

#### Price Drivers

- Govt allows 18.39 lakh tonnes sugar quota for February
- Duty Free Sugar imports suspended till 31<sup>st</sup> March 2011
- Good recovery in UP and Maharashtra reported till date.
- 37.04 lakh tones sugar production till date in Maharashtra.

#### ICE Sugar Futures Market

Raw sugar for May delivery fell 0.44 to settle at 28.42 cents a pound on ICE Futures U.S. in New York. In London, refined-sugar futures for May delivery also declined \$6.20 to \$720.60 a ton on NYSE Liffe.

#### Market Analysis

- Sugar prices are steady to positive in different centers as the market lacks adequate cues in either side to define sugar prices for short term.
- Actual yield has been decreased in Bijnor district (UP) from 532 q/hectare to 421 q/hectare owing to flood in the low lying area and 100% flowering in sugarcane in cofc 92423 variety in Bijnor. While the recovery in the district is 9.6 % this year.
- Sugar prices in Delhi and UP has increased while almost steady prices could be seen from Vijaywada, Nagpur, Kolkata and Chennai compared to the previous day while Mumbai market was closed today due to Shivaji Jayanti. Sugar arrival at Delhi remains 5000 Quintal for M grade and 4000 Quintal for S Grade.

*We expect that sugar prices are in Negative bias in near term due to good supply in the market and lack of demand in Physical Markets. However, estimates of sugar output both domestically and internationally may provide the actual direction to sugar prices in medium to long term.*

#### Technical Analysis:

- As reflected in the chart sugar prices are moving sideways.
- Price trading below 9 EMA and 18 EMA which further indicates bearish.
- However, oscillators such as RSI and Stochastic are hovering below overbought region.
- Stay away from the market.

#### Trade Recommendation – Sugar NCDEX (Mar.) Contract

Call	Entry	T1	T2	SL
Stay Away	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
-	-	2805	-	-



#### Prices at Key Markets

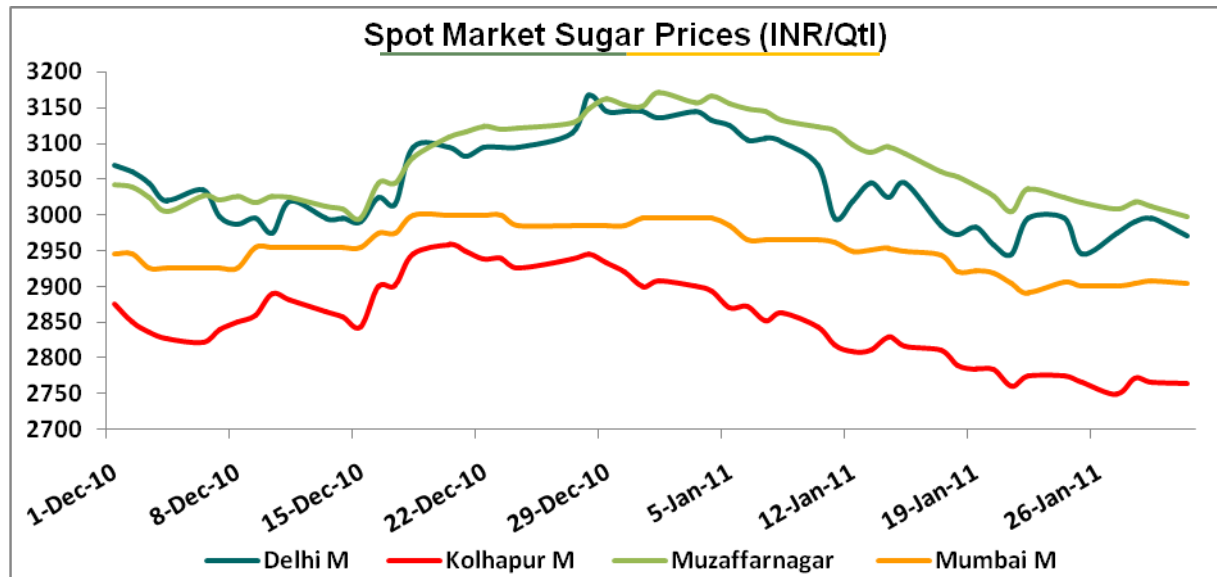
Centre	Grade/Variety	Prices 19-02-11 (Rs/Qtl)	Chng. from Prior day
Delhi	Sugar M	3020	+20
	Sugar S	3000	+20
Mumbai	Sugar M	2855-2880	Unch
	Sugar S	2725-2795	Unch
Kolhapur	Sugar M	2700-2720	Unch
	Sugar S	2565-2635	Unch
Chennai	Sugar S	2750	Unch
Vijaywada	Sugar M	2900	Unch
	Sugar S	2900	Unch
Nagpur	Sugar M	2925	Unch
	Sugar S	2900	Unch
Kolkata	Sugar M	3050	Unch
Ramala	Sugar Ready new	2880	+25
Khatauli	Sugar Ready	2925	+15

#### International Futures Quotes (as on 18-2-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	28.89	28.94	28.08	28.42	-0.44
	Jul'11	26.65	26.82	26.05	26.37	-0.37
	Oct'11	25.00	25.08	24.44	24.66	-0.42
LIFFE Sugar (US \$/MT)	May'11	732.30	733.00	715.20	720.60	-6.20
	Aug'11	703.40	706.30	694.40	702.60	+2.00
	Oct'11	653.80	657.80	645.40	657.60	+5.70
White Sugar Premium \$/MT	May'11	-	-	-	92.00	-5.25
	Aug'11	-	-	-	119.50	+2.00
	Oct'11	-	-	-	111.25	+6.00

#### Stock Position of Sugar in NCDEX Warehouse (In Metric Tonnes)

Location	Variety	Dematted Stocks		Change
		16/02/2011	15/02/2011	
Kolhapur	Sugar M Total	789	789	Unch
Kolhapur	Sugar S Total	3271	3271	Unch
Source: NCDEX				



(Source: NCDEX)

### ICE Sugar Futures Mar'11 Contract

### LIFFE Sugar Futures Mar'11 Contract



(Source: Reuters)

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