

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 0.35 cent to 24.44 cents a pound.

In London, refined-sugar futures for Aug delivery declined \$2.80 to \$638.40 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Mostly steady to weak sentiments witnessed in most of the sugar cash markets due to the sluggish demand of the commodity at current levels.
- China is facing a shortfall of the commodity and sources revealed that Chinese government is holding low level of state reserves and this might force the country to import huge quantity of sugar from global markets. Reports of Chinese buying will support international sugar prices.
- Thailand, world's second largest sugar exporter is expected to harvest record cane crop during current year. Heavy rainfall in late 2010 and increased planting will make the country to produce around 9 million tonnes of sugar out of which around 6.2 million tonnes will be available for exports.
- 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

- Muzaffarnagar market remained closed due to Hanuman Jayanti. While improved demand in Gujarat has improved its prices by Rs 50/qtl.
- 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 375 mund or 1 truck.

Technical Analysis:

- Sugar chart indicates buying interest in the market supported by increase in volume.
- Price trading below 9 EMA and 18 EMA indicates bearish.
- However, oscillators such as RSI and Stochastic are moving up which further supports bullish sentiments.
- Buying for a short term is advisable.

Trade Recommendation – Sugar NCDEX (May) Contract

Call	Entry	T1	T2	SL
Buy below	2715	2725	2730	2708
Support & Resistance				
S2	S1	PCP	R1	R2
2693	2700	2720	2730	2751



Technical Analysis:

- As reflected in the chart Gur prices are moving upwards.
- Price trading above 9 EMA and 18 EMA which further indicates bullishness.
- However, oscillators such as RSI and Stochastic are moving up further supports buying interest.
- Buying for a short term is advisable.

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Buy Below	987	992	994	984
Support & Resistance				
S2	S1	PCP	R1	R2
976	982	991	995	998

NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	15.5	-59.5
Sept		0	-75
Nov			0

NCDEX Sugar Price Spread

NCDEX Spread	Apr	May	June
Apr	0	95	167
May		0	72
June			0

Prices at Key Markets

Centre	Grade/Variety	Prices 18-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	2925-2940	-60
	Sugar S	2890-2910	+10
Khatauli	Sugar Ready	2940	Unch
Ramala	Sugar Ready	2900	+10
Mumbai	Sugar M	2801-2901	-5
	Sugar S	2766-2791	-10
Kolhapur	Sugar M	2641-2741	-5
	Sugar S	2606-2631	-10
Vijaywada	Sugar M	2900	Unch
	Sugar S	2850	Unch
Nagpur	Sugar M	2920	Unch
	Sugar S	2870	-10
Kolkata	Sugar M	-	-
Chennai	Sugar S	2610-2660	+10



Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		15/04/2011	13/04/2011	
Kolhapur	Sugar M Total	3962	3962	Unch
Kolhapur	Sugar S Total	3001	3001	Unch
Source: NCDEX				

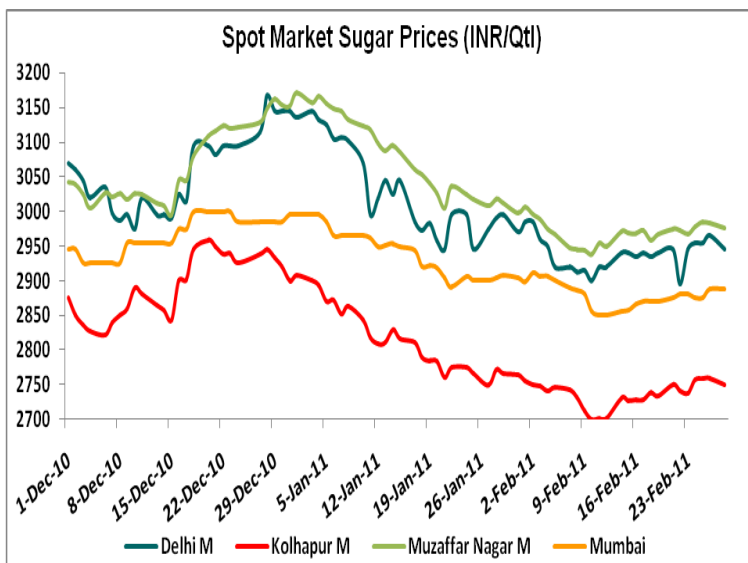
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 18-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	-	-
Kolhapur	Laddu	-	-
Ahmedabad	Gur	-	-

International Futures Quotes (as on 14-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	24.85	25.05	24.35	24.44	-0.35
	Jul'11	23.65	23.86	22.95	23.06	-0.59
	Oct'11	23.80	23.98	23.10	23.23	-0.67
LIFFE Sugar (US \$/MT)	Aug'11	639.10	640.90	628.80	638.40	-2.80
	Oct'11	625.70	629.70	617.70	624.30	-5.30
	Dec'11	621.20	623.40	613.40	619.00	-6.60
White Sugar Premium \$/MT	May'11	-	-	-	150.75	+19.75
	Aug'11	-	-	-	121.25	+8.50
	Oct'11	-	-	-	104.75	+0.75

Spot Market prices trend



(Source: NCDEX)

Brazil Sugar Quotes (Kingsmen) as on 18-4-2011

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	561.00	-
Raw Sugar C&F (\$/MT)	Black Sea	603.00	-
Sugar White FOB (\$/MT)	Santos Port	706.00	+0.25

Thailand Sugar Quotes as on 15-4-2011

Commodity	Del. Date	Price	% Change
Thailand Raw 11(US Cent/lb)	12 - Jan	25.27	+0.32
Thailand 100 P1(\$/MT)	12 - Mar	632.00	-

(Prices of Thailand 100 P1 as on 21st March 2011)

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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