

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.
- Govt. has raised minimum cane purchase price to Rs.145/quintal.

ICE Sugar Futures Market

Raw sugar for May dropped 1.07 cents, or 3.7 percent, to 27.79 cents a pound on ICE Futures U.S. in New York on Japan concern.

In London, refined-sugar futures for May delivery declined \$13.20 to \$706.80 a ton.

Market Analysis of Sugar

- Sugar prices are mixed in different centers as demand and supply increases in various markets on Tuesday.
- In Pune district (Maharashtra), average actual cane yield has decreased 3.20% to 1029 quintal/hectare in the marketing year 2010-11 from 1063 quintal/hectare in 2009-10 due to excess rain, flowering in sugarcane and lack of availability of fertilizers to farmers in the district this year. As per a survey, Out of 15 mills in the region, 4 mills have been questioned to fetch the area and yield data. In this district, we consider 57711 hectare cane reserved area. Sugarcane reserved area attained from 4 mills for 2010-11 in Pune district has been increased by 21.37% from previous year.
- Average recovery in the mill in Pune district is as of 15th March hovers near 10.90% in 2010-11 from 11.51% in 2009-10.
- Sugar prices in Nagpur, Chennai, Vijayawada, and Delhi remains unchanged while sugar prices have been increased in UP markets. Sugar prices have been decreased in UP and Maharashtra in comparison to previous day. Sugar arrival at Delhi decreased to 2000 Quintal for S grade and 2000 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 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 mixed in various markets as demand and supply has increased in various market. Prices has increased in Muzaffarnagar market while in Kolhapur market, prices are going down owing to two days stocks arrival in the market pressurize the prices.
- There is 5.5% diversion in Gur from Sugarcane in Pune district (Maharashtra). The data has been fetched by calling 4 mills out of 15 mills in the district.
- The Gur arrival at Muzaffar Nagar is 15000 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
Stay Away	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
-	-	2746	-	-



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 overbought region.
- Sell from resistance level would be the best strategy.

Trade Recommendation – Gur NCDEX (Mar.) Contract

Call	Entry	T1	T2	SL
Sell Above	896	889	887	902
Support & Resistance				
S2	S1	PCP	R1	R2
887	890	895	896	902



NCDEX Gur Price Spread

NCDEX Spread	March	July	Sept
March	0	117	132
July	117	0	15
Sept	132	15	0

NCDEX Sugar Price Spread

NCDEX Spread	March	Apr	May
March	0	78	155
Apr	78	0	77
May	155	77	0

Prices at Key Markets

Centre	Grade/Variety	Prices 15-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3000	Unch
	Sugar S	2925	Unch
Khatauli	Sugar Ready	2925	+25
Ramala	Sugar Ready	2880	Unch
Mumbai	Sugar M	2800-2840	-50
	Sugar S	2750-2770	-30
Kolhapur	Sugar M	2640-2680	-50
	Sugar S	2590-2610	-30
Vijaywada	Sugar M	2920	Unch
	Sugar S	2900	Unch
Nagpur	Sugar M	2960	Unch
	Sugar S	2925	Unch
Kolkata	Sugar M	2960	-30
Chennai	Sugar S	2660	Unch

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		14/03/2011	12/03/2011	
Kolhapur	Sugar M Total	509	509	Unch
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

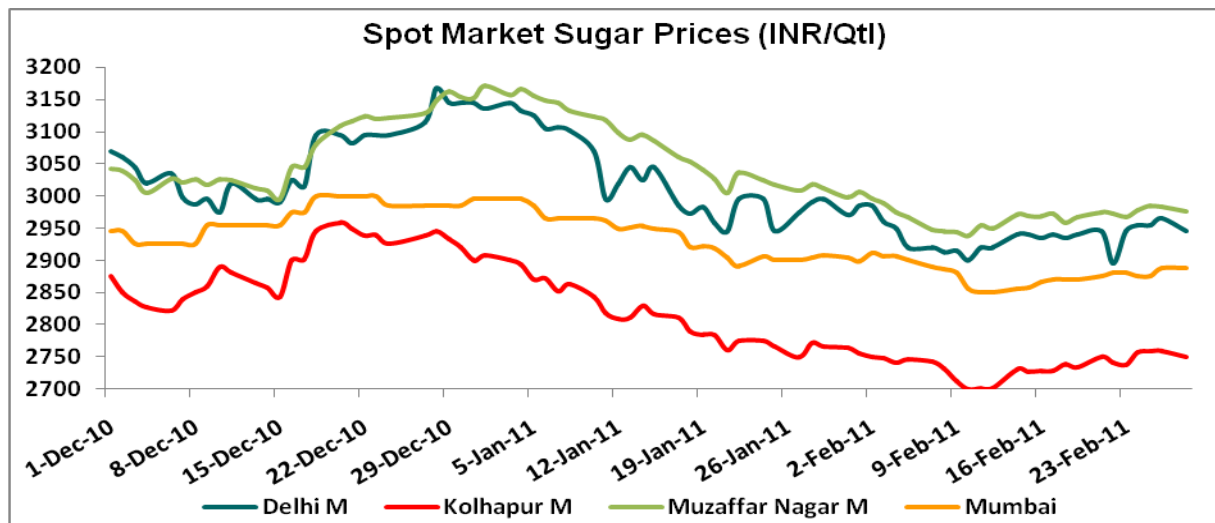
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 15-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2200-2250	+50
Kolhapur	Laddu	2000-3000	-500

International Futures Quotes (as on 14-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	28.61	28.79	27.41	27.79	-1.07
	Jul'11	26.33	26.41	25.20	25.60	-0.84
	Oct'11	24.73	24.88	24.00	24.45	-0.63
LIFFE Sugar (US \$/MT)	May'11	724.20	724.20	700.80	706.80	-13.20
	Aug'11	691.90	691.90	670.90	676.10	-12.80
	Oct'11	649.30	654.70	641.20	646.00	-9.60
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



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