

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 declined 0.11 cents, to settle at 29.99 cents a pound at 2 p.m. on ICE Futures U.S. in New York. In London, refined-sugar futures for May delivery declined \$13.10 to settle at \$748.80 a ton on NYSE Liffe.

Market Analysis of Sugar

- Sugar prices are down in different centers as supply increases in various centers. Also, mills has decreased its rates of selling sugar. Meanwhile, sugar exports decision will set the trend of prices in the upcoming days for short term.
- Government will take decision on sugar exports under OGL this week urged by the appeal by various mills to review the export matter.
- According to Maharashtra government, they are expecting to continue the ongoing season by another 2 months. It is noticeable that sugarcane available for crushing in Maharashtra would be 810 lakh tonne and 265 lakh tonnes sugarcane has been crushed so far by 162 sugar factories in Maharashtra.
- Sugar prices in Nagpur, Kolkata, and Delhi remains unchanged while sugar prices have been decreased in Chennai, UP, Vijayawada and Maharashtra markets. Sugar arrival at Delhi remains decreased to 2000 Quintal for M grade and 3000 Quintal for S Grade on Tuesday. 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 various markets as increased arrivals in Muzaffar nagar market pressurize the prices while Kolhapur prices remains unchanged.
- Gur prices chaku variety in Kolhapur remains same on Tuesday while due to less arrivals, gur prices in Muzaffar Nagar market has been increased. The Gur arrival at Muzaffar Nagar is 7000 per 40kg while arrivals at Kolhapur are 8000 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.
- Market is in the consolidation phase so 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
-	-	2768	-	-



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	878	875	873	881
Support & Resistance				
S2	S1	PCP	R1	R2
873	875	877	880	886



NCDEX Gur Price Spread

NCDEX Spread	March	July	Sept
March	0	120	139
July	120	0	19
Sept	139	19	0

NCDEX Sugar Price Spread

NCDEX Spread	March	Apr	May
March	0	82	162
Apr	82	0	80
May	162	80	0

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		07/03/2011	05/03/2011	
Kolhapur	Sugar M Total	509	509	Unch
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 08-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2150-2200	-50
Kolhapur	Laddu	2000-3000	Unch

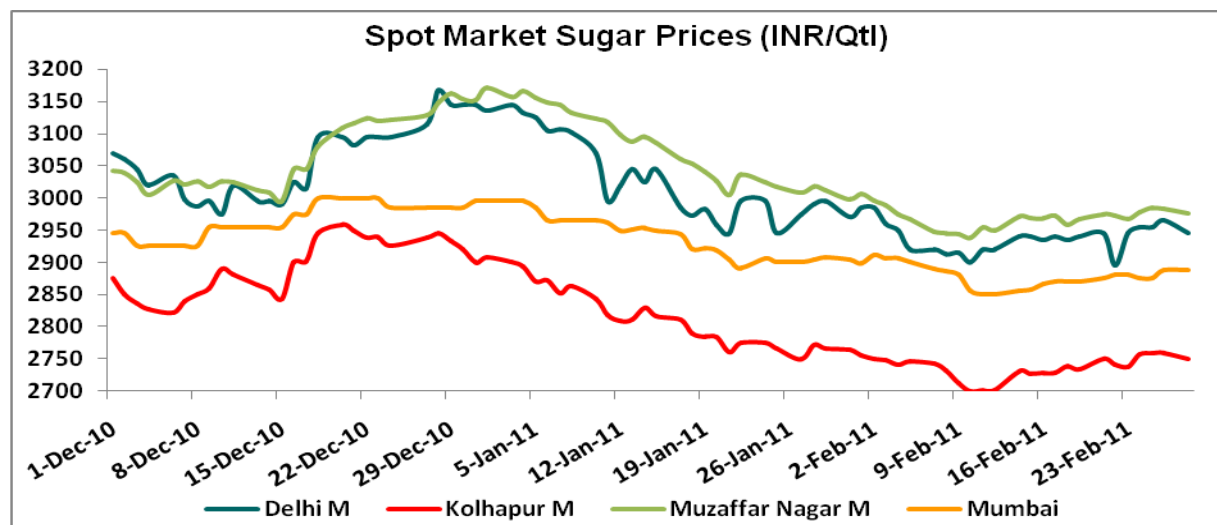
Prices at Key Markets

Centre	Grade/Variety	Prices 08-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3000	Unch
	Sugar S	2985	Unch
Mumbai	Sugar M	2815-2850	-40
	Sugar S	2775-2810	-6
Kolhapur	Sugar M	2655-2690	-40
	Sugar S	2615-2650	-6
Chennai	Sugar S	2690	-20
Vijaywada	Sugar M	2920	-5
	Sugar S	2900	Unch
Nagpur	Sugar M	2960	Unch
	Sugar S	2930	Unch
Kolkata	Sugar M	2900	Unch
Ramala	Sugar Ready	2890	-10
Khatauli	Sugar Ready	2900	-40

International Futures Quotes (as on 7-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	30.00	30.39	29.69	29.99	+0.11
	Jul'11	27.58	27.90	27.29	27.63	+0.18
	Oct'11	25.97	26.20	25.73	26.13	+0.22
LIFFE Sugar (US \$/MT)	May'11	747.40	759.00	740.30	748.80	+13.10
	Aug'11	722.70	730.40	715.00	722.40	+10.70
	Oct'11	676.90	687.70	676.50	685.00	+14.10
White Sugar Premium \$/MT	May'11	-	-	-	87.50	+2.25
	Aug'11	-	-	-	114.00	-1.00
	Oct'11	-	-	-	110.00	+1.25

Spot Market prices trend



(Source: NCDEX)

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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