

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 0.33 cent to 27.44 cents a pound.

In London, refined-sugar futures for May delivery rose \$1.50 to \$713.20 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.
- Sugar prices in Nagpur, Kolkata, and Chennai remains unchanged. Price has decreased in Vijayawada, and Delhi market in comparison to previous day. While prices has increased in Mumbai and UP on Saturday.
- The Government has decided to make available 19.07 lakh tonne of sugar (levy sugar - 2.07 lakh tonne and non-levy sugar – 17 lakh tonne) for the month of April, 2011. High sugar quota for April month may drag the sugar prices down further.
- In Surat district (Maharashtra), average actual cane yield has decreased to 30 tonne/acre in the marketing year 2010-11 from 32 tonne/acre in 2009-10 due to delayed rain, hot temperature and delayed cutting in the district this year. As per a survey, Out of 7 mills in the region, 3 mills have been questioned to fetch the area and yield data. In this district, we consider 136130 acre cane reserved area in this district.
- Average recovery in the mill in Surat district is as of 2nd April hovers near 10.06% in 2010-11 from 10.52% in 2009-10.
- Sugar prices seems going down further due to sluggish demand in the market and high sugar quota released by Govt. for April month.

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 sluggish demand recorded in Ahmadabad market pressurizes the prices. While prices remains same in Muzaffar Nagar and Kolhapur.
- In Surat District (Maharashtra), nearly 1% diversion from sugarcane to gur recorded in 2010-11.
- The Gur arrival at Muzaffar Nagar is 6000 per 40kg while Gur arrivals in Kolhapur market are 5000 lumps per 30kg on Saturday. Arrivals in Ahmadabad market of gur is 750 per 40 kg or 2 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	2684	2671	2660	2695
Support & Resistance				
S2	S1	PCP	R1	R2
2660	2671	2687	2695	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
Sell Below	976	973	971	979
Support & Resistance				
S2	S1	PCP	R1	R2
975	978	976.50	979	983

NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	14	-73
Sept	14	0	-87
Nov	-73	-87	0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	84	142
May	84	0	58
June	142	58	0

Prices at Key Markets

Centre	Grade/Variety	Prices 02-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3050	Unch
	Sugar S	2950	-25
Khatauli	Sugar Ready	2970	+50
Ramala	Sugar Ready	2900	Unch
Mumbai	Sugar M	2831-2901	+41
	Sugar S	2786-2821	+61
Kolhapur	Sugar M	2671-2741	+41
	Sugar S	2626-2661	+61
Vijaywada	Sugar M	2900	-40
	Sugar S	2870	-40
Nagpur	Sugar M	2950	Unch
	Sugar S	2880	Unch
Kolkata	Sugar M	2920	Unch
Chennai	Sugar S	2650	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		31/03/2011	30/03/2011	
Kolhapur	Sugar M Total	2253	2253	Unch
Kolhapur	Sugar S Total	3051	3051	Unch
Source: NCDEX				

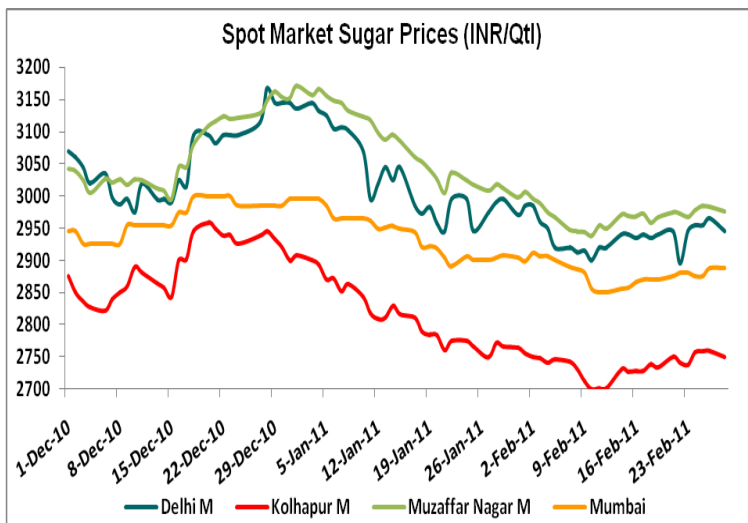
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 02-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2050-2150	Unch
Kolhapur	Laddu	2000-3000	Unch
Ahmedabad	Gur	2200	-50

International Futures Quotes (as on 1-4-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.11	27.76	26.95	27.44	+0.33
	Jul'11	25.05	25.56	24.85	25.40	+0.36
	Oct'11	24.29	24.60	23.96	24.52	+0.36
LIFFE Sugar (US \$/MT)	May'11	714.40	720.00	708.00	713.20	+1.50
	Aug'11	662.00	669.70	655.90	663.20	+4.70
	Oct'11	646.60	650.90	638.10	647.10	+4.70
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

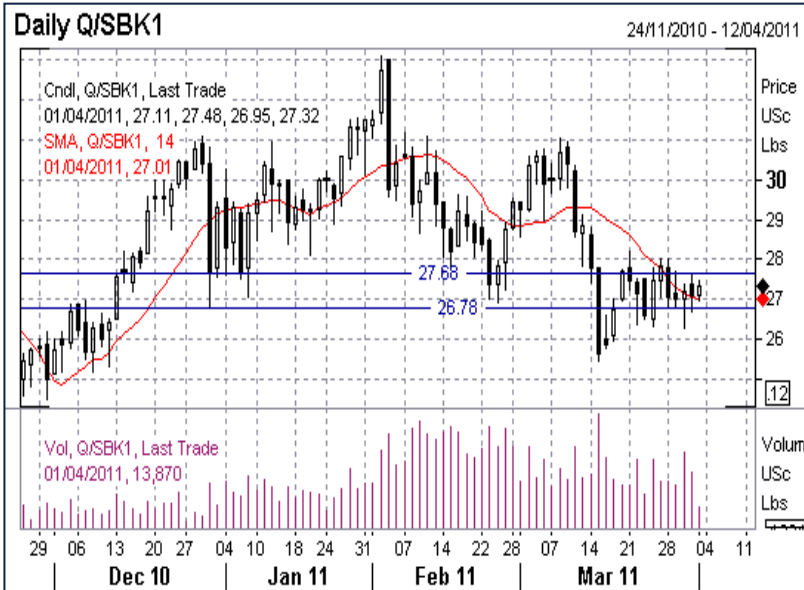


(Source: NCDEX)

Kingsmen Sugar Quotes (as on 1-4-11)

Commodity	Place	Price	% Change
Raw Sugar KDP	Santos Port	658.75	-2.75
Raw Sugar C&F KDP	Black Sea	700.75	-2.75
Sugar White FOB	Santos Port	737	-0.5

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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