

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 0.46 cent to 25.58 cents a pound.

In London, refined-sugar futures for Aug delivery declined \$7.90 to \$649.10 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Mixed sentiments recorded in various spot markets of sugar on Wednesday as markets could not find adequate cues to decide the prices either side. Prices have been increased at UP markets as demand has picked up from Punjab market. Prices also decreased in Vijayawada and Delhi market due to sluggish demand while mixed prices recorded in Maharashtra market.
- Mills in UP state has crushed 641.59 lakh tonnes of sugarcane and produced 58.61 lakh tonnes sugar with an average recovery of 9.13%. UP govt. estimated 65 lakh tonnes sugar production in the crushing year 2010-11 but the target is not seems to be achieved as only 6 mills are left in the state and will close within 7 days. Mills in the state has crushed 562.99 lakh tonnes sugarcane and produced 51.29 lakh tonnes sugar with in an average recovery of 9.11% in crushing year 2009-10. The sugar production seems to increase by 14.27% in 2010-11 in comparison to 2009-10 same period.
- Sugar production in UP is likely to be on lower (near to 60 lakh tonnes) against targeted total production of 65 lakh tonnes for 2010-11 season due to reportedly low recovery rate in the state. However, production for this season is likely to be higher from last year 51.79 lakh tonnes, which may keep domestic prices on softer side.
- 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 high sugar quota for April month 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 sluggish arrivals in the Muzaffar nagar market supports the prices upwards. Prices in Kolhapur market remains unchanged due to strike while prices in Ahmadabad 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 4000 mund (1mund= 40kg) while arrivals in Ahmadabad market of gur are 750 mund or 2 trucks.

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 (May) Contract

Call	Entry	T1	T2	SL
Sell Below	2712	2700	2693	2719
Support & Resistance				
S2	S1	PCP	R1	R2
2693	2700	2713	2719	2730



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	990	996	998	987
Support & Resistance				
S2	S1	PCP	R1	R2
984	987	988	996	998



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 13-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	3000	-25
	Sugar S	2890	-35
Khatauli	Sugar Ready	2935	+30
Ramala	Sugar Ready	2890	Unch
Mumbai	Sugar M	2810-2896	+5
	Sugar S	2761-2781	-5
Kolhapur	Sugar M	2650-2736	+5
	Sugar S	2601-2621	-5
Vijaywada	Sugar M	2880	-20
	Sugar S	2850	Unch
Nagpur	Sugar M	2900	Unch
	Sugar S	2850	Unch
Kolkata	Sugar M	2930	-
Chennai	Sugar S	2650	Unch

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		12/04/2011	11/04/2011	
Kolhapur	Sugar M Total	3612	3612	Unch
Kolhapur	Sugar S Total	3001	3001	Unch
Source: NCDEX				

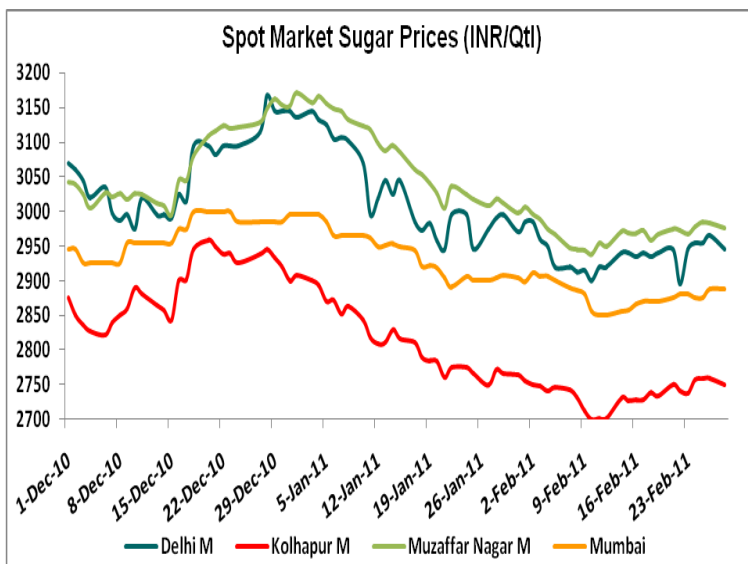
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 13-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2150-2200	+50
Kolhapur	Laddu	2400-3500	Unch
Ahmedabad	Gur	2250	-50

International Futures Quotes (as on 12-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	25.95	26.39	25.47	25.58	-0.46
	Jul'11	24.65	25.03	23.96	24.37	-0.47
	Oct'11	24.57	24.78	23.87	24.33	-0.33
LIFFE Sugar (US \$/MT)	Aug'11	657	663.30	645	649.10	-7.90
	Oct'11	647.00	648.60	633.20	637.10	-10.20
	Dec'11	642.00	642.50	628.80	632.40	-9.10
White Sugar Premium \$/MT	May'11	-	-	-	131.00	-0.50
	Aug'11	-	-	-	113.75	+10.25
	Oct'11	-	-	-	104.00	-0.50

Spot Market prices trend



(Source: NCDEX)

Brazil Sugar Quotes (Kingsmen) as on 13-4-2011

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	584.75	-17.75
Raw Sugar C&F (\$/MT)	Black Sea	626.75	-17.75
Sugar White FOB (\$/MT)	Santos Port	722.50	-18.00

Thailand Sugar Quotes as on 21-3-2011

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

(Prices of Thailand as on 21st March 2011)

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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