

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 rose 0.20 cents to settle at 25.85 cents a pound at 2 p.m. on ICE Futures U.S. in New York
In London, refined-sugar futures for May delivery raised \$1.50 to \$668.60 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Sugar prices have increased in different centers as festive demand supports the sugar prices upwards on Thursday.
- In Satara district (Maharashtra), average actual cane yield has increased 2.95% to 695 quintal/hectare in the marketing year 2010-11 from 675 quintal/hectare in 2009-10 due to favorable climatic conditions for the crop in the district this year. As per a survey, Out of 10 mills in the region, 2 mill have been questioned to fetch the area and yield data. In this district, we consider 22541 hectare cane reserved area which is 37.57% reserved area of the satara district. Sugarcane reserved area attained from 2 mills for 2010-11 in Satara district has been increased by 25.23% from previous year.
- Average recovery in the mill in Hoshiarpur district is as of 17th March hovers near 11.39% in 2010-11 from 11.43% in 2009-10.
- Sugar prices in Nagpur, Chennai, Vijayawada, and UP remains unchanged while sugar prices have been increased in Maharashtra, Delhi, UP and Kolkata markets. Sugar arrival at Delhi decreased to 2500 Quintal for M grade and 2500 Quintal for S Grade on Thursday. By considering the trend of Sugar prices in Physical markets,

We expect that sugar prices are in Positive bias in near term due to good festive demand in the market Increased FRP prices of sugarcane by Government also support the prices. 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 Thursday.
- There is 11.5% diversion in Gur from Sugarcane in Satara district (Maharashtra). The data has been fetched by calling 2 mills.
- The Gur arrival at Muzaffar Nagar is 5000 per 40kg while arrivals at Kolhapur are 13000 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 level would be the best strategy.

Trade Recommendation – Sugar NCDEX (Apr.) Contract

Call	Entry	T1	T2	SL
Sell Above	2813	2805	2799	2821
Support & Resistance				
S2	S1	PCP	R1	R2
2799	2805	2810	2821	2827



Technical Analysis:

- As reflected in the chart Gur prices are moving sideways.
- Price trading above 9 EMA and 18 EMA which further indicates bullish.
- However, oscillators such as RSI and Stochastic are hovering in overbought region.
- Buy from Support level would be the best strategy.

Trade Recommendation – Gur NCDEX (Apr.) Contract

Call	Entry	T1	T2	SL
Buy Below	1003	1007	1009	997
Support & Resistance				
S2	S1	PCP	R1	R2
993	997	1006	1007	1009

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 17-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3020	+10
	Sugar S	3000	Unch
Khatauli	Sugar Ready	2950	+25
Ramala	Sugar Ready	2890	+10
Mumbai	Sugar M	2846-2900	+40
	Sugar S	2796-2816	+36
Kolhapur	Sugar M	2686-2740	+40
	Sugar S	2636-2656	+36
Vijaywada	Sugar M	2920	Unch
	Sugar S	2870	Unch
Nagpur	Sugar M	2960	Unch
	Sugar S	2925	Unch
Kolkata	Sugar M	2970	+10
Chennai	Sugar S	2660	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		16/03/2011	15/03/2011	
Kolhapur	Sugar M Total	509	509	Unch
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

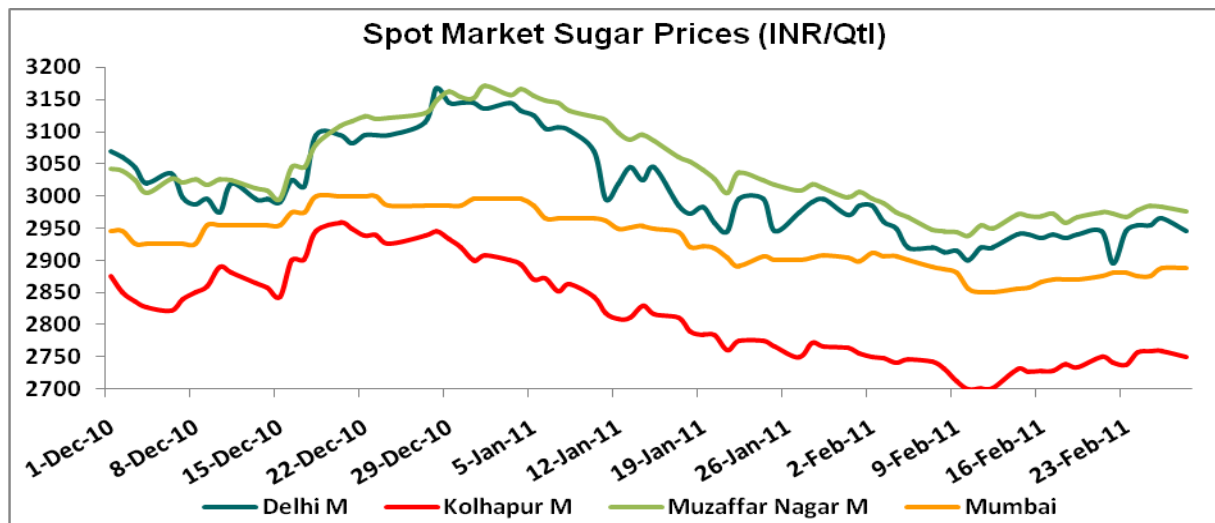
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 17-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2100-2150	-50
Kolhapur	Laddu	2000-3000	Unch

International Futures Quotes (as on 16-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	26.00	26.62	25.79	25.85	+0.20
	Jul'11	23.98	24.45	23.58	23.66	+0.09
	Oct'11	23.00	23.34	22.50	22.59	+0.08
LIFFE Sugar (US \$/MT)	May'11	679.00	686.20	667.10	668.60	+1.50
	Aug'11	647.70	654.90	636.50	637.60	+2.50
	Oct'11	623.80	627.20	610.00	610.00	+0.70
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



LIFFE Sugar Futures Mar'11 Contract



(Source: Reuters)

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