

#### Price Drivers

- Govt. allows 18.86 lakh tonnes sugar quota for March month.
- Duty Free Sugar imports suspended till 31st March 2011
- Govt allows 5,00,000 tonnes sugar exports from Mid April.
- Govt. has raised minimum cane purchase price to Rs.145/quintal.

#### ICE Sugar Futures Market

Raw-sugar futures for May delivery declined 0.32 cent to 27.16 cents a pound.

In London, refined-sugar futures for May delivery declined \$5.90 to \$700.40 a metric ton on NYSE Liffe.

#### Market Analysis of Sugar

- Sugar prices are steady to positive in various spot markets as exports decision on sugar increased the prices in various markets on Wednesday.
- Government allows 5,00,000 tonnes sugar exports under OGL. Shipment will start from mid of April 2011. Earlier, govt. was delaying the decision on export under OGL as double digit inflation was a major concern for Govt.
- Sugar prices in Nagpur, Chennai, remains unchanged while sugar prices have been increased in Delhi, Vijayawada and Kolkata markets while mixed prices seen in UP market. Maharashtra market was closed on Wednesday. Sugar arrival at Delhi was 2500 Quintal for M grade and 2500 Quintal for S Grade on Wednesday.
- Owing to sluggish demand and good arrivals in the markets, the sugar prices seem to go down further in the coming days.

*We expect that sugar prices are in Negative bias in near term due to good supply and sluggish demand in the market. 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 positive in various markets as demand in Muzaffar Nagar market is good in comparison to previous trading day. While Kolhapur prices remains steady.
- The Gur arrival at Muzaffar Nagar is 10000 per 40kg while a Gur arrival in Kolhapur is 10000 lumps on Wednesday.

#### 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
<b>Sell Below</b>	2790	2781	2769	2805
Support & Resistance				
S2	S1	PCP	R1	R2
2769	2781	2770	2805	2815



### 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
<b>Sell Below</b>	1002.5	1000	998	1005.5
Support & Resistance				
S2	S1	PCP	R1	R2
998	1000	1002.5	1005.5	1009



### NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
<b>July</b>	0	25.5	-62.5
<b>Sept</b>	25.5	0	-88
<b>Nov</b>	-62.5	-88	0

### NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
<b>Apr</b>	0	81	128
<b>May</b>	81	0	47
<b>June</b>	128	47	0

### Prices at Key Markets

Centre	Grade/Variety	Prices 23-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3025	Unch
	Sugar S	2975	+25
Khatauli	Sugar Ready	2955	+10
Ramala	Sugar Ready	2850	-25
Mumbai	Sugar M	2841-2891	-
	Sugar S	2741-2791	-
Kolhapur	Sugar M	2681-2731	-
	Sugar S	2581-2631	-
Vijaywada	Sugar M	2940	+20
	Sugar S	2910	+40
Nagpur	Sugar M	2950	Unch
	Sugar S	2910	Unch
Kolkata	Sugar M	2930	+30
Chennai	Sugar S	2700	Unch

### Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		22/03/2011	21/03/2011	
Kolhapur	Sugar M Total	2104	2104	Unch
Kolhapur	Sugar S Total	3071	3071	Unch
Source: NCDEX				

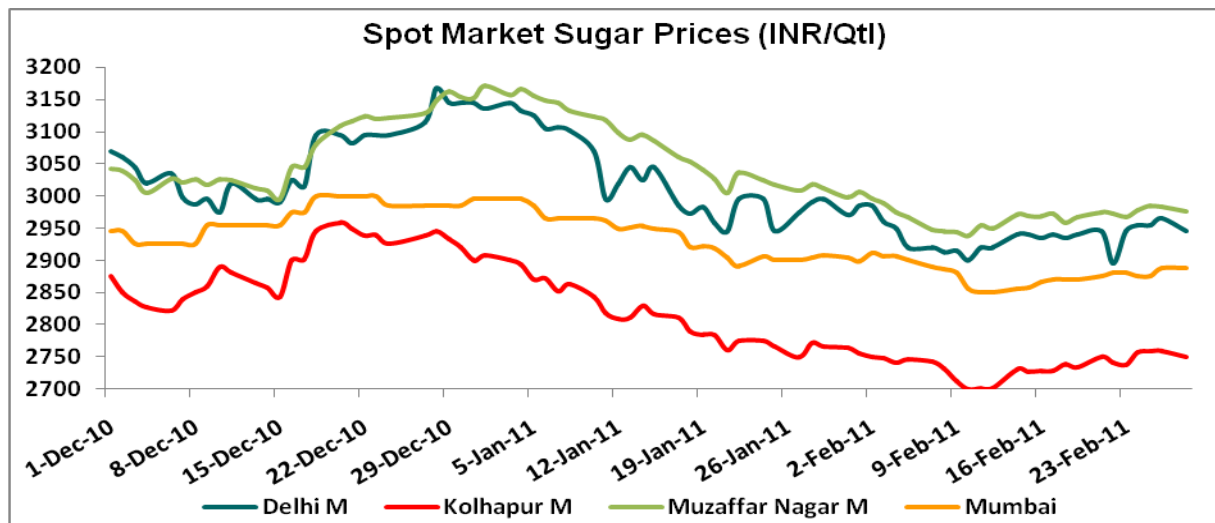
### Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 23-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2150-2200	+50
Kolhapur	Laddu	1800-2800	Unch

### International Futures Quotes (as on 22-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.41	27.51	26.37	27.16	-0.32
	Jul'11	25.30	25.37	24.50	25.25	-0.08
	Oct'11	24.40	24.40	23.42	24.10	-0.07
LIFFE Sugar (US \$/MT)	May'11	703.10	708.00	684.00	700.40	-5.90
	Aug'11	667.90	670.10	650.30	666.00	-3.60
	Oct'11	640.60	641.10	628.40	640.50	-0.20
White Sugar Premium \$/MT	May'11	-	-	-	98.75	Unch
	Aug'11	-	-	-	116.00	Unch
	Oct'11	-	-	-	112.00	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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