

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 25.66 cents a pound.

In London, refined-sugar futures for Aug delivery declined \$3.80 to \$651.60 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Mixed sentiment recorded in various spot markets as sluggish demand and reduction in mills gate prices pressurizes the prices downwards in Delhi, UP and Nagpur markets while prices has increased in Kolkata on Saturday.
- In Bijapur District (Karnataka), average reserved area in 2010-11 has been marginally decreased to 17493 hectare from 17950 acre in 2009-10. According to a survey by Agriwatch, Sugarcane average reserved area in Bijapur district would remains same in the next harvesting season 2011-12. Average actual yield has also been decreased from 34.77 tonnes/acre in 2009-10 to 30 tonnes/acre in 2010-11 due to late rains in the September and October month which further pressurizes the overall sugar production scenario in 2010-11. In Bijapur district, 1 mill has been questioned to fetch the data of reserved area and actual yield out of the total mills. We covered 50% reserved area out of the 35000 hectares sugarcane reserved area in the Bijapur district
- Average recovery in the mill in Bijapur district is as of 7th April hovers near 11.26% in 2010-11 from 11.2% 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

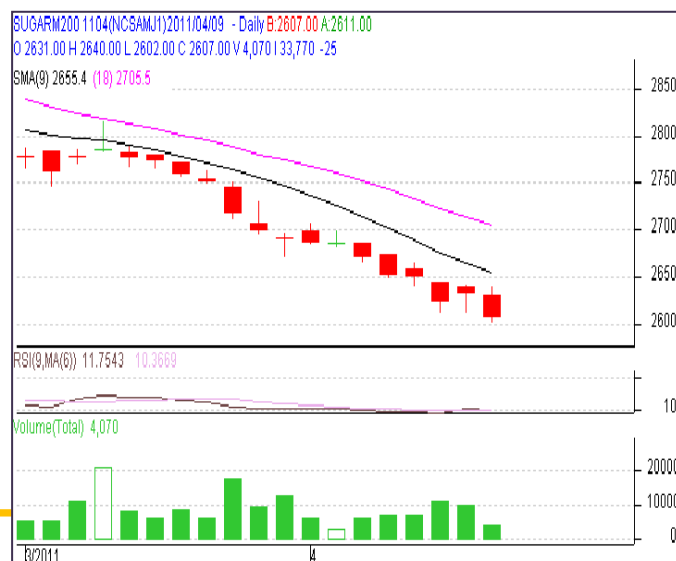
- Gur prices are steady to positive in various markets as good demand in the Ahmadabad market supports the prices upwards. Kolhapur market closed due to strike on Saturday. Prices of gur in Ahmadabad and Muzaffar Nagar increased owing to sluggish arrivals in comparison to previous day.
- According to traders, Arrivals of Gur in Muzaffar Nagar market is good and demand is weak but after 5-10 days, arrival of gur may come down owing to labour are likely to occupy in wheat harvesting that will further put impact on labour shortage for jaggery production in the region.
- The Gur arrival at Muzaffar Nagar is 5000 per 40kg while arrivals in Ahmadabad market of gur are 750 per 40 kg or 2 trucks.
- Diversion from sugarcane to Jaggery in Bijapur district (Karnataka) was 5% 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	2613	2600	2590	2620
Support & Resistance				
S2	S1	PCP	R1	R2
2590	2600	2607	2620	2637



Technical Analysis:

- As reflected in the chart Gur prices are moving downwards.
- Price trading below 9 EMA and 18 EMA which further indicates bearishness.
- However, oscillators such as RSI and Stochastic are moving up from 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	952	948	961
Support & Resistance				
S2	S1	PCP	R1	R2
948	952	962	961	963

NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	20	-59.5
Sept		0	-79.5
Nov			0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	78	143
May		0	65
June			0

Prices at Key Markets

Centre	Grade/Variety	Prices 09-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3025	Unch
	Sugar S	2925	-25
Khatauli	Sugar Ready	2921	-14
Ramala	Sugar Ready	2890	Unch
Mumbai	Sugar M	2811-2891	Unch
	Sugar S	2761-2791	Unch
Kolhapur	Sugar M	2651-2731	Unch
	Sugar S	2601-2631	Unch
Vijaywada	Sugar M	2900	Unch
	Sugar S	2870	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2860	-40
Kolkata	Sugar M	3010	+30
Chennai	Sugar S	2650	Unch



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		08/04/2011	07/04/2011	
Kolhapur	Sugar M Total	3612	2563	+1049
Kolhapur	Sugar S Total	3001	3001	Unch
Source: NCDEX				

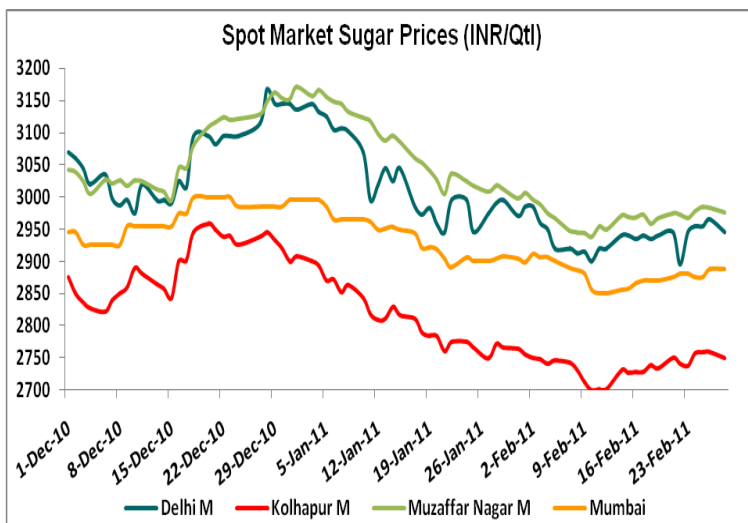
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 09-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2100-2200	+50
Kolhapur	Laddu	2400-3500	Unch
Ahmedabad	Gur	2200	+50

International Futures Quotes (as on 8-4-11)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	26.54	26.78	25.51	25.66	-0.84
	Jul'11	25.35	25.54	24.66	24.88	-0.39
	Oct'11	24.94	25.08	24.47	24.67	-0.27
LIFFE Sugar (US \$/MT)	Aug'11	662.30	667.70	648.90	651.60	-3.80
	Oct'11	652.80	655.60	640.10	642.50	-3.80
	Dec'11	647.00	647.00	633.50	636.60	-3.00
White Sugar Premium \$/MT	May'11	-	-	-	131.50	+6.25
	Aug'11	-	-	-	103.50	-2.50
	Oct'11	-	-	-	103.50	-6.25

Spot Market prices trend



(Source: NCDEX)

Brazil Sugar Quotes (Kingsmen) as on 8-4-11

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	605.50	-19.75
Raw Sugar C&F (\$/MT)	Black Sea	645.50	-19.75
Sugar White FOB (\$/MT)	Santos Port	739.50	-6.50

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



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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