

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 rose 0.93 cent to 25.20 cents a pound.

In London, refined-sugar futures for Aug delivery rose \$13.70 to \$638.70 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Mixed sentiments recorded in various spot markets of sugar on Thursday as markets could not find adequate cues to decide the prices either side. Prices have been decreased at UP, and Kolkata market while steady prices recorded in Maharashtra, Nagpur, Vijayawada and Chennai market while prices of Sugar M in Delhi market increased owing to increased retail demand and Sugar S has been decreased in Delhi market.
- As on 20th April 2011, mills in UP has crushed 643.13 lakh tonnes sugarcane and produced 58.75 lakh tonnes sugar with an average recovery of 9.14%. Sugar production has been increased in this crushing season 2010-11 by 13.44% in comparison to 2009-10. Last year same period, mills in UP has crushed 564.79 lakh tonnes sugarcane and produced 51.79 lakh tonnes sugar with an average recovery of 9.11.
- It is noticeable that all mills are closed in UP and Sugar production estimated by UP state i.e 65 lakh tonnes has not been met. So clearly there is shortage of 6.25 lakh tonnes from UP state alone that will reduce the government estimate to 24 million tonnes approximately from 24.5 million tonnes.
- 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 less arrivals and expected speculation in Gur supports the prices upwards in the Muzaffar nagar and Ahmedabad market, according to reliable sources. Prices of Gur in Kolhapur market remains steady on Thursday.
- The Gur arrival at Muzaffar Nagar is 2000 mund (1mund= 40kg) while Gur Arrivals in Ahmadabad market is 750 mund or 2 trucks.

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.
- Stay away from the market would be the best strategy.

Trade Recommendation – Sugar NCDEX (May) Contract

Call	Entry	T1	T2	SL
Stay Away	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
-	-	2725	-	-



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.
- Buy Above the support level would be the best strategy.

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Buy Above	1038	1044	1047	1035
Support & Resistance				
S2	S1	PCP	R1	R2
1030	1035	1039	1044	1047



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 21-04-11 (Rs./Qtl)	Chng. from Prior Day
Delhi	Sugar M	2945	+15
	Sugar S	2885	-15
Khatauli	Sugar Ready	2920	-5
Ramala	Sugar Ready	2875	Unch
Mumbai	Sugar M	2801-2891	Unch
	Sugar S	2761-2781	Unch
Kolhapur	Sugar M	2641-2731	Unch
	Sugar S	2601-2621	Unch
Vijaywada	Sugar M	2900	Unch
	Sugar S	2850	Unch
Nagpur	Sugar M	2900	Unch
	Sugar S	2900	Unch
Kolkata	Sugar M New	2980	-15
Chennai	Sugar S	2660	Unch

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		20/04/2011	19/04/2011	
Kolhapur	Sugar M Total	4761	4761	Unch
Kolhapur	Sugar S Total	3001	3001	Unch
Source: NCDEX				

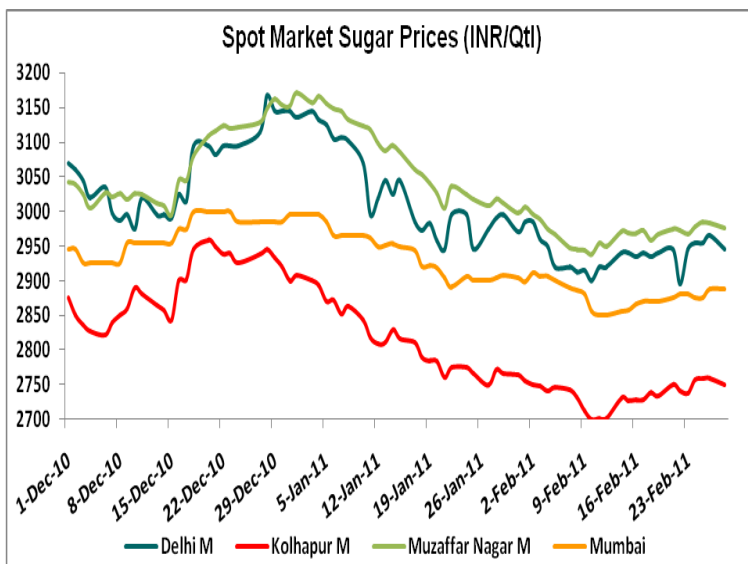
Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 21-04-2011 (Rs./Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2200-2350	+100
Kolhapur	Laddu	2400-3500	Unch
Ahmedabad	Gur	2375	+125

International Futures Quotes (as on 20-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	24.48	25.30	24.47	25.20	+0.93
	Jul'11	22.79	23.67	22.78	23.53	+0.91
	Oct'11	22.82	23.58	22.82	23.47	+0.75
LIFFE Sugar (US \$/MT)	Aug'11	625.70	641.50	625.70	638.70	+13.70
	Oct'11	608.80	618.90	608.70	615.70	+9.90
	Dec'11	605.20	616.70	605.20	615.50	+10.30
White Sugar Premium \$/MT	Aug'11	-	-	-	120.50	-2.50
	Oct'11	-	-	-	100.75	-2.25
	Dec'11	-	-	-	100.00	+2.00

Spot Market prices trend



(Source: NCDEX)

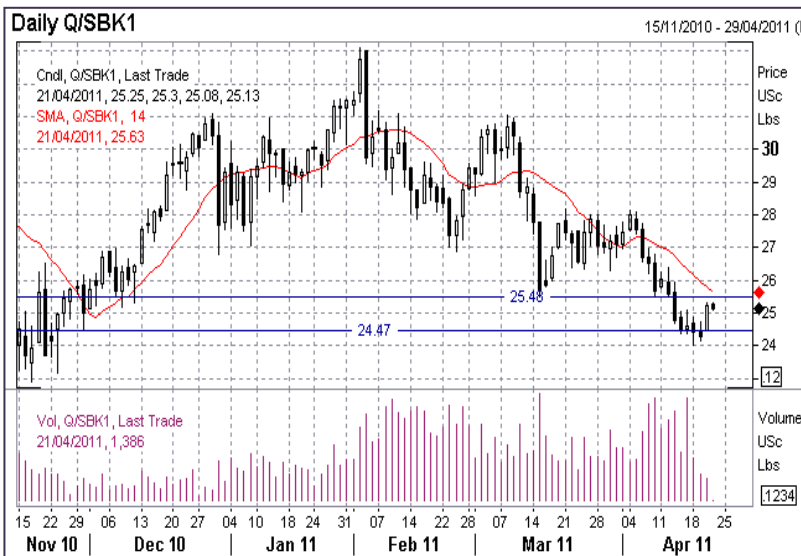
Brazil Sugar Quotes (Kingsmen) as on 21-4-2011

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	575.25	+9.00
Raw Sugar C&F (\$/MT)	Black Sea	619.25	+9.00
Sugar White FOB (\$/MT)	Santos Port	713.25	+9.25

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



DISCLAIMER

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>