

Price Drivers

- Govt gives 6 months extension to stock holding limit.
- Govt. fixed May month levy sugar quota to 2.13 lakh tonnes - Media Sources.
- Govt may issue notification for 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 0.84 cent to 26.71 cents a pound.

In London, refined-sugar futures for May delivery declined \$16.50 to \$705.80 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Mixed sentiment recorded in various spot markets as sluggish demand and high levy sugar quota for May pressurizes the prices downwards on Thursday.
- Ministry of Agriculture (Govt. of India) has fixed the levy sugar quota for May month 2011 at 2.13 lakh tonnes, higher than 2.07 lakh tonnes in April. According to Media Sources.
- In Bellary District (Karnataka), average reserved area in 2010-11 has been increased 15.31% to 10482 acre from 9090 acre in 2009-10. According to a survey by Agriwatch, Sugarcane average reserved area in Bellary district would remains same in the next harvesting season 2011-12. Average Actual yield has also been increased from 35 tonnes/acre in 2009-10 to 37 tonnes/acre in 2010-11 due to good monsoon in the sowing year 2009-10 which further supports the overall sugar production scenario in 2010-11. According to survey by Agriwatch, 1 mill has been questioned to get the actual yield and reserved area in this district.
- Average recovery in the mill in Bellary district is as of 7th April hovers near 10.6% in 2010-11 from 10.30% 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 in the market drags the prices downwards. Gur Prices in Muzaffar Nagar steady while Kolhapur market closed due to strike on Thursday. Prices of gur in Ahmadabad decreased on Thursday.
- The Gur arrival at Muzaffar Nagar is 9000 per 40kg while arrivals in Ahmadabad market of gur are 750 per 40 kg or 2 truck.
- Diversion from sugarcane to Jaggery in Bellary district (Karnataka) was 20% in 2010-11 according to the data collected by 1 mill 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	2626	2613	2590	2632
Support & Resistance				
S2	S1	PCP	R1	R2
2590	2613	2630	2632	2660



Technical Analysis:

- As reflected in the chart Gur prices are moving downwards.
- Price trading below 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	956	949	943	959
Support & Resistance				
S2	S1	PCP	R1	R2
943	949	958.5	959	963

NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	11.5	-58.5
Sept		0	-70
Nov			0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	90	153
May		0	63
June			0

Prices at Key Markets

Centre	Grade/Variety	Prices 07-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3025	Unch
	Sugar S	2950	Unch
Khatauli	Sugar Ready	2940	Unch
Ramala	Sugar Ready	2990	+10
Mumbai	Sugar M	2821-2906	+6
	Sugar S	2766-2800	Unch
Kolhapur	Sugar M	2661-2746	+6
	Sugar S	2606-2640	Unch
Vijaywada	Sugar M	2900	Unch
	Sugar S	2870	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2860	-40
Kolkata	Sugar M	2950	Unch
Chennai	Sugar S	2650	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		06/04/2011	05/04/2011	
Kolhapur	Sugar M Total	2563	2563	Unch
Kolhapur	Sugar S Total	3051	3051	Unch
Source: NCDEX				

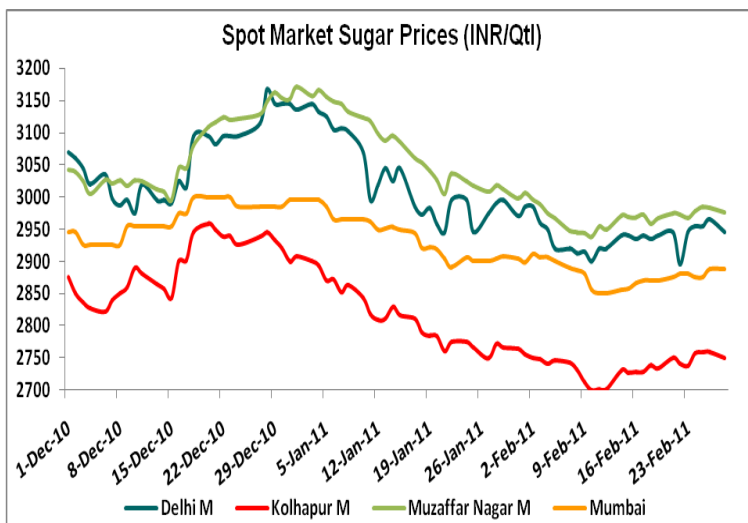
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 07-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2050-2150	Unch
Kolhapur	Laddu	2400-3500	Closed
Ahmedabad	Gur	2100	-25

International Futures Quotes (as on 6-4-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	27.55	27.74	26.57	26.71	-0.84
	Jul'11	25.64	25.77	24.76	24.97	-0.65
	Oct'11	24.97	25.14	24.35	24.55	-0.43
LIFFE Sugar (US \$/MT)	May'11	724.00	725.40	705.00	705.80	-16.50
	Aug'11	672.70	673.90	652.40	653.40	-17.40
	Oct'11	660.50	660.70	643.50	643.80	-13.30
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)

Brazil Sugar Quotes (Kingsmen) as on 7-4-11

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	625.25	-28.75
Raw Sugar C&F (\$/MT)	Black Sea	665.25	-28.75
Sugar White FOB (\$/MT)	Santos Port	746.00	-18.75

Thailand Sugar Quotes as on 21-3-11

Commodity	Del. Date	Price	% Change
Thailand Raw 11(US Cent/lb)	12 - Jan	24.95	-1.32
Thailand 100 P1(\$/MT)	12 - Mar	632.00	-29.20

ICE Sugar Futures Mar'11 Contract



LIFFE Sugar Futures Mar'11 Contract



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