

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

- Steady to negative sentiments recorded in various spot markets on Monday as sluggish demand and reduction in mills gate prices pressurizes the prices downwards in Maharashtra, UP and Nagpur markets
- In Saharanpur (UP), average reserved area in 2010-11 has been increased 9.27% to 56000 hectare from 51250 acre in 2009-10. According to a survey by Agriwatch, Sugarcane average reserved area in Saharanpur district would increase in the next harvesting season 2011-12 by 9.23% (Estimated). Average actual yield has also been decreased from 525 quintals/hectare in 2009-10 to 466.66 quintals/hectare in 2010-11 due to late rains in the September and October month and grassy roots disease which further pressurizes the overall sugar production scenario in 2010-11. In Saharanpur district, 3 mill has been questioned to fetch the data of reserved area and actual yield out of the total mills. We covered 56% reserved area out of the 100000 hectares sugarcane reserved area in the Saharanpur district.
- Average recovery in the mill in Saharanpur district is as of 11th April hovers near 9.11% in 2010-11 from 8.87% 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 good demand in the Ahmadabad market supports the prices upwards. Prices in Kolhapur market remains unchanged while prices in Muzaffar nagar decreased owing to ample supply of Gur in the market.
- 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 1875 per 40 kg or 5 trucks.
- Diversion from sugarcane to Jaggery in Saharanpur district (UP) was 30% in 2010-11 according to the data collected by 3 mill in the district.

Technical Analysis:

- As reflected in the chart sugar prices are moving downwards. Price also hovers 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	2595	2584	2578	2600
Support & Resistance				
S2	S1	PCP	R1	R2
2578	2584	2593	2600	2611



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
Buy Above	974	978	980	972
Support & Resistance				
S2	S1	PCP	R1	R2
969	972	974	978	980



NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	26	-49
Sept		0	-75
Nov			0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	102	170
May		0	68
June			0

Prices at Key Markets

Centre	Grade/Variety	Prices 11-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3025	Unch
	Sugar S	2925	Unch
Khatauli	Sugar Ready	2905	-16
Ramala	Sugar Ready	2890	Unch
Mumbai	Sugar M	2811-2891	Unch
	Sugar S	2756-2786	-5
Kolhapur	Sugar M	2651-2731	Unch
	Sugar S	2596-2626	-5
Vijaywada	Sugar M	2900	Unch
	Sugar S	2850	Unch
Nagpur	Sugar M	2950	Unch
	Sugar S	2850	-10
Kolkata	Sugar M	3010	Unch
Chennai	Sugar S	2650	Unch

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		09/04/2011	08/04/2011	
Kolhapur	Sugar M Total	3612	3612	Unch
Kolhapur	Sugar S Total	3001	3001	Unch
Source: NCDEX				

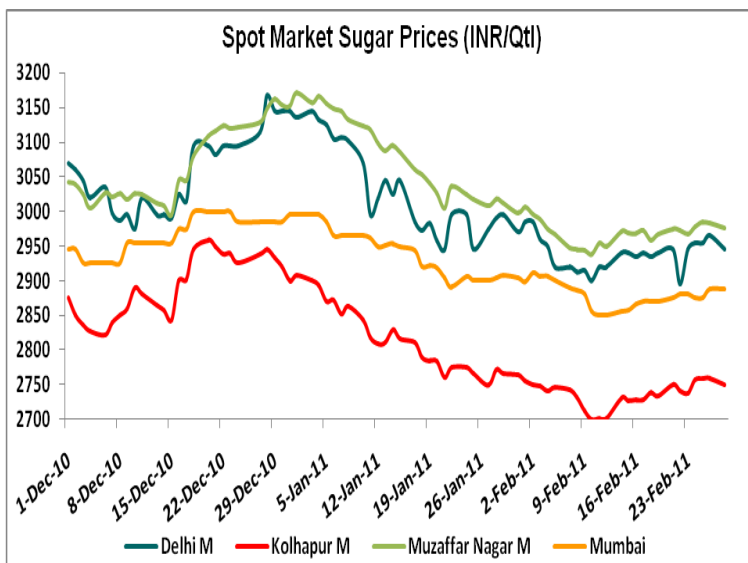
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 11-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2100-2150	-50
Kolhapur	Laddu	2400-3500	Unch
Ahmedabad	Gur	2300	+100

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 11-4-11

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	593.00	-12.50
Raw Sugar C&F (\$/MT)	Black Sea	635.00	-10.50
Sugar White FOB (\$/MT)	Santos Port	731.00	-8.50

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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