

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 0.56 cent to 28.00 cents a pound.

In London, refined-sugar futures for May delivery rose \$3.00 to \$716.20 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 Tuesday.
- Sugar prices in UP, Vijayawada, Nagpur and Chennai remains unchanged. Price has decreased in Maharashtra and Delhi market in comparison to previous day. While prices has increased in Kolkata on Tuesday.
- In Bidar district (Karnataka), average actual cane yield has increased 5.26% to 20 tonne/acre in the marketing year 2010-11 from 19 tonne/acre in 2009-10 due to good monsoon in the district this year. As per a survey, Out of 4 mills in the region, 3 mill have been questioned to fetch the area and yield data. In this district, we consider 106841 acre cane reserved area in this district out of 120000 acre sugar cane area in the Bidar district.
- Average recovery in the mill in Bidar district is as of 5th April hovers near 10.58% in 2010-11 from 10.03% 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 mixed in various markets as market could not find adequate cues to decide the prices either side. Gur Prices in Muzaffar Nagar market increased owing to less supply while Prices in Ahmadabad for gur decreased due to good arrivals in the market on Tuesday.
- The Gur arrival at Muzaffar Nagar is 9000 per 40kg while arrivals in Ahmadabad market of gur are 2625 per 40 kg or 7 truck.
- Diversion to Jaggery from Sugar is 6% in Bidar district (Karnataka) according to the data collected by 3 mills in the district.

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	2658	2645	2635	2664
Support & Resistance				
S2	S1	PCP	R1	R2
2635	2645	2652	2664	2672



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	950	945	940	953
Support & Resistance				
S2	S1	PCP	R1	R2
940	945	945.5	953	964

NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	8.5	-45.5
Sept	8.5	0	-54
Nov	-45.5	-54	0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	90	147
May	90	0	57
June	147	57	0

Prices at Key Markets

Centre	Grade/Variety	Prices 05-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3025	-25
	Sugar S	2950	Unch
Khatauli	Sugar Ready	2945	Unch
Ramala	Sugar Ready	2900	Unch
Mumbai	Sugar M	2831-2905	-5
	Sugar S	2780-2810	-10
Kolhapur	Sugar M	2671-2745	-5
	Sugar S	2620-2650	-10
Vijaywada	Sugar M	2900	Unch
	Sugar S	2870	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2900	Unch
Kolkata	Sugar M	2950	+30
Chennai	Sugar S	2650	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

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

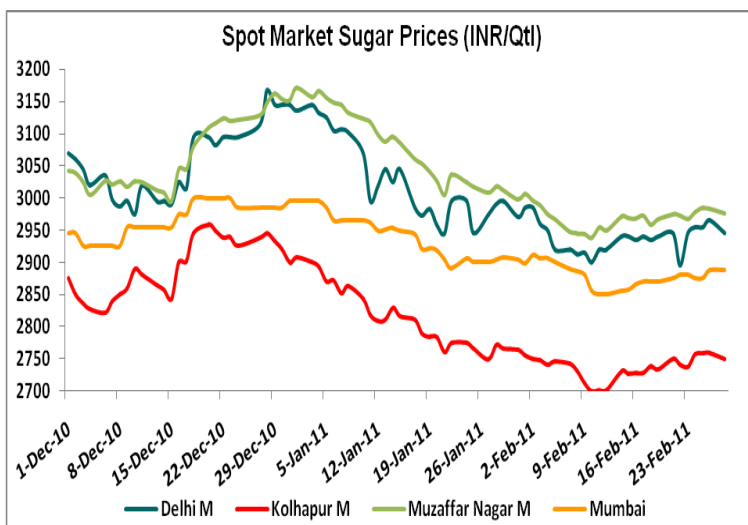
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 05-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2050-2150	+50
Kolhapur	Laddu	2400-3500	Unch
Ahmedabad	Gur	2125	-25

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

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.55	28.13	27.49	28.00	+0.56
	Jul'11	25.47	25.95	25.47	25.93	+0.53
	Oct'11	24.55	25.04	24.55	25.03	+0.51
LIFFE Sugar (US \$/MT)	May'11	714.00	727.40	712.00	716.20	+3.00
	Aug'11	665.00	679.50	664.40	667.30	+4.10
	Oct'11	649.40	660.60	649.40	650.00	+2.90
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 5-4-11)

Commodity	Place	Price	% Change
Raw Sugar FOB KDP	Santos Port	664.25	+5.50
Raw Sugar C&F KDP	Black Sea	704.25	+5.50
Sugar White FOB	Santos Port	774.75	+3.50

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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