

Price Drivers

- Govt allows 18.86 lakh tonnes sugar quota for March month.
- Duty Free Sugar imports suspended till 31st March 2011
- Good recovery in UP and Maharashtra reported till date.
- 6.46 lakh tones sugar production till date in Andhra Pradesh.

ICE Sugar Futures Market

Raw sugar for May delivery rose 0.91 cents, to settle at 28.74 cents a pound at 2 p.m. on ICE Futures U.S. in New York. In London, refined-sugar futures for May delivery rose \$21.40, to \$726.40 a ton on NYSE Liffe.

Market Analysis of Sugar

- Sugar prices are steady to negative in different centers as sluggish demand over supply. Meanwhile, sugar exports decision will set the trend of prices in the upcoming days for short term.
- Sugar Production in Andhra Pradesh up 37% to 6.4 lakh till 21 February 2011 from 4.71 lakh tonnes a year earlier.
- Sugar prices in Delhi, Maharashtra, Chennai, Vijaywada, UP, and Nagpur remains unchanged while sugar prices has been decreased in Kolkata market. Sugar arrival at Delhi remains unchanged to 3000 Quintal for M grade and 4000 Quintal for S Grade on Saturday. By considering the trend of Sugar prices in Physical markets, Prices will move steady to negative due to sluggish demand until some new stand would be taken by Govt of India on sugar exports.

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.

Market Analysis of Gur

- Gur prices are steady to negative in both markets as sluggish demand in Muzaffar nagar market while Kolhapur gur prices remains same on Saturday.
- Gur prices chaku variety in Muzaffar Nagar decreased on Saturday while in Kolhapur, Gur price laddu variety has remains same in comparison to previous day. The Gur arrival at Muzaffar Nagar are 3000 lumps while arrival at Kolhapur are 17000 lumps.

Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 26-02-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2000-2150	-10
Kolhapur	Laddu	1876-2800	Unch

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
-	-	2832	-	-



Technical Analysis:

- As reflected in the chart Gur 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 in oversold region.
- Sell from the resistance level would be the best strategy.

Trade Recommendation – Gur NCDEX (Mar.) Contract

Call	Entry	T1	T2	SL
Buy Below	888	892	895	884
Support & Resistance				
S2	S1	PCP	R1	R2
880	884	889.50	892	895



NCDEX Sugar Price Spread

NCDEX Spread	March	Apr	May
March	0	92	168
Apr	92	0	76
May	168	76	0

NCDEX Gur Price Spread

NCDEX Spread	March	July	Sept
March	0	111.5	136.5
July	111.5	0	25
Sept	136.5	25	0

Prices at Key Markets

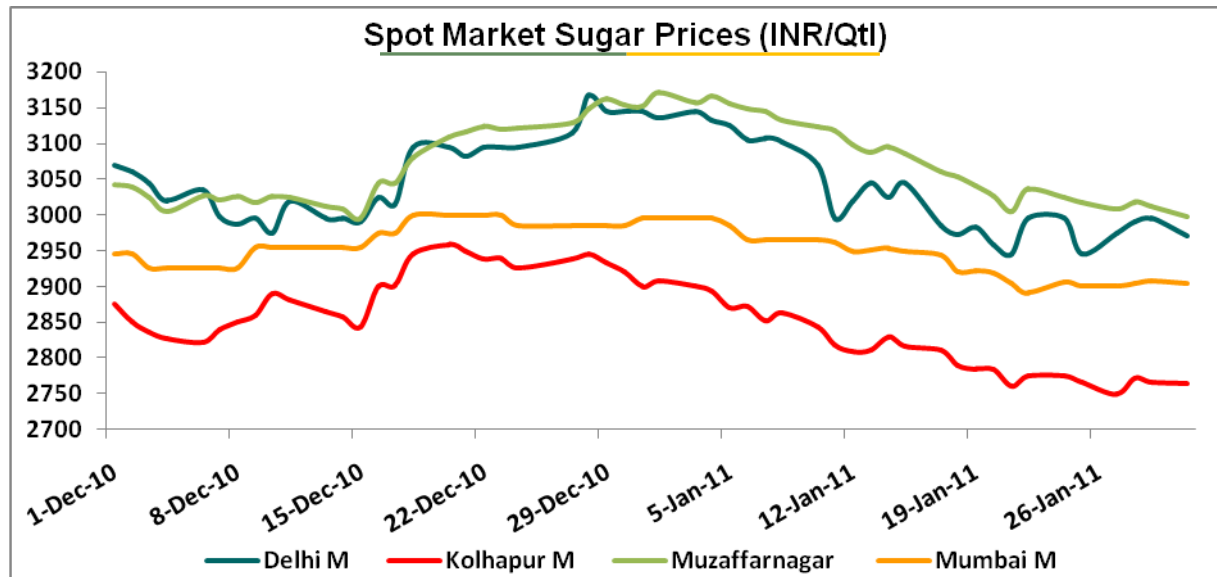
Centre	Grade/Variety	Prices 26-02-11 (Rs/Qtl)	Chng. from Prior day
Delhi	Sugar M	3020	Unch
	Sugar S	3000	Unch
Mumbai	Sugar M	2810-2870	Unch
	Sugar S	2760-2800	Unch
Kolhapur	Sugar M	2660-2710	Unch
	Sugar S	2600-2640	Unch
Chennai	Sugar S	2750	Unch
Vijaywada	Sugar M	2925	Unch
	Sugar S	2900	Unch
Nagpur	Sugar M	2930	Unch
	Sugar S	2900	Unch
Kolkata	Sugar M	2970	-40
Ramala	Sugar Ready new	2895	Unch
Khatauli	Sugar Ready	2930	Unch

International Futures Quotes (as on 25-2-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.95	28.92	27.26	28.74	+0.91
	Jul'11	25.74	26.78	25.35	26.66	+0.94
	Oct'11	24.35	25.37	24.12	25.28	+0.98
LIFFE Sugar (US \$/MT)	May'11	706.60	727.30	696.20	726.40	+21.40
	Aug'11	680.90	704.20	672.80	703.40	+22.20
	Oct'11	640.70	663.10	636.70	662.70	+21.70
White Sugar Premium \$/MT	May'11	-	-	-	93.00	-0.25
	Aug'11	-	-	-	115.75	+1.75
	Oct'11	-	-	-	107.00	-1.00

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

Location	Variety	Dematted Stocks		Change
		24/02/2011	23/02/2011	
Kolhapur	Sugar M Total	559	589	-30
Kolhapur	Sugar S Total	3071	3271	-200
Source: NCDEX				



(Source: NCDEX)

ICE Sugar Futures Mar'11 Contract



LIFFE Sugar Futures Mar'11 Contract



(Source: Reuters)

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>