

SUGAR, & JAGGERY

30 April-5 May 2007

MAJOR ACTIVITY HIGHLIGHTS

- Spot Sugar Market Witnessed Weak Sentiment
- NCDEX Sugar: Weak with Bearish Undertone
- NCDEX Gur: Firm With Bullish Tone

Technical Analysis

Commodity: Sugar Grade M
Exchange: NCDEX
Perspective: Very Short Term (Weekly)
Contract: June 2007

Sugar futures witnessed a bearish trade during the week.. The most active June contract opened at Rs. 1284/mtl, from where it traded upwards to test a high of Rs. 1299/mtl and downwards to test a low of Rs. 1241/mtl, before settling at Rs. 1252/mtl. The volume of June contract traded decreased by over 43000 MT, while open interest decreased by over 3000 MT. Candlestick pattern shows a clearly bearish sentiment. RSI is steady oversold region. MACD is moving downward in negative region. All the technical indicators point towards bearishness. Prices closed far below the short term EMA that indicates short-term weakness in prices. Market is expected to trade downwards following steady to slightly firm opening



Outlook:

Prices are likely to remain in the lower side due to domestic and international glut situation. Sell at rallies towards resistance.

Support and Resistance Levels:

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
June	1229	1206	1287	1322

Market Commentary

Indian Agribusiness Systems Pvt. Ltd., New Delhi

Technical Analysis

Commodity: Gur (Jaggery)
Exchange: NCDEX
Perspective: Very Short Term (Weekly)
Contract: June 2007

Gur June futures opened at Rs.555.20/mtl and traded bullish during the week to a high of Rs. 565/mtl on some buying interest from lower level and then downwards testing a low of Rs. 545.40/mtl., before closing at Rs. 563/mtl.. In June contract, volume increased by 4870 MT and the open interest by 5980 MT during the week. Candlestick pattern exhibits bullish sentiment. Prices closed well above both the 9-days and 18-days EMA. Technical indicators Stochastic and RSI have made a bullish cross over in neutral region, while MACD is moving upward in positive region. Upwards movement is expected in the market.



Outlook:

Upwards movement is expected in the market for the coming week. Sell at higher level towards resistance level.

Support and Resistance Levels:

Contract Month	Support Level		Resistance Level	
	1 st	2 nd	1 st	2 nd
June	551	538	570	575

Domestic

Spot Sugar Market Witnessed Weak Demand

Sugar spot market witnessed weak sentiment during the week starting April 30th. The prices slid down during the week at the major markets of Muzaffarnagar, Delhi and Kolkata on ample supply from mills against poor off-take. The ex-mill prices (excluding duty) in Delhi declined from Rs. 1250-1285/qlt to Rs. 1230-1260/qlt during the week. The export sops, relief packages and procurement of sugar has not helped the sugar industry from falling prices. However, white sugar traded higher at the international market (LIFFE). The prices climbed up to \$312.00/tonne from \$301.5/tonne. The traders can make use of this opportunity to minimise their losses by exporting sugar and thereby, avoid domestic glut. But these higher prices are expected to crash when the Brazilian sugar hits the market. Brazil is expected to produce 31.3 million tonnes of sugar, up 5% from the previous season. The increased estimate of global sugar output at 27-28 million tonnes and forecast of global

News Analysis:

Brazil April Sugar Exports Jump 60% Higher On Yr to 1.2M Tonnes

Brazilian exports of sugar totalled roughly 1.217 million tonnes in April, up just over 60% from the 758.2 tonnes sent abroad in the same month the year before, as sales of refined sugar soared, according to the preliminary figures issued by the Foreign Trade Secretariat. Exports in April were higher than in March, when about 1.16 million metric tonnes were shipped

Global Sugar Surplus Forecast at 9.82 million tonnes

The global sugar surplus for crop year October 2006 to September 2007 is forecast at 9.82 million metric tons due to higher production in Brazil, India, China and Pakistan. Pakistan production is forecast to jump 30% to reach 3.6 million tons.

Pakistan Growers and Traders Oppose to the Import of Sugar from India

The Pakistan Sugar Mills Association (PSMA) and the Pakistan Kisan Movement (PKM) opposed to the import of sugar from India as it would affect the local sugar industry and the sugar cane growers adversely. Pakistan sugar industry is likely to produce 3.6 million tonnes sugar this year against national consumption of 3.9 million tonnes. Meanwhile, another stock of 600,000 tonnes of sugar is lying with the Trading Corporation of Pakistan (TCP) and when added up, the actual quantity of sugar in the country would be 4.2 million tonnes.

Brazil Set to Produce 31.3 million tons of Sugar, up 5 percent from the Previous Season

Brazil, a world leader in alcohol fuel, expects to produce a record 5.34 billion gallons of ethanol in the current sugarcane season, up 13.5 percent from the harvest before, the Agriculture Ministry said. The ministry's projection for the season, which begins in May and ends next April, shows Brazil also is set to produce 31.3 million tons of sugar, up 5 percent from the

surplus of sugar at 9.82 million tonnes tend to maintain the market bearish. Moreover, the Pakistan Sugar Mills Association (PSMA) and the Pakistan Kisan Movement (PKM) had opposed to importing sugar from India, as such a move would affect the local sugar industry and the sugar cane growers adversely.

Sugar Futures Witnessed Weak Sentiment

Sugar futures witnessed weak sentiment with bearish undertone during the week. The most active June contract opened at Rs. 1284/qlt and traded firm initially and then bearish during the rest of the week, testing a high of Rs. 1299/qlt and traded downwards thereafter on increased selling pressure testing a low of Rs. 1241/qlt during the week. In June contract volume fluctuated in the range of 10,700-17,460 while open interest fluctuated in the range of 67,270-70,750. Stocks at NCDEX warehouses stood at 5820 MT as on 5th May 2007.

2006-07 season. Brazil's Union of Sugarcane Industries, or Unica, recently released similar forecasts. Brazil is the world's No. 1 sugar producer and exporter. It also is the world's largest exporter of ethanol and the No. 2 producer after the United States, which produced 4.9 billion gallons last year

Sugar at Spot Market:

Domestic:

Spot Price of Sugar at Delhi Mandi (Rs. /quintal)

Particulars	05-May	28-April	Change
M 30	1315-1345	1335-1370	-20
S 30	1300-1330	1320-1355	-20
Mill Delivery	1230-1260	1250-1285	-20

Spot Price of Sugar at Muzaffarnagar Mandi (Rs. /quintal)

Particulars	05-May	28-April	Change
Khatauli	1280	1400	-120
Deoband	1375	1400	-25
Nanoata	1370	1370	0

Jaggery at Spot Market

Spot Price of Gur at Muzaffarnagar Mandi (Rs. /40 kg)

Particulars	05-May	28-April	Change
Raskat	415-425	400-410	+15
Chaku	530-570	510-550	+20
Shakkar	520-550	520-550	0

Weather Impact: (As on 5th May 2007)

Sugarcane is at its peak harvesting stage in the Maharashtra and Uttar Pradesh. Dry weather prevailing over UP is favourable for harvesting of sugarcane and optimum sugar recovery. Weather is favourable for harvesting of mid-season sugarcane crop and recently

sown seasonal sugarcane. Generous rains and adequate irrigation will support early growth of the new crop.

FOREX (As on 5th May 2007):

Foreign Currency	Rs. per unit
1 US \$	40.66
1 Euro	55.28
1 British £	81.02
100 Jap. Yen	33.84

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