

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 futures for May delivery climbed 0.97 cent, or 3.6 percent, to 27.71 cents a pound. This week, the price dropped 4 percent.

In London, refined-sugar futures for May delivery raised \$24.40 to \$710.60 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Various spot markets of sugar remained closed due to Holy festival on Saturday.
- Sugar futures market April contract has touched its contract low on Saturday and settled at Rs. 2778 due to weak fundamental sentiments in the market.
- Government has delayed the decision on sugar exports of 5 lakh tonnes by 2 months as parity does not come from the ongoing international prices which hovers around \$686.20 per MT. If govt allows the sugar exports at this time then because of the disparity, no mill can export sugar to any foreign country. Also, domestic prices will go up and international prices will go down further due to arrivals in the foreign markets which also supports the disparity of sugar exports.
- Owing to sluggish demand and good arrivals in the markets, the sugar prices seems to go down further in the coming days. Also, Govt delaying the decision on sugar exports under OGL pressurizes the prices further.

We expect that sugar prices are in Negative bias in near term due to good supply and sluggish demand in the market. Delayed export decision on sugar also pressurizes 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

- Various spot markets of Gur remained closed due to Holy festival on Saturday.

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	2780	2767	2740	2789
Support & Resistance				
S2	S1	PCP	R1	R2
2740	2767	2778	2789	2826



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
Sell Above	1007	1005	1002	1011
Support & Resistance				
S2	S1	PCP	R1	R2
1002	1005	1006	1011	1015

NCDEX Gur Price Spread

NCDEX Spread	March	July	Sept
March	0	126	148.5
July	126	0	22.5
Sept	148.5	22.5	0

NCDEX Sugar Price Spread

NCDEX Spread	March	Apr	May
March	0	76	138
Apr	76	0	62
May	138	62	0

Prices at Key Markets

Centre	Grade/Variety	Prices 19-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3020	Holiday
	Sugar S	3000	Holiday
Khatauli	Sugar Ready	2940	Holiday
Ramala	Sugar Ready	2880	Holiday
Mumbai	Sugar M	2820-2870	Holiday
	Sugar S	2760-2780	Holiday
Kolhapur	Sugar M	2660-2710	Holiday
	Sugar S	2600-2620	Holiday
Vijaywada	Sugar M	2920	Holiday
	Sugar S	2870	Holiday
Nagpur	Sugar M	2950	Holiday
	Sugar S	2910	Holiday
Kolkata	Sugar M	2970	Holiday
Chennai	Sugar S	2700	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		18/03/2011	17/03/2011	
Kolhapur	Sugar M Total	2104	808	+1296
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

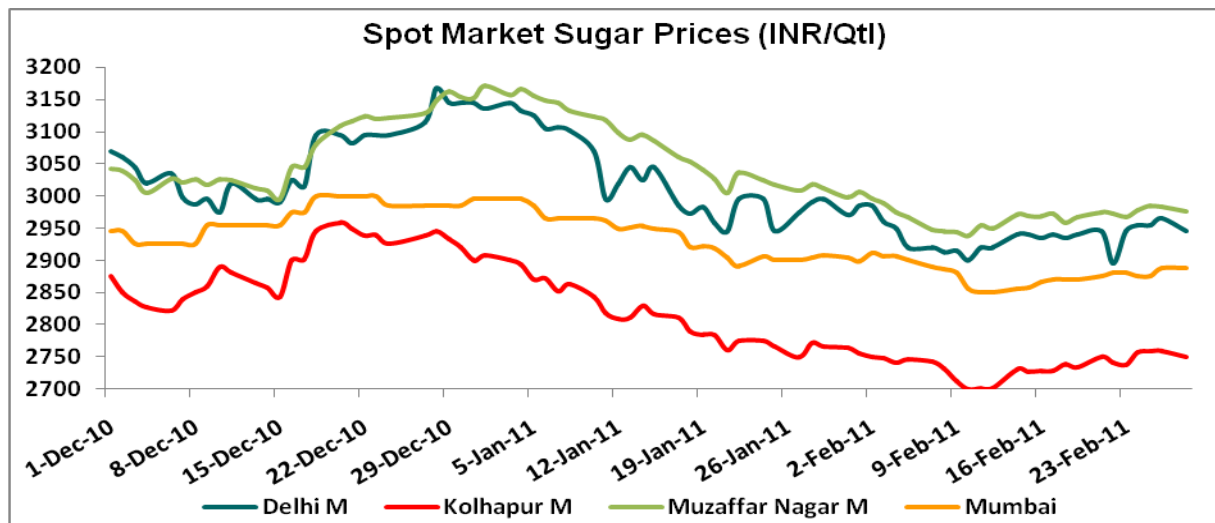
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 19-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2050-2200	Holiday
Kolhapur	Laddu	2200-3000	Holiday

International Futures Quotes (as on 18-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.02	27.75	26.95	27.71	+0.97
	Jul'11	24.92	25.54	24.73	25.49	+0.89
	Oct'11	23.89	24.41	23.57	24.34	+0.79
LIFFE Sugar (US \$/MT)	May'11	692.00	712.30	689.10	710.60	+24.40
	Aug'11	662.00	676.50	657.40	674.90	+21.30
	Oct'11	631.00	644.00	631.00	643.40	+19.20
White Sugar Premium \$/MT	May'11	-	-	-	98.75	+5.75
	Aug'11	-	-	-	116.00	+2.75
	Oct'11	-	-	-	112.00	+3.75

Spot Market prices trend



(Source: NCDEX)

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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