

#### 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 0.19 cent to 27.21 cents a pound.

In London, refined-sugar futures for May delivery rose \$5.30 to \$707.80 a metric ton on NYSE Liffe.

#### Market Analysis of Sugar

- Sugar prices are steady to negative at various spot markets as markets awaits the release quota for April month.
- Sugar prices in Chennai, Maharashtra, Kolkata, UP, Delhi, and Vijayawada remains unchanged. Price has decreased in Nagpur market in comparison to previous day. Sugar arrival at Delhi was 2500 Quintal for M grade and 2500 Quintal for S Grade on Thursday.
- In Bharuch district (Gujarat), average actual cane yield has increased 15.42% to 642 quintal/hectare in the marketing year 2010-11 from 741 quintal/hectare in 2009-10 due to better climatic conditions 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 22000 hectare cane reserved area in this district which is 75% of the total sugarcane area in the district.
- Average recovery in the mill in Bharuch district is as of 31th March hovers near 9.84% in 2010-11 from 10.33% 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 negative in various markets as less demand and better supply recorded in Muzaffar Nagar and Ahmedabad market pressurize the prices. While Gur prices in Kolhapur remains same.
- Diversion to Gur from sugarcane in Bharuch district is 3% in 2010-11. The data has been gathered from 2 mills out of 3 mills in Bharuch district.
- The Gur arrival at Muzaffar Nagar is 8000 per 40kg while Gur arrivals in Kolhapur market are 5000 lumps per 30kg on Thursday. 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	2685	2671	2650	2698
Support & Resistance				
S2	S1	PCP	R1	R2
2650	2671	2689	2698	2727



#### 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
<b>Sell Below</b>	981	979	976	985
Support & Resistance				
S2	S1	PCP	R1	R2
976	979	981.5	985	987

#### NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
<b>July</b>	0	18	-68.5
<b>Sept</b>	18	0	-86.5
<b>Nov</b>	-68.5	-86.5	0

#### NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
<b>Apr</b>	0	79	138
<b>May</b>	79	0	59
<b>June</b>	138	59	0

#### Prices at Key Markets

Centre	Grade/Variety	Prices 31-03-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3050	Unch
	Sugar S	2975	Unch
Khatauli	Sugar Ready	2940	Unch
Ramala	Sugar Ready	2915	Unch
Mumbai	Sugar M	2851-2911	Unch
	Sugar S	2791-2811	Unch
Kolhapur	Sugar M	2691-2751	Unch
	Sugar S	2631-2651	Unch
Vijaywada	Sugar M	2940	Unch
	Sugar S	2910	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2880	-20
Kolkata	Sugar M	2940	Unch
Chennai	Sugar S	2700	Unch



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

Location	Variety	Dematted Stocks		Change
		30/03/2011	29/03/2011	
Kolhapur	Sugar M Total	2253	2353	Unch
Kolhapur	Sugar S Total	3051	3051	Unch
Source: NCDEX				

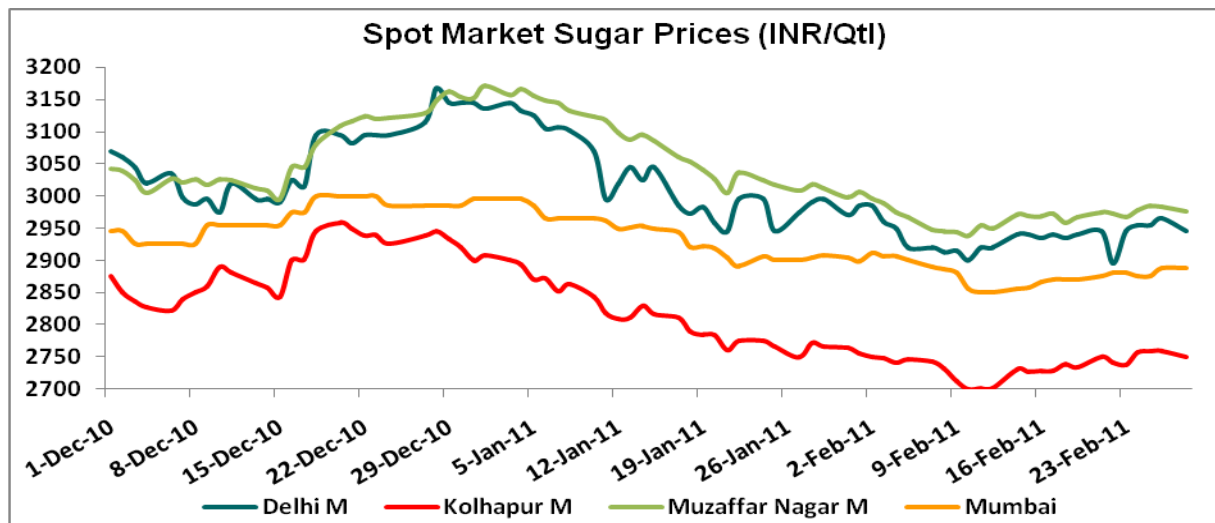
#### Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 31-03-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2000-2100	-100
Kolhapur	Laddu	2000-3000	Unch
Ahmedabad	Gur	2150	-50

#### International Futures Quotes (as on 30 -3-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	26.99	27.38	26.28	27.21	+0.19
	Jul'11	24.93	25.39	24.29	25.23	+0.30
	Oct'11	23.90	24.40	23.34	24.33	+0.44
LIFFE Sugar (US \$/MT)	May'11	695.40	717.00	689.10	707.80	+5.30
	Aug'11	658.70	662.40	642.80	657.10	-6.60
	Oct'11	637.20	642.70	625.30	640.00	-3.80
White Sugar Premium \$/MT	May'11	-	-	-	99.75	+1.00
	Aug'11	-	-	-	108.00	-8.00
	Oct'11	-	-	-	111.50	-0.50

#### Spot Market prices trend



(Source: NCDEX)

#### ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

#### LIFFE Sugar Futures Mar'11 Contract



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