

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 2.14 cents, or 7.7 percent, to settle at 25.65 cents a pound at 2 p.m. on ICE Futures U.S. in New York, after touching 25.47 cents, the lowest since Nov. 23.

In London, refined-sugar futures for May delivery fell \$39.70, or 5.6 percent, to \$667.10 a metric ton on NYSE Liffe, the biggest drop since Dec. 30.

Market Analysis of Sugar

- Sugar prices are mixed in different centers as demand and supply increases in various markets on Wednesday.
- In Hoshiarpur district (Punjab), average actual cane yield has increased 19.05% to 625 quintal/hectare in the marketing year 2010-11 from 525 quintal/hectare in 2009-10 due to favourable climatic conditions for the crop in the district this year. As per a survey, Out of 1 mills in the region, 1 mills have been questioned to fetch the area and yield data. In this district, we consider 8400 hectare cane reserved area. Sugarcane reserved area attained from 1 mills for 2010-11 in Hoshiarpur district has been decreased by 2.33% from previous year.
- Average recovery in the mill in Hoshiarpur district is as of 16th March hovers near 8.5% in 2010-11 from 7.89% in 2009-10.
- Sugar prices in Nagpur, Chennai, Kolkata, and UP remains unchanged while sugar prices have been increased in Maharashtra markets. Sugar prices recorded mixed in Delhi and Vijayawada in comparison to previous day. Sugar arrival at Delhi decreased to 2500 Quintal for M grade and 2500 Quintal for S Grade on Wednesday. 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 to negative in various markets as prices in Muzaffarnagar decreased for Gur and steady prices recorded for gur in Kolhapur district on Wednesday.
- There is 20% diversion in Gur from Sugarcane in Hoshiarpur district (Punjab). The data has been fetched by calling 1 mills.
- The Gur arrival at Muzaffar Nagar is 10000 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 (Apr.) Contract

Call	Entry	T1	T2	SL
Buy Below	2817	2827	2835	2808
Support & Resistance				
S2	S1	PCP	R1	R2
2800	2808	2819	2817	2827



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 (Apr.) Contract

Call	Entry	T1	T2	SL
Sell Above	1003	999	997	1008
Support & Resistance				
S2	S1	PCP	R1	R2
997	999	1002	1008	1011

NCDEX Gur Price Spread

NCDEX Spread	March	July	Sept
March	0	109	131
July	109	0	22
Sept	131	22	0

NCDEX Sugar Price Spread

NCDEX Spread	March	Apr	May
March	0	46	118
Apr	46	0	72
May	118	72	0

Prices at Key Markets

Centre	Grade/Variety	Prices 16-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3010	+10
	Sugar S	2905	-20
Khatauli	Sugar Ready	2925	Unch
Ramala	Sugar Ready	2880	Unch
Mumbai	Sugar M	2800-2860	+20
	Sugar S	2750-2780	+10
Kolhapur	Sugar M	2640-2700	+20
	Sugar S	2590-2620	+10
Vijaywada	Sugar M	2920	Unch
	Sugar S	2890	-10
Nagpur	Sugar M	2960	Unch
	Sugar S	2925	Unch
Kolkata	Sugar M	2960	Unch
Chennai	Sugar S	2660	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		15/03/2011	14/03/2011	
Kolhapur	Sugar M Total	509	509	Unch
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

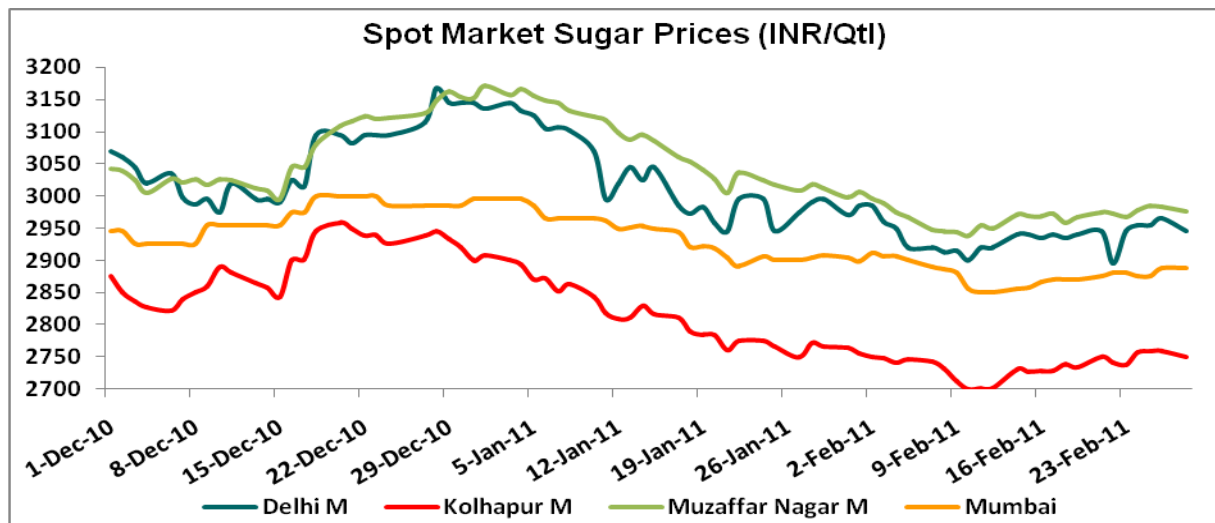
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 16-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2200-2200	-50
Kolhapur	Laddu	2000-3000	Unch

International Futures Quotes (as on 15-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.79	27.79	25.47	25.65	-2.14
	Jul'11	25.65	25.65	23.37	23.57	-2.03
	Oct'11	24.56	24.56	22.27	22.51	-1.94
LIFFE Sugar (US \$/MT)	May'11	704.80	705.00	663.80	667.10	-39.70
	Aug'11	675.40	675.40	632.90	635.10	-41.00
	Oct'11	643.50	643.50	606.50	609.30	-36.70
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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