

Price Drivers

- Govt gives 6 months extension to stock holding limit.
- Govt notifies the 5 lakh tonnes sugar export under OGL.
- 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 0.13 cent to 24.27 cents a pound.

In London, refined-sugar futures for Aug delivery declined \$3.00 to \$625.00 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Negative sentiments recorded in various spot markets of sugar on Wednesday as markets millers sell sugar on decreased prices to fulfill the allotted quota for april month. Prices have been increased at UP, Maharashtra and Delhi market while steady prices recorded in Kolkata, Nagpur, Vijayawada and Chennai market.
- Govt. notifies export of 5 lac tons of raw, white and refined sugar under OGL including export of 0.515 lac tons to neighbouring countries.
- In Ghosi district (UP), average sugarcane reserved area in 2010-11 has been decreased 3.01% to 7565 hectares from 7800 hectare in 2009-10. According to a survey by Agriwatch, Sugarcane average reserved area in Ghosi district would increase in the next harvesting season 2011-12 by 13.21% (Estimated). Average actual yield has been increased from 400 quintals/hectare in 2009-10 to 419 quintals/hectare in 2010-11 due to average rains in the sowing year 2009-10 and good cane price given to the farmers which further supports the overall sugar production scenario in 2010-11. In Ghosi 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 Ghosi district.
- Average recovery in the mill in Ghosi district is as of 19th April hovers near 7.71% in 2010-11.
- 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 panic selling by millers. However demand has been improved slightly from retail as well as cold drinks makers. 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 expected speculation in Gur supports the prices upwards in the Muzaffar nagar according to reliable sources. Prices of Gur in Kolhapur and Ahmadabad market remains steady on Wednesday.
- The Gur arrival at Muzaffar Nagar is 5000 munda (1munda= 40kg) while Gur Arrivals in Ahmadabad market is 750 munda or 2 trucks.
- Diversion from sugarcane to Jaggery in Ghosi district (UP) was 20% 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 upwards. Price also moving from oversold to overbought territory.
- Price trading above 9 EMA but below 18 EMA. Prices may go down further as far as fundamentals are concerned.
- However, oscillators such as RSI and Stochastic are going towards oversold region.
- Sell below the support level would be the best strategy.

Trade Recommendation - Sugar NCDEX (May) Contract

Call	Entry	T1	T2	SL
Sell below	2725	2716	2710	2729
Support & Resistance				
S2	S1	PCP	R1	R2
2710	2716	2732	2729	2736



Technical Analysis:

- As reflected in the chart Gur prices are moving upwards.
- Price trading below 9 EMA and 18 EMA however Gur price touched upper Bollinger bands which suggests bearishness in the price.
- However, oscillators such as RSI and Stochastic are in a overbought region which further suggests bearishness.
- Sell below the resistance level would be the best strategy.

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Sell Below	1023	1017	1012	1026
Support & Resistance				
S2	S1	PCP	R1	R2
1012	1017	1024.50	1026	1032



NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	15.5	-58
Sept		0	-73.5
Nov			

NCDEX Sugar Price Spread

NCDEX Spread	May	June	July
May	0	73	128
June		0	55
July			

Prices at Key Markets

Centre	Grade/Variety	Prices 20-04-11 (Rs./Qtl)	Chng. from Prior Day
Delhi	Sugar M	2930	-10
	Sugar S	2900	-20
Khatauli	Sugar Ready	2925	Unch
Ramala	Sugar Ready	2875	-25
Mumbai	Sugar M	2801-2891	-10
	Sugar S	2761-2781	-5
Kolhapur	Sugar M	2641-2731	-10
	Sugar S	2601-2621	-5
Vijaywada	Sugar M	2900	Unch
	Sugar S	2850	Unch
Nagpur	Sugar M	2900	Unch
	Sugar S	2900	Unch
Kolkata	Sugar M	2940	Unch
Chennai	Sugar S	2660	Unch

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		19/04/2011	18/04/2011	
Kolhapur	Sugar M Total	4761	3962	+799
Kolhapur	Sugar S Total	3001	3001	Unch
Source: NCDEX				

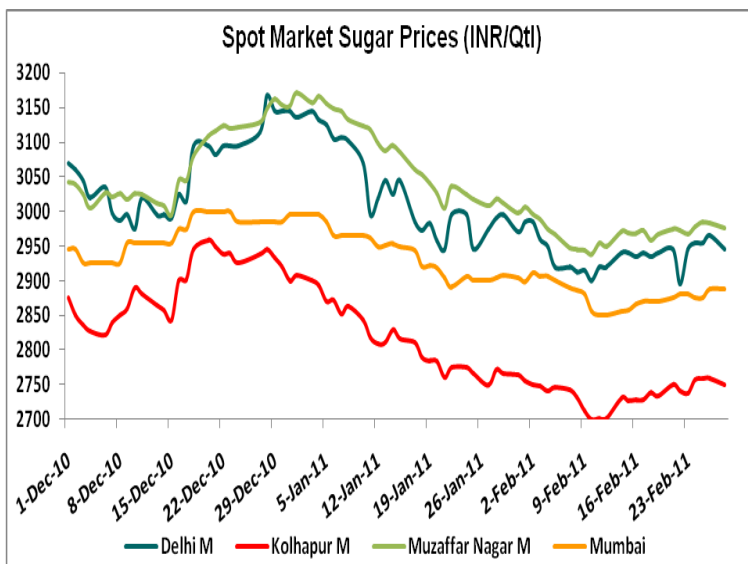
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 20-04-2011 (Rs./Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2150-2250	+50
Kolhapur	Laddu	2400-3500	Unch
Ahmedabad	Gur	2250	Unch

International Futures Quotes (as on 19-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	24.40	24.71	24.15	24.27	-0.13
	Jul'11	22.82	23.20	22.54	22.62	-0.17
	Oct'11	23.33	23.33	22.64	22.72	-0.25
LIFFE Sugar (US \$/MT)	Aug'11	625.00	625.00	625.00	625.00	+3.00
	Oct'11	605.80	605.80	605.80	605.80	+2.60
	Dec'11	605.20	605.20	605.20	605.20	+2.40
White Sugar Premium \$/MT	Aug'11	-	-	-	123.00	+2.75
	Oct'11	-	-	-	103.00	+1.75
	Dec'11	-	-	-	98.00	-

Spot Market prices trend



(Source: NCDEX)

Brazil Sugar Quotes (Kingsmen) as on 20-4-2011

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	566.25	+4.25
Raw Sugar C&F (\$/MT)	Black Sea	610.25	+4.25
Sugar White FOB (\$/MT)	Santos Port	704.00	+4.00

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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