

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 0.45 cent to 27.55 cents a pound.

In London, refined-sugar futures for May delivery rose \$6.10 to \$722.30 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Sugar prices are steady to negative at various spot markets as sluggish demand and good Sugarcane production data in 3rd advanced estimate pressurizes the prices downwards on Wednesday.
- Sugar prices in Vijayawada, Delhi, Nagpur, Kolkata and Chennai remains unchanged. Price has decreased in Maharashtra and UP market in comparison to previous day.
- In Davengere district (Karnataka), average actual cane yield has been increased 11.11% to 40 tonne/ acre in the marketing year 2010-11 from 36 tonne/ acre in 2009-10 due to good monsoon in the district this year. As per a survey, Out of 3 mills in the region, 1 mill have been questioned to fetch the area and yield data. In this district, we consider 8500 acre cane reserved area in this district out of 20000 acre sugar cane area which is 42.50% area of Davengere district.
- Average recovery in the mill in Davengere district is as of 6th April hovers near 8.33% in 2010-11 from 8.20% 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 in various markets as market could not find adequate cues to decide the prices either side. Gur Prices in Muzaffar Nagar and Ahmadabad market steady while Kolhapur market closed due to strike on Wednesday.
- The Gur arrival at Muzaffar Nagar is 8000 per 40kg while arrivals in Ahmadabad market of gur are 2625 per 40 kg or 7 truck.
- No diversion from sugarcane to Jaggery in Davengere district (Karnataka) according to the data collected by 1 mill in the district out of 3.

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	2649	2640	2630	2654
Support & Resistance				
S2	S1	PCP	R1	R2
2630	2640	2640	2654	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	958	949	943	963
Support & Resistance				
S2	S1	PCP	R1	R2
943	949	961	963	974

NCDEX Gur Price Spread

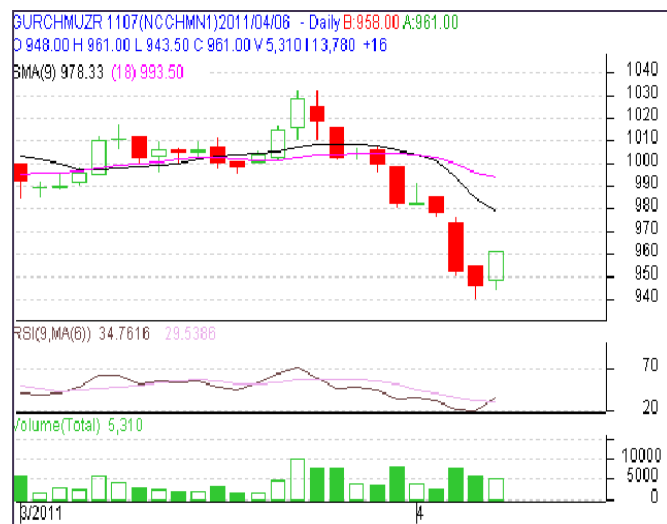
NCDEX Spread	July	Sept	Nov
July	0	10	-54
Sept	10	0	-64
Nov	-54	-64	0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	99	163
May	99	0	64
June	163	64	0

Prices at Key Markets

Centre	Grade/Variety	Prices 06-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3025	Unch
	Sugar S	2950	Unch
Khatauli	Sugar Ready	2940	-5
Ramala	Sugar Ready	2890	-10
Mumbai	Sugar M	2821-2900	-5
	Sugar S	2710-2800	-10
Kolhapur	Sugar M	2661-2740	-5
	Sugar S	2550-2640	-10
Vijaywada	Sugar M	2900	Unch
	Sugar S	2870	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2900	Unch
Kolkata	Sugar M	2950	Unch
Chennai	Sugar S	2650	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		05/04/2011	04/04/2011	
Kolhapur	Sugar M Total	2563	2253	+310
Kolhapur	Sugar S Total	3051	3051	Unch
Source: NCDEX				

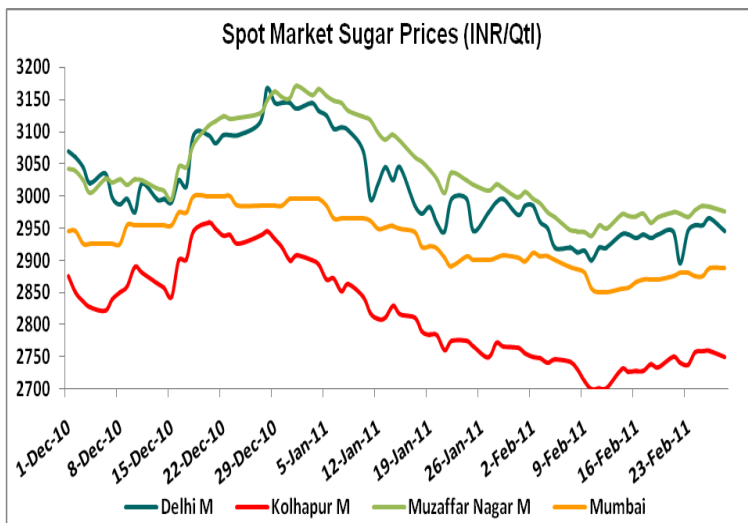
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 06-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2050-2150	Unch
Kolhapur	Laddu	2400-3500	Closed
Ahmedabad	Gur	2125	Unch

International Futures Quotes (as on 5-4-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.86	28.07	27.43	27.55	-0.45
	Jul'11	25.82	25.93	25.51	25.62	-0.31
	Oct'11	24.89	25.04	24.70	24.98	-0.05
LIFFE Sugar (US \$/MT)	May'11	718.70	727.00	715.80	722.30	+6.10
	Aug'11	668.10	677.90	667.40	670.80	+3.50
	Oct'11	653.00	657.90	652.30	657.10	+7.10
White Sugar Premium \$/MT	May'11	-	-	-	113.25	+13.50
	Aug'11	-	-	-	106.25	-1.75
	Oct'11	-	-	-	108.25	-3.25

Spot Market prices trend



(Source: NCDEX)

Kingsmen Sugar Quotes (as on 6-4-11)

Commodity	Place	Price	% Change
Raw Sugar FOB KDP	Santos Port	654.00	-10.25
Raw Sugar C&F KDP	Black Sea	694.00	-10.25
Sugar White FOB	Santos Port	764.75	-10.00

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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