

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 declined 0.23 cent to 27.48 cents a pound.

In London, refined-sugar futures for May delivery raised \$4.30 to \$706.30 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Sugar prices are mixed in various spot markets as demand and supply increased in various markets on Tuesday.
- Indian Food ministry tries to implement 15% import tax on sugar owing to output exceeds consumption in the marketing year 2010-11 effective from April 1 2011. Tax free sugar imports allowed by India till 31st March 2011.
- Sugar prices in Nagpur, Chennai, and Vijayawada remains unchanged while sugar prices have been increased in Maharashtra, Delhi, and UP and Kolkata markets. Sugar arrival at Delhi was 2500 Quintal for M grade and 2500 Quintal for S Grade on Tuesday.
- Owing to sluggish demand and good arrivals in the markets, the sugar prices seem 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

- Gur prices are negative in various markets as arrivals in Muzaffar Nagar and Kolhapur are good in comparison to previous trading day.
- The Gur arrival at Muzaffar Nagar is 10000 per 40kg while a Gur arrival in Kolhapur is 10000 lumps.

Technical Analysis:

- As reflected in the chart sugar prices are moving downwards. Price also hover in oversold territory.
- 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 below the resistance level would be the best strategy.

Trade Recommendation – Sugar NCDEX (Apr.) Contract

Call	Entry	T1	T2	SL
Sell Below	2790	2780	2760	2810
Support & Resistance				
S2	S1	PCP	R1	R2
2747	2756	2770	2785	2808



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.
- Sell above the resistance level would be the best strategy.

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Sell Below	1000.5	997	994	1004
Support & Resistance				
S2	S1	PCP	R1	R2
992	995	998	1004	1007



NCDEX Gur Price Spread

NCDEX Spread	March	July	Sept
March	0	119	147
July	119	0	28
Sept	147	28	0

NCDEX Sugar Price Spread

NCDEX Spread	March	Apr	May
Apr	0	62	110
May	62	0	48
June	110	48	0

Prices at Key Markets

Centre	Grade/Variety	Prices 22-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3025	+5
	Sugar S	2950	Unch
Khatauli	Sugar Ready	2945	+20
Ramala	Sugar Ready	2875	+5
Mumbai	Sugar M	2841-2891	+31
	Sugar S	2741-2791	+11
Kolhapur	Sugar M	2681-2731	+31
	Sugar S	2581-2631	+11
Vijaywada	Sugar M	2920	Unch
	Sugar S	2870	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2910	Unch
Kolkata	Sugar M	2900	-30
Chennai	Sugar S	2700	Unch

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		21/03/2011	19/03/2011	
Kolhapur	Sugar M Total	2104	2104	Unch
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

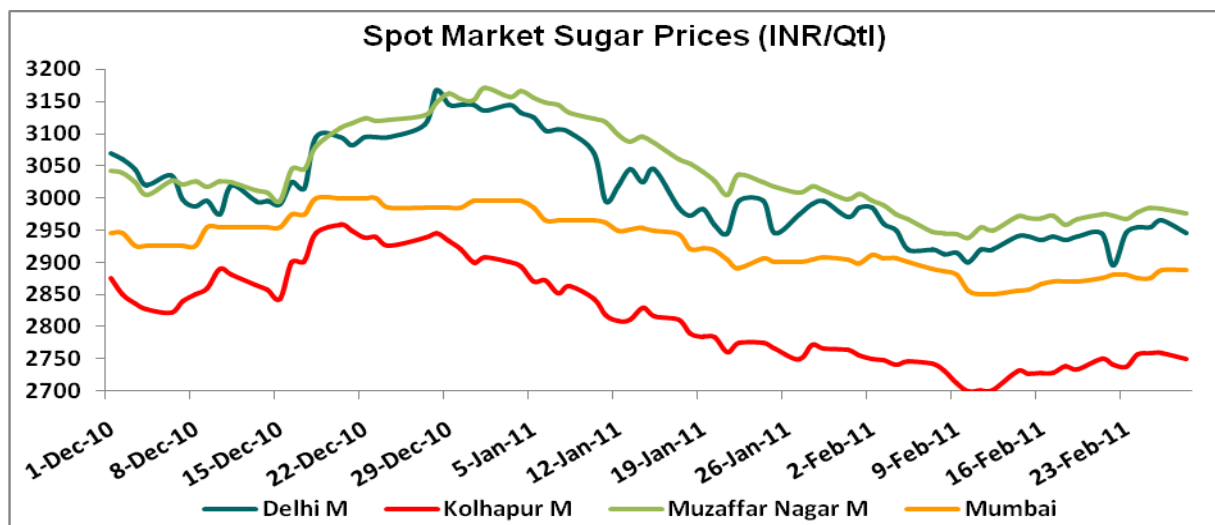
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 22-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2100-2150	-125
Kolhapur	Laddu	1800-2800	-200

International Futures Quotes (as on 21-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.80	28.20	27.24	27.48	-0.23
	Jul'11	25.51	26.01	25.06	25.33	-0.16
	Oct'11	24.12	24.89	23.99	24.17	-0.17
LIFFE Sugar (US \$/MT)	May'11	707.70	719.80	700.80	706.30	-4.30
	Aug'11	674.00	684.10	664.90	669.60	-5.30
	Oct'11	640.20	649.00	637.70	640.70	-2.70
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



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>