

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 declined 0.81 cent to 27.05 cents a pound.

In London, refined-sugar futures for May delivery declined \$10.20 to \$701.60 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.
- Sugar prices in Chennai, Delhi, Maharashtra and Vijayawada remains unchanged while sugar prices have been increased in UP, and Nagpur markets. Price has decreased in Kolkata market in comparison to previous day. Sugar arrival at Delhi was 2500 Quintal for M grade and 2500 Quintal for S Grade on Tuesday.
- In Hingoli district (Maharashtra), average actual cane yield has increased 30.77% to 680 quintal/hectare in the marketing year 2010-11 from 520 quintal/hectare in 2009-10 due to better climatic conditions and easy availability of fertilizers in the district this year. As per a survey, Out of 3 mills in the region, 2 mills have been questioned to fetch the area and yield data. In this district, we consider 6863 hectare cane reserved area which is 76.26% of the total sugarcane reserved area of the district
- Average recovery in the mill in Hingoli district is as of 29th March hovers near 11.73% in 2010-11 from 10.63% in 2009-10.
- 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 and Ahmedabad Gur prices remains same.
- Diversion to Gur from sugarcane in Hingoli district is 15% in 2010-11. The data has been gathered from 2 mills out of 3 mills in Hingoli district.
- The Gur arrival at Muzaffar Nagar is 11000 per 40kg while Gur arrivals in Kolhapur market are 5000 lumps per 30kg on Monday. Arrivals in ahmedabad market of gur is 1500 per 40 kg or 4 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
Sell Below	2719	2710	2700	2727
Support & Resistance				
S2	S1	PCP	R1	R2
2700	2710	2719	2727	2751



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 below the resistance level would be the best strategy.

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Sell Below	1001.50	998	995	1005.5
Support & Resistance				
S2	S1	PCP	R1	R2
995	998	1003	1005.5	1007

NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	18	-68.5
Sept	18	0	-86.5
Nov	-68.5	-86.5	0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	79	138
May	79	0	59
June	138	59	0

Prices at Key Markets

Centre	Grade/Variety	Prices 29-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3050	Unch
	Sugar S	2990	Unch
Khatauli	Sugar Ready	2945	+15
Ramala	Sugar Ready	2925	+30
Mumbai	Sugar M	2841-2911	Unch
	Sugar S	2796-2816	Unch
Kolhapur	Sugar M	2681-2751	Unch
	Sugar S	2636-2656	Unch
Vijaywada	Sugar M	2940	Unch
	Sugar S	2910	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2900	+20
Kolkata	Sugar M	2930	-30
Chennai	Sugar S	2700	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		28/03/2011	26/03/2011	
Kolhapur	Sugar M Total	2353	2353	Unch
Kolhapur	Sugar S Total	3051	3051	Unch
Source: NCDEX				

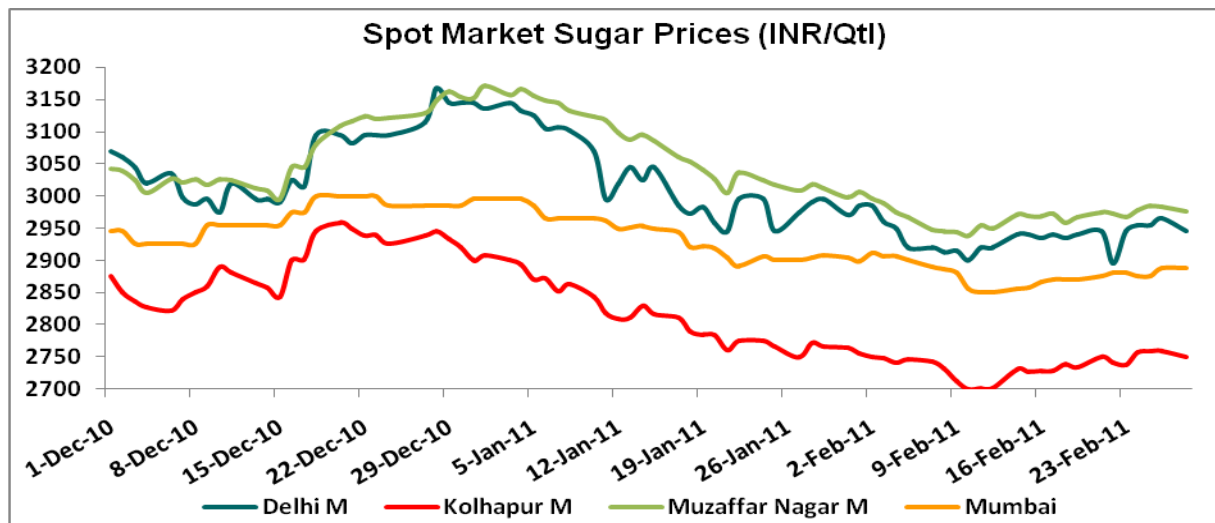
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 29-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2075-2250	+100
Kolhapur	Laddu	2000-3000	Unch
Ahmedabad	Gur	2200-3500	Unch

International Futures Quotes (as on 28 -3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.80	28.00	26.80	27.05	-0.81
	Jul'11	25.51	25.76	24.70	24.96	-0.66
	Oct'11	24.40	24.52	23.60	23.90	-0.55
LIFFE Sugar (US \$/MT)	May'11	706.80	714.00	691.30	701.60	-10.20
	Aug'11	671.30	678.60	657.60	664.50	-12.10
	Oct'11	648.10	649.00	633.60	640.90	-8.00
White Sugar Premium \$/MT	May'11	-	-	-	98.75	Unch
	Aug'11	-	-	-	116.00	Unch
	Oct'11	-	-	-	112.00	Unch

Spot Market prices trend



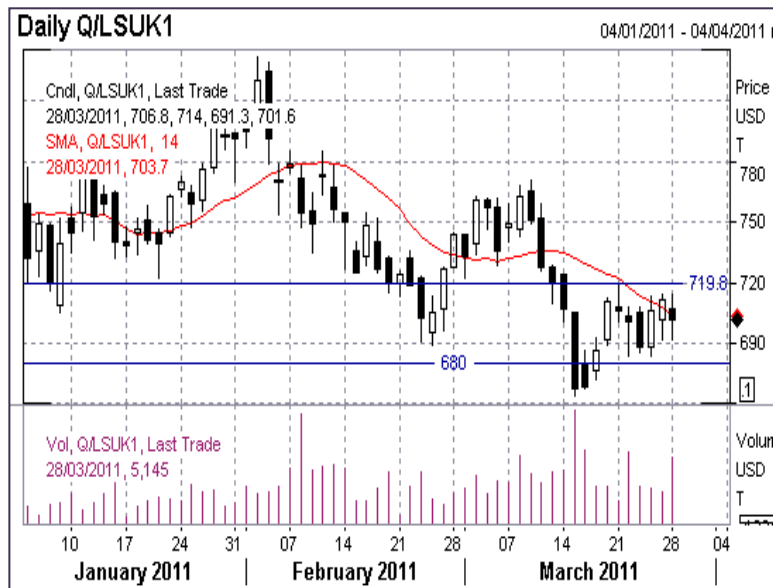
(Source: NCDEX)

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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