

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 1.12 cents, to settle at 30.38 cents a pound at 2 p.m. on ICE Futures U.S. in New York. In London, refined-sugar futures for May delivery rose \$27.10, to \$760.50 a ton on NYSE Liffe.

Market Analysis of Sugar

- Sugar prices are steady to negative in different centers as demand and supply increases in various centers. Meanwhile, sugar exports decision will set the trend of prices in the upcoming days for short term.
- Sugar prices in Maharashtra, Nagpur, Chennai and Kolkata remains unchanged while sugar prices have been decreased in Delhi and Vijayawada market. Mixed prices recorded in UP market. Sugar arrival at Delhi remains unchanged to 3000 Quintal for M grade and 4000 Quintal for S Grade on Thursday. 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 positive in various markets as demand increase over supply on Thursday.
- Gur prices chaku variety in Muzaffar Nagar and Kolhapur remains same on Thursday. The Gur arrival at Muzaffar Nagar is 3000 per 40kg while arrivals at Kolhapur are 17000 lumps.

Technical Analysis:

- As reflected in the chart sugar prices are moving downwards.
- Price trading below 9 EMA and 18 EMA which further indicates bearish.
- However, oscillators such as RSI and Stochastic are going towards oversold region.
- Sell above the resistance would be the best strategy.

Trade Recommendation – Sugar NCDEX (Mar.) Contract

Call	Entry	T1	T2	SL
Sell Above	2798	2778	2767	2808
Support & Resistance				
S2	S1	PCP	R1	R2
2767	2778	2788	2808	2815



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
Sell Above	884	880	877	888
Support & Resistance				
S2	S1	PCP	R1	R2
877	880	883	888	896



NCDEX Gur Price Spread

NCDEX Spread	March	July	Sept
March	0	125.5	147
July	125.5	0	21.5
Sept	147	21.5	0

NCDEX Sugar Price Spread

NCDEX Spread	March	Apr	May
March	0	90	163
Apr	90	0	73
May	163	73	0

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		1/03/2011	28/02/2011	
Kolhapur	Sugar M Total	509	559	Unch
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 03-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2100-2250	+50
Kolhapur	Laddu	1900-2800	Unch

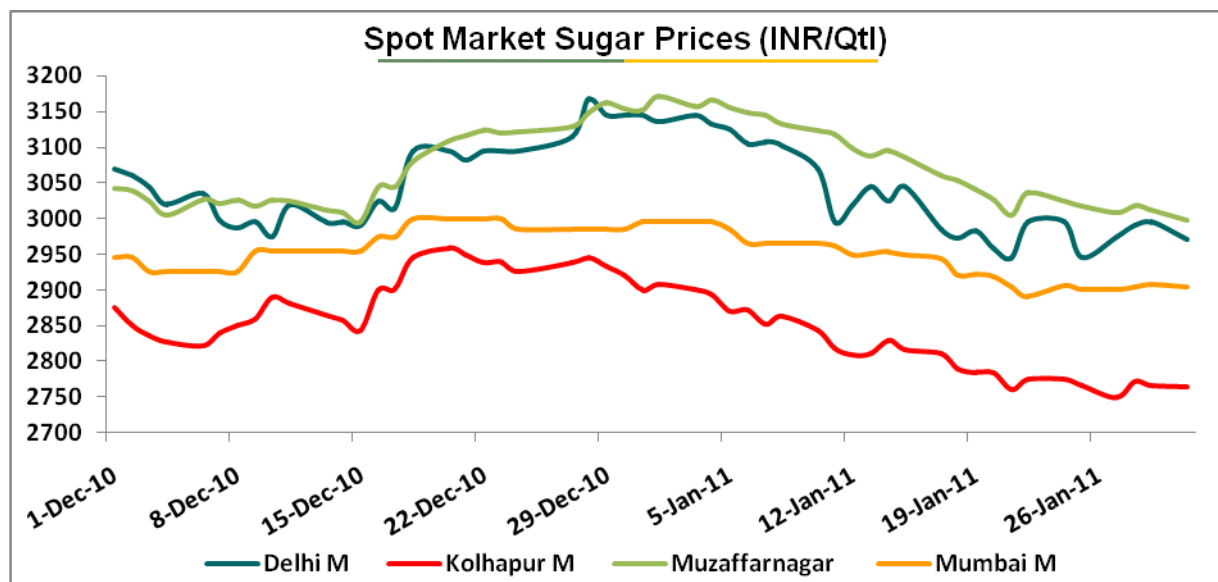
Prices at Key Markets

Centre	Grade/Variety	Prices 03-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3000	-20
	Sugar S	2980	-20
Mumbai	Sugar M	2820-2865	Unch
	Sugar S	2760-2800	Unch
Kolhapur	Sugar M	2660-2705	Unch
	Sugar S	2600-2640	Unch
Chennai	Sugar S	2730	Unch
Vijaywada	Sugar M	2920	-5
	Sugar S	2900	Unch
Nagpur	Sugar M	2940	Unch
	Sugar S	2900	Unch
Kolkata	Sugar M	3000	Unch
Ramala	Sugar Ready	2900	+10
Khatauli	Sugar Ready	2910	-10

International Futures Quotes (as on 2-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	29.26	30.61	29.21	30.38	+1.12
	Jul'11	27.10	28.00	26.92	27.81	+0.88
	Oct'11	25.70	26.41	25.53	26.28	+0.76
LIFFE Sugar (US \$/MT)	May'11	739.80	762.40	734.20	760.50	+27.10
	Aug'11	709.70	734.00	709.00	733.50	+26.10
	Oct'11	669.80	688.90	669.70	688.60	+21.80
White Sugar Premium \$/MT	May'11	-	-	-	87.50	-5.50
	Aug'11	-	-	-	118.00	+2.25
	Oct'11	-	-	-	107.00	Unch

Spot Market prices trend



(Source: NCDEX)

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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