

#### Price Drivers

- Govt gives 6 months extension to stock holding limit.
- Govt impose 15% tax on sugar imports effective from April 1, 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 rose 0.41 cent to 27.86 cents a pound.

In London, refined-sugar futures for May delivery rose \$5.70 to \$711.80 a metric ton on NYSE Liffe.

#### Market Analysis of Sugar

- Sugar prices are mixed at various spot markets as markets could not find adequate cues to decide the prices either side on Saturday.
- Govt allows Sugar prices recorded up as government enhance the stock limit of sugar. Government extends the stock limit of sugar by six months, with stock holding limit increased to 500 tonnes from 200 tonnes.
- Sugar export parity could not be found till yet as domestic prices of sugar is going up owing to tax on sugar imports, 5 lakh tonnes sugar exports news while international futures prices are going down from \$857 per MT in Early February.
- Sugar prices in Chennai, and Vijayawada remains unchanged while sugar prices have been increased in Maharashtra, and Kolkata markets while prices has decreased in UP, Delhi and Nagpur. Sugar arrival at Delhi was 2500 Quintal for M grade and 2500 Quintal for S Grade on Saturday.
- 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 less arrivals in Muzaffar Nagar market support the prices. While Kolhapur Gur prices remains same..
- There are 9.40 lakh bags of stock in Muzaffar Nagar Gur market which is 4 lakh bags less than previous year. In 2009-10, Stock of Gur was 13.50 lakh bags. That will increase the prices of gur in future.
- The Gur arrival at Muzaffar Nagar is 7000 per 40kg while Gur arrivals in Kolhapur market are 5000 lumps per 30kg on Saturday. Arrivals in ahmedabad market of gur is 3 trucks.

#### 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>	2757	2746	2730	2769
Support & Resistance				
S2	S1	PCP	R1	R2
2730	2746	2760	2769	2780



#### Technical Analysis:

- As reflected in the chart Gur prices are moving upwards.
- 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 above the support level would be the best strategy.

#### Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Buy Above	1019	1021	1025	1016
Support & Resistance				
S2	S1	PCP	R1	R2
1010	1016	1017.5	1021	1025



#### NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	25	-83
Sept	25	0	-108
Nov	-83	-108	0

#### NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	86	150
May	86	0	64
June	150	64	0

#### Prices at Key Markets

Centre	Grade/Variety	Prices 26-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3050	-20
	Sugar S	2975	-75
Khatauli	Sugar Ready	2950	-10
Ramala	Sugar Ready	2900	-10
Mumbai	Sugar M	2841-2911	+5
	Sugar S	2796-2816	+5
Kolhapur	Sugar M	2681-2751	+5
	Sugar S	2636-2656	+5
Vijaywada	Sugar M	2940	Unch
	Sugar S	2910	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2890	-30
Kolkata	Sugar M	3000	+60
Chennai	Sugar S	2700	Unch

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

Location	Variety	Dematted Stocks		Change
		25/03/2011	24/03/2011	
Kolhapur	Sugar M Total	2353	2353	Unch
Kolhapur	Sugar S Total	3051	3051	Unch
Source: NCDEX				

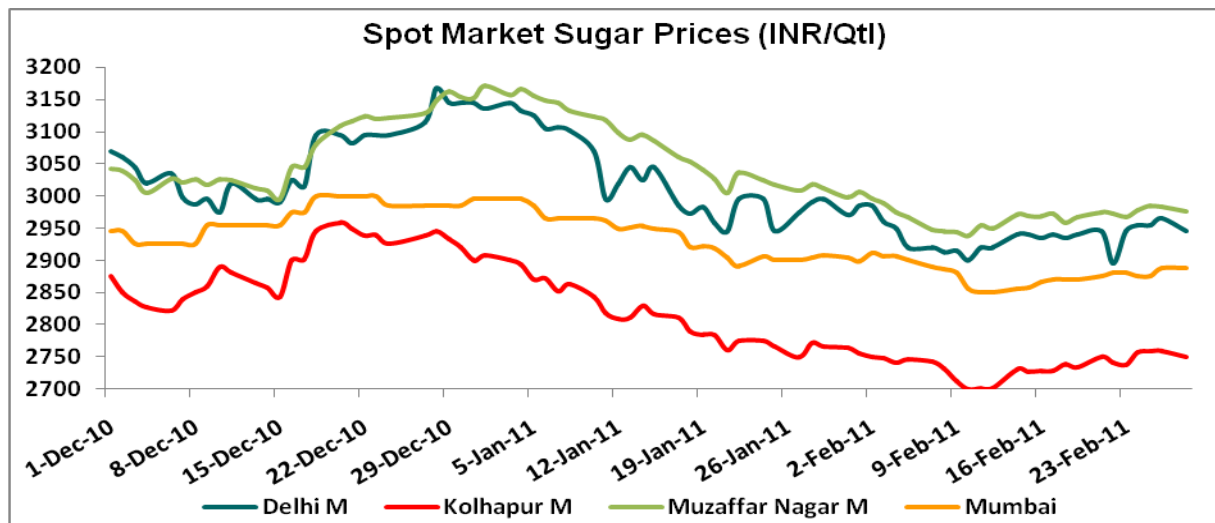
#### Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 26-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2150-2210	+35
Kolhapur	Laddu	2000-3000	Unch
Ahmedabad	Gur	2700-3600	+100

#### International Futures Quotes (as on 25 -3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.45	28.00	27.05	27.86	+0.41
	Jul'11	25.31	25.71	24.90	25.62	+0.31
	Oct'11	24.23	24.54	23.80	24.45	+0.22
LIFFE Sugar (US \$/MT)	May'11	702.00	714.00	691.90	711.80	+5.70
	Aug'11	665.60	678.90	659.10	676.60	+7.00
	Oct'11	641.60	651.30	633.80	648.90	+5.30
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>