

Price Drivers

- Govt allows 18.86 lakh tonnes sugar quota for March month.
- Duty Free Sugar imports suspended till 31st March 2011
- 6 million tonnes sugar produced in Maharashtra till 8th March 2010-11.

ICE Sugar Futures Market

Raw-sugar futures for May delivery gained 0.15 cent, or 0.5 percent, to 28.86 cents a pound in New York, leaving the price down 3.4 percent for the week. In London, refined-sugar futures for May delivery declined \$7.60, or 1 percent, to \$720 a ton. Prices fell 2.1 percent for the week.

Market Analysis of Sugar

- Sugar prices are steady to positive in different centers as demand has increased in various markets.
- Sugar prices in Nagpur, Chennai, Kolkata, Vijayawada, UP and Delhi remains unchanged while sugar prices have been increased in Maharashtra markets. Sugar arrival at Delhi decreased to 2000 Quintal for S grade and 2000 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 Government 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 in various markets as market cannot get adequate cues to decide the prices either way.
- The Gur arrival at Muzaffar Nagar is 8000 per 40kg while arrivals at Kolhapur are 15000 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
Buy Below	2742	2755	2762	2730
Support & Resistance				
S2	S1	PCP	R1	R2
2721	2730	2749	2755	2762



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.
- Buy from support level would be the best strategy.

Trade Recommendation – Gur NCDEX (Mar.) Contract

Call	Entry	T1	T2	SL
Stay Away	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
-	-	873	-	-



NCDEX Gur Price Spread

NCDEX Spread	March	July	Sept
March	0	119.5	142.5
July	119.5	0	23
Sept	142.5	23	0

NCDEX Sugar Price Spread

NCDEX Spread	March	Apr	May
March	0	73	141
Apr	73	0	68
May	141	68	0

Prices at Key Markets

Centre	Grade/Variety	Prices 12-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3000	Unch
	Sugar S	2925	-50
Khatauli	Sugar Ready	2890	Unch
Ramala	Sugar Ready	2870	Unch
Mumbai	Sugar M	2816-2891	+15
	Sugar S	2775-2821	+20
Kolhapur	Sugar M	2656-2716	+15
	Sugar S	2615-2641	+20
Vijaywada	Sugar M	2920	Unch
	Sugar S	2900	Unch
Nagpur	Sugar M	2960	Unch
	Sugar S	2925	Unch
Kolkata	Sugar M	2960	Unch
Chennai	Sugar S	2675	Unch

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		11/03/2011	10/03/2011	
Kolhapur	Sugar M Total	509	509	Unch
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

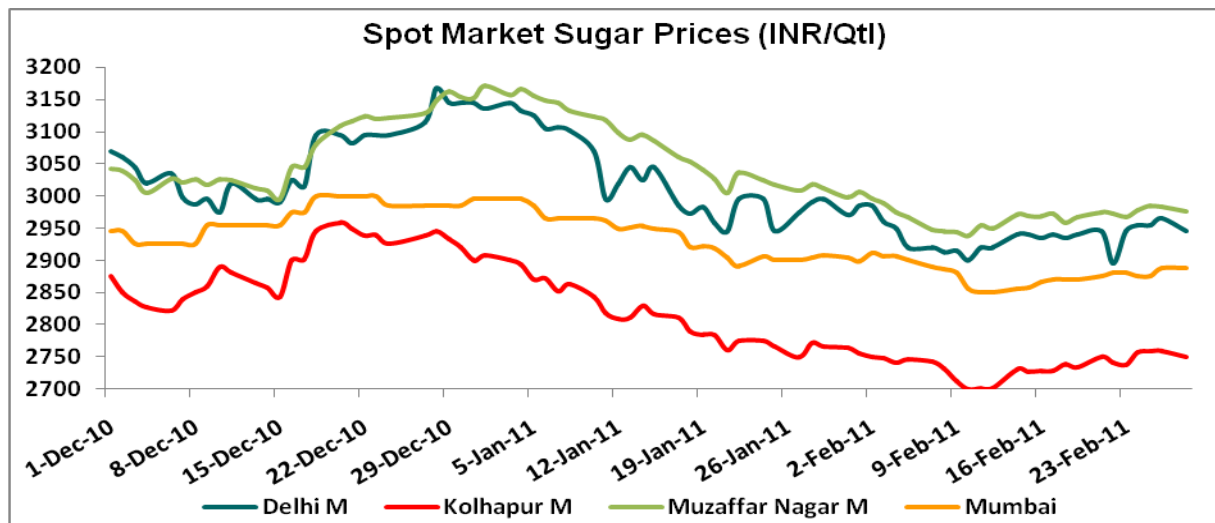
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 12-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2075-2200	Unch
Kolhapur	Laddu	2200-3000	Unch

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

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	28.65	29.11	27.83	28.66	+0.15
	Jul'11	26.40	26.67	25.50	26.44	+0.03
	Oct'11	24.97	25.30	24.09	25.08	+0.11
LIFFE Sugar (US \$/MT)	May'11	727.60	728.40	710.00	720.00	-7.60
	Aug'11	693.80	695.00	677.20	688.90	-7.90
	Oct'11	655.80	657.30	643.40	655.60	-5.10
White Sugar Premium \$/MT	May'11	-	-	-	93.00	Unch
	Aug'11	-	-	-	113.25	Unch
	Oct'11	-	-	-	108.25	Unch

Spot Market prices trend



(Source: NCDEX)

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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>