

#### 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. has raised minimum cane purchase price to Rs.145/quintal.

#### ICE Sugar Futures Market

Raw-sugar futures for May delivery declined 0.19 cent to 24.40 cents a pound.

In London, refined-sugar futures for Aug delivery declined \$10.70 to \$622.00 a metric ton on NYSE Liffe.

#### Market Analysis of Sugar

- Mixed sentiments recorded in various spot markets of sugar on Tuesday as markets could not find adequate cues to decide the prices either side. Prices have been increased at Nagpur and Delhi market while prices decreased in Maharashtra market due to sluggish demand while mixed prices recorded in UP, Kolkata, Nagpur, Vijayawada and Chennai market.
- In Rauzagaun district (UP), average sugarcane reserved area in 2010-11 has been increased 18.75% to 19000 hectares from 16000 hectare in 2009-10. According to a survey by Agriwatch, Sugarcane average reserved area in Rauzagaun district would increase in the next harvesting season 2011-12 by 26.32% (Estimated). Average actual yield has also been increased from 537 quintals/hectare in 2009-10 to 537 quintals/hectare in 2010-11 due to average rains in the sowing year 2009-10 which further supports the overall sugar production scenario in 2010-11. In Rauzagaun district, 1 mill has been questioned to fetch the data of reserved area and actual yield out of the total mills. We covered 100% sugarcane reserved area in the Rauzagaun district.
- Average recovery in the mill in Rauzagaun district is as of 19th April hovers near 9.5% in 2010-11 from 9.88% 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 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 positive in various markets as sluggish arrivals in the Muzaffar nagar and Ahmadabad market supports the prices upwards.
- The Gur arrival at Muzaffar Nagar is 6000 mund (1mund= 40kg) while there is no arrivals of Gur in Ahmadabad market.
- Diversion from sugarcane to Jaggery in Rauzagaun district (UP) was 10% in 2010-11 according to the data collected by only 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.
- Buy below the support level would be the best strategy.

#### Trade Recommendation - Sugar NCDEX (May) Contract

Call	Entry	T1	T2	SL
Buy Above	2724	2732	2736	2720
Support & Resistance				
S2	S1	PCP	R1	R2
2714	2720	2725	2732	2736



#### 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.
- Buy below the resistance level would be the best strategy.

#### Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Buy Above	991	994	996	989
<b>Support &amp; Resistance</b>				
S2	S1	PCP	R1	R2
985	989	992	994	997



#### 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 19-04-11 (Rs./Qtl)	Chng. from Prior Day
Delhi	Sugar M	2940	Unch
	Sugar S	2920	+10
Khatauli	Sugar Ready	2925	Unch
Ramala	Sugar Ready	2900	Unch
Mumbai	Sugar M	2812-2901	Unch
	Sugar S	2761-2786	-5
Kolhapur	Sugar M	2641-2741	Unch
	Sugar S	2601-2626	-5
Vijaywada	Sugar M	2900	Unch
	Sugar S	2850	Unch
Nagpur	Sugar M	2900	Unch
	Sugar S	2900	+30
Kolkata	Sugar M	2940	Unch
Chennai	Sugar S	2660	Unch

#### Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		18/04/2011	16/04/2011	
Kolhapur	Sugar M Total	3962	3962	Unch
Kolhapur	Sugar S Total	3001	3001	Unch
Source: NCDEX				

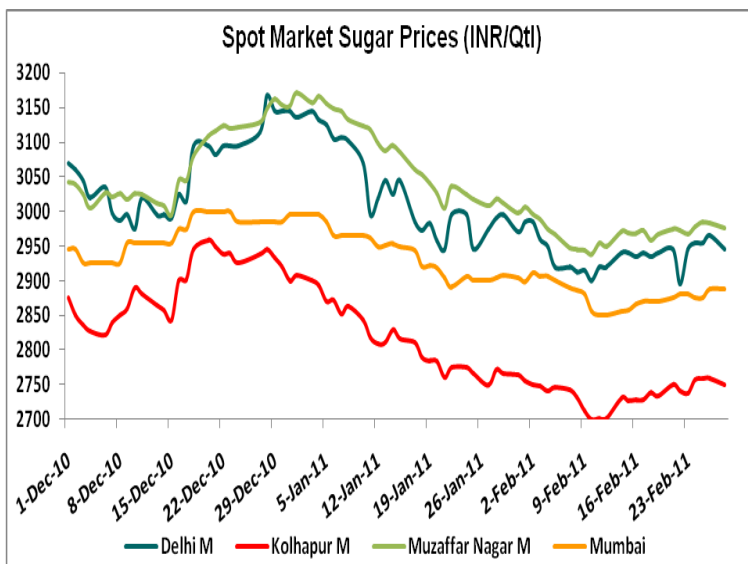
#### Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 19-04-2011 (Rs./Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2125-2200	+50
Kolhapur	Laddu	2400-3500	Unch
Ahmedabad	Gur	2250	+50

#### International Futures Quotes (as on 18-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	24.70	24.88	24.00	24.40	-0.19
	Jul'11	22.97	23.16	22.40	22.79	-0.18
	Oct'11	23.20	23.27	22.57	22.97	-0.14
LIFFE Sugar (US \$/MT)	Aug'11	626.40	634.20	617.90	622.00	-10.70
	Oct'11	613.90	615.10	599.30	603.20	-12.50
	Dec'11	611.70	611.70	595.00	602.80	-8.90
White Sugar Premium \$/MT	May'11	-	-	-	148.50	-2.25
	Aug'11	-	-	-	120.25	-1.00
	Oct'11	-	-	-	101.25	-3.50

#### Spot Market prices trend



(Source: NCDEX)

#### Brazil Sugar Quotes (Kingsmen) as on 19-4-2011

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	562.00	-6.00
Raw Sugar C&F (\$/MT)	Black Sea	606.00	-6.00
Sugar White FOB (\$/MT)	Santos Port	700.00	-5.75

#### Thailand Sugar Quotes as on 19-4-2011

Commodity	Del. Date	Price	% Change
Thailand Raw 11(US Cent/lb)	12 - Jan	23.90	-1.38
Thailand 100 P1(\$/MT)	12 - Mar	627.50	-4.50

#### ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

#### LIFFE Sugar Futures Mar'11 Contract



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