

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 Monday.
- Sugar prices in Kolkata, Vijayawada, Delhi and Chennai remains unchanged. Price has decreased in UP market in comparison to previous day. While prices has increased in Mumbai and Nagpur on Monday.
- Brazil exported 1.440 mln tonnes of sugar, raw value, in March 2011, up from 1.302 mln in the previous month and compared with 1.286 mln in March 2010, According to Media Sources.
- Sugar production has been increased in UP to 57.58 lakh tonnes till 1 April 2010-11. Mills in UP has crushed 631.08 lakh tonnes sugarcane with an average recovery of 9.12%. Sugar Production was 49.35 lakh tonnes in the same period in 2009-10 and Mills have crushed 543.54 lakh tonnes with an average recovery of 9.08%.
- 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 increased supply after a holiday in the market pressurizes the prices down in Ahmadabad market and Muzaffar nagar market. While Kolhapur market closed due to strike.
- The Gur arrival at Muzaffar Nagar is 15000 per 40kg while arrivals in Ahmadabad market of gur is 375 per 40 kg or 1 truck.

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	2674	2650	2640	2685
Support & Resistance				
S2	S1	PCP	R1	R2
2640	2650	2668	2685	2693



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 oversold region.
- Sell below the resistance level would be the best strategy.

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Sell Below	960	954	949	964
Support & Resistance				
S2	S1	PCP	R1	R2
949	954	951	964	974

NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	7	-44
Sept	7	0	-51
Nov	-44	-51	0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	87	143
May	87	0	56
June	143	56	0

Prices at Key Markets

Centre	Grade/Variety	Prices 04-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3050	Unch
	Sugar S	2950	Unch
Khatauli	Sugar Ready	2945	-25
Ramala	Sugar Ready	2900	Unch
Mumbai	Sugar M	2870-2910	+10
	Sugar S	2770-2820	Unch
Kolhapur	Sugar M	2710-2750	+10
	Sugar S	2610-2660	Unch
Vijaywada	Sugar M	2900	Unch
	Sugar S	2870	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2900	+20
Kolkata	Sugar M	2920	Unch
Chennai	Sugar S	2650	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		02/04/2011	01/04/2011	
Kolhapur	Sugar M Total	2253	2253	Unch
Kolhapur	Sugar S Total	3051	3051	Unch
Source: NCDEX				

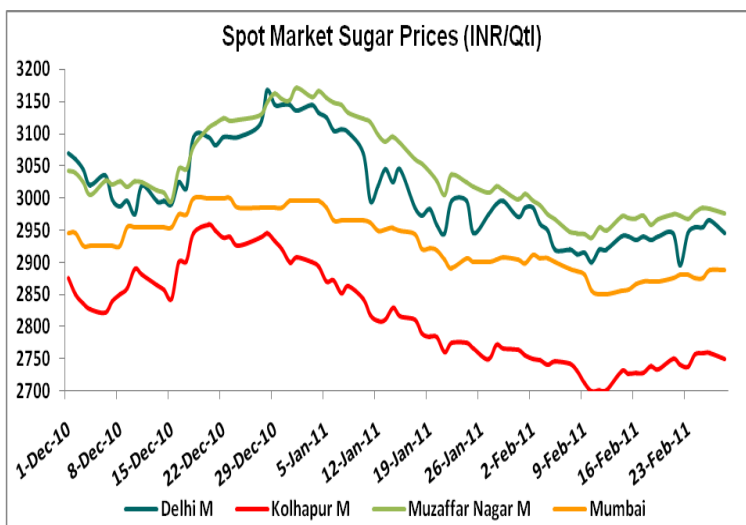
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 04-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2000-2100	-50
Kolhapur	Laddu	2000-3000	Closed
Ahmedabad	Gur	2150	-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 4-4-11)

Commodity	Place	Price	% Change
Raw Sugar FOB KDP	Santos Port	658.75	Unch
Raw Sugar C&F KDP	Black Sea	698.75	-2.00
Sugar White FOB	Santos Port	771.25	+34.25

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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