

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 0.58 cent to 23.58 cents a pound.

In London, refined-sugar futures for May delivery declined \$12.50 to \$687.90 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 Thursday.
- Mills in UP has crushed 609.08 lakh tonnes and produced 5.42 Million tonnes sugar with an average recovery of 9.10% till 23rd March 2011.. UP mills have crushed 526.40 lakh tonnes and produced 4.75 million tonnes sugar with an average recovery of 9.04% same period last year. It is noticeable that according to an estimation, UP mills will close its crushing operations till April mid and will produce 6.4 million tonnes sugar but according to present scenario, UP doesnot seems to fulfill its target of producing that much sugar and that may be a cause of concern. Out of 125 mills in UP, 48 mills has closed its crushing operations. Also, recently govt has allowed 5 lakh tonnes sugar export under OGL which may drags the prices of sugar upwards.
- Sugar prices in Nagpur, Chennai, and Vijaywada remains unchanged while sugar prices have been increased in Delhi, and Maharashtra markets while mixed prices seen in UP market.. Sugar arrival at Delhi was 2500 Quintal for M grade and 2500 Quintal for S Grade on Thursday.
- 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 in various markets as market cannot find adequate cues to decide the prices either side in comparison to previous trading day. While Kolhapur prices remains closed on Thursday.
- The Gur arrival at Muzaffar Nagar is 10000 per 40kg on Thursday.

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	2771	2759	2746	2784
Support & Resistance				
S2	S1	PCP	R1	R2
2746	2759	2780	2784	2799



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	1007	1003	1001	1012
Support & Resistance				
S2	S1	PCP	R1	R2
1001	1003	1015	1012	1015



NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	25.5	-62.5
Sept	25.5	0	-88
Nov	-62.5	-88	0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	81	128
May	81	0	47
June	128	47	0

Prices at Key Markets

Centre	Grade/Variety	Prices 24-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3060	+35
	Sugar S	3040	+65
Khatauli	Sugar Ready	2970	+15
Ramala	Sugar Ready	2850	Unch
Mumbai	Sugar M	2840-2906	+15
	Sugar S	2796-2811	+20
Kolhapur	Sugar M	2680-2746	+15
	Sugar S	2636-2651	+20
Vijaywada	Sugar M	2940	Unch
	Sugar S	2910	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2910	Unch
Kolkata	Sugar M	2930	Unch
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				

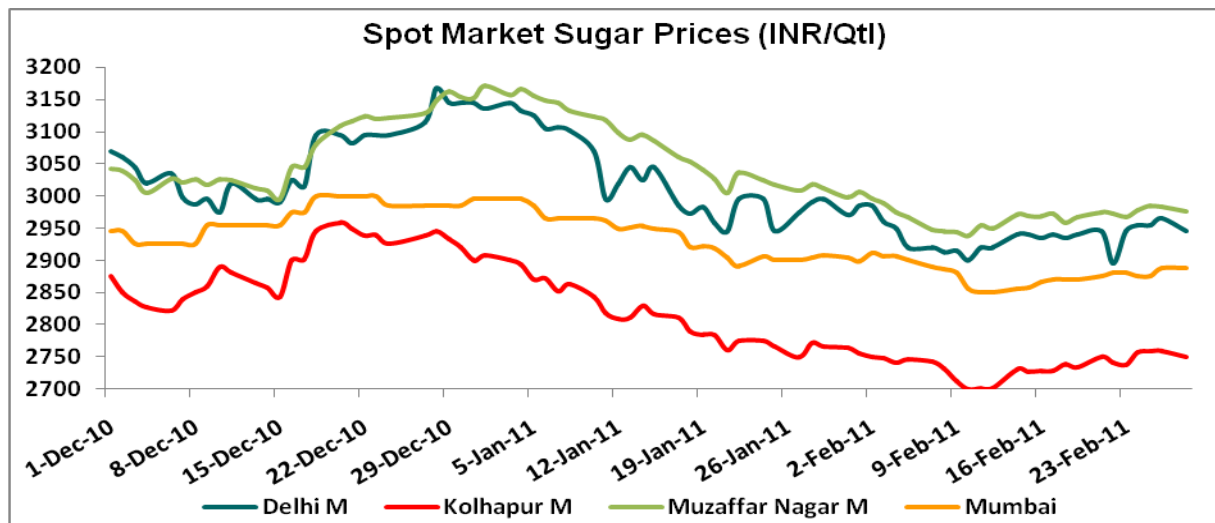
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 24-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2125-2200	Unch
Kolhapur	Laddu	1800-2800	Holiday

International Futures Quotes (as on 23-3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.50	27.50	26.50	26.58	-0.58
	Jul'11	25.39	25.54	24.55	24.65	-0.60
	Oct'11	24.30	24.35	23.50	23.56	-0.54
LIFFE Sugar (US \$/MT)	May'11	705.00	707.60	685.80	687.90	-12.50
	Aug'11	670.00	673.10	653.50	653.60	-12.40
	Oct'11	645.00	645.90	629.90	630.10	-10.40
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



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>