

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 0.28 cent to 25.48 cents a pound.

In London, refined-sugar futures for Aug delivery rose \$0.40 to \$639.10 a metric ton on NYSE Liffe.

Market Analysis of Sugar

- Negative sentiments recorded in various spot markets of sugar on Monday as sluggish demand and high sugar production estimate by Govt. pressurizes the prices downwards. Prices have been decreased at UP, Maharashtra, Chennai and Kolkata market while steady prices recorded in Delhi and Vijayawada market in comparison to previous day.
- USDA revised India's sugar production estimate from 23.6 million tonnes to 24 million tonnes.
- As on 15th April 2011, mills in Karnataka has crushed 300 lakh tonnes sugarcane and produced 33 lakh tonnes sugar with an average recovery of 11%. Sugar production has been increased in this crushing season 2010-11 by 37.50% in comparison to 2009-10. Last year same period, mills in Karnataka has crushed 222 lakh tonnes sugarcane and produced 24 lakh tonnes sugar with an average recovery of 10.8%. Increased production of sugar in Karnataka further supports the production estimate of sugar by Govt in the crushing year 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 less arrivals and expected speculation in Gur supports the prices upwards in the Muzaffar nagar and Ahmedabad market, according to reliable sources.
- The Gur arrival at Muzaffar Nagar is 4000 mund (1mund= 40kg) while Gur Arrivals in Ahmadabad market is 750 mund or 2 trucks on Monday.

Technical Analysis:

- As reflected in the chart sugar prices are moving downwards. Price also moving from oversold to oversold 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 from support level would be the best strategy.

Trade Recommendation - Sugar NCDEX (May) Contract

Call	Entry	T1	T2	SL
Sell Below	2692	2685	2680	2695
Support & Resistance				
S2	S1	PCP	R1	R2
2680	2685	2694	2695	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 an 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	1084	1096	1106	1078
Support & Resistance				
S2	S1	PCP	R1	R2
1030	1078	1080	1096	1106



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			

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		20/04/2011	19/04/2011	
Kolhapur	Sugar M Total	4571	4761	-190
Kolhapur	Sugar S Total	2610	3001	-390
Source: NCDEX				

Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 25-04-2011 (Rs./Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2400-2500	+150
Ahmedabad	Gur	2450	+75

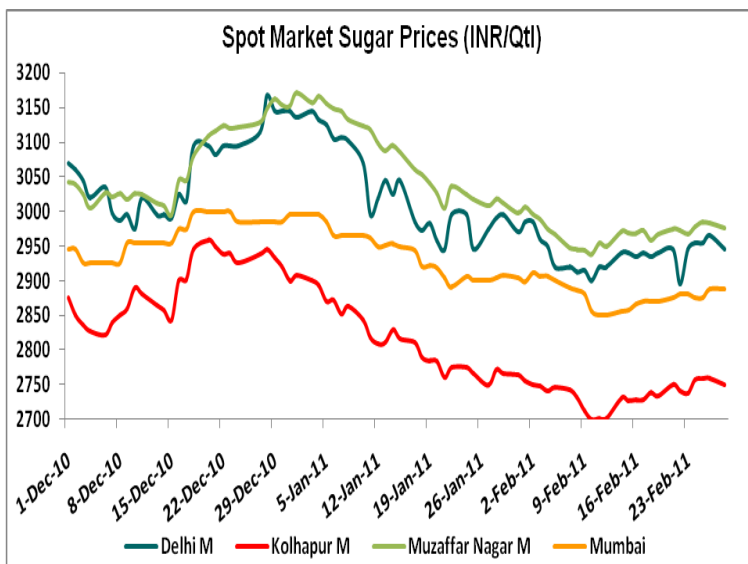
Prices at Key Markets

Centre	Grade/Variety	Prices 25-04-11 (Rs./Qtl)	Chng. from Prior Day
Delhi	Sugar M	2950	-
	Sugar S	2850	-
Khatauli	Sugar Ready	2890	-30
Ramala	Sugar Ready	2860	-15
Mumbai	Sugar M	2801-2881	-10
	Sugar S	2761-2771	-10
Kolhapur	Sugar M	2641-2721	-10
	Sugar S	2601-2611	-10
Vijaywada	Sugar M	2900	Unch
	Sugar S	2850	Unch
Nagpur	Sugar M	2900	Unch
	Sugar S	2875	-25
Kolkata	Sugar M New	2965	-15
Chennai	Sugar S	2655	-5

International Futures Quotes (as on 21-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	25.25	25.52	24.80	25.48	+0.28
	Jul'11	23.45	23.84	23.01	23.80	+0.27
	Oct'11	23.45	23.61	22.86	23.56	+0.09
LIFFE Sugar (US \$/MT)	Aug'11	637.50	639.40	626.80	639.10	+0.40
	Oct'11	615.10	620.60	605.60	619.10	+3.40
	Dec'11	613.90	620.30	607.00	619.50	+4.00
White Sugar Premium \$/MT	Aug'11	-	-	-	122.50	+2.00
	Oct'11	-	-	-	100.75	Unch
	Dec'11	-	-	-	100.25	+0.25

Spot Market prices trend



(Source: NCDEX)

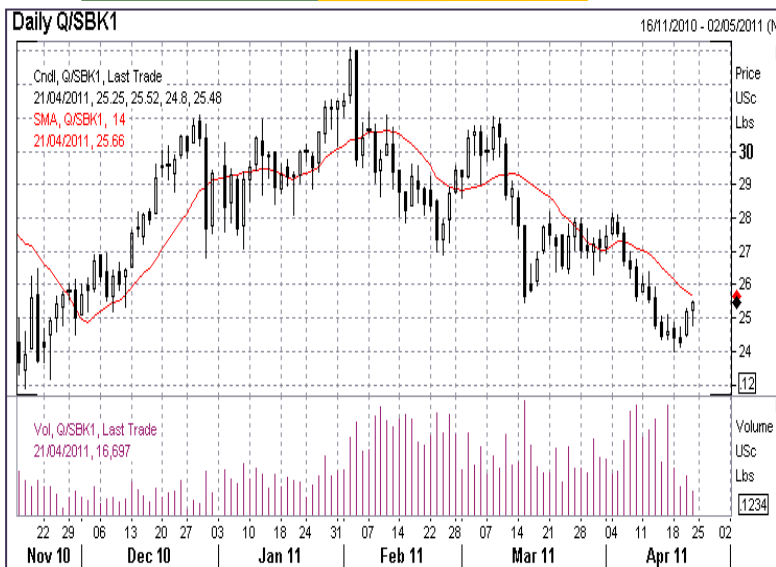
Brazil Sugar Quotes (Kingsmen) as on 21-4-2011

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



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