

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 0.41 cent to 25.07 cents a pound. While Liffe market was closed on Monday.

Market Analysis of Sugar

- Negative sentiments recorded in various spot markets of sugar on Tuesday as sluggish demand and sluggish buying from Cold drinks makers pressurizes the prices downwards. It is noticeable that in the previous week, cold drink makers take 60-70 tonnes of sugar from mills but now it has been decreased. According to Reliable sources. Prices have been decreased at UP, Maharashtra, Nagpur, Chennai and Kolkata market while steady prices recorded in Delhi market in comparison to previous day.
- Indian sugar mills is trying to negotiate the export contracts as soon as possible as supplies from Brazil, the world's largest producer, are expected to hit the market from June onwards. Also falling international sugar prices in ICE and LIFFE exchanges will squeeze the profit margins.
- India may consider allowing more sugar exports under the open general licence in addition to the 500,000 metric tons it approved last week as govt. is expecting good production over consumption stats of sugar in the marketing year 2010-11. Govt is expecting the sugar production in between 24.5 to 25 million tonnes while demand is expecting to hovers 22 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 steady to negative in various markets as good arrivals of Gur pressurize the prices upwards in the Muzaffar nagar while Gur prices was steady in Ahmedabad market on Tuesday.
- The Gur arrival at Muzaffar Nagar is 4000 mund (1mund= 40kg) while Gur Arrivals in Ahmadabad market is 750 mund or 2 trucks on Tuesday.

Technical Analysis:

- As reflected in the chart sugar prices are moving downwards. Price also moving from oversold to oversold territory.
- Price trading below 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	2672	2667	2663	2675
Support & Resistance				
S2	S1	PCP	R1	R2
2663	2667	2674	2675	2681



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.
- Sell below the support level would be the best strategy.

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Sell Below	1053	1042	1037	1058
Support & Resistance				
S2	S1	PCP	R1	R2
1037	1042	1055.50	1058	1076



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
		25/04/2011	20/04/2011	
Kolhapur	Sugar M Total	4571	4761	Unch
Kolhapur	Sugar S Total	2410	2610	-200
Source: NCDEX				

Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 25-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2300-2400	-100
Ahmedabad	Gur	2450	Unch

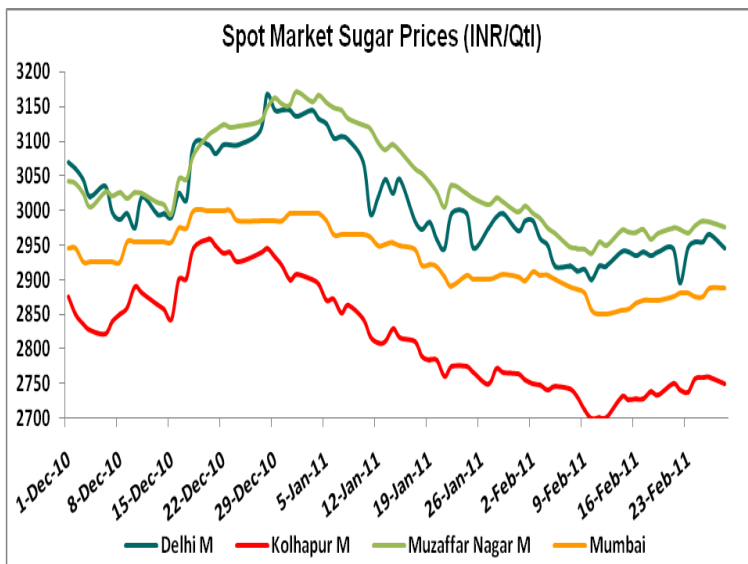
Prices at Key Markets

Centre	Grade/Variety	Prices 25-04-11 (Rs/Qtl)	Prices 26-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	2950	2950	Unch
	Sugar S	2850	2850	Unch
Khatauli	Sugar Ready	2890	2880	-10
Ramala	Sugar Ready	2860	2850	-10
Mumbai	Sugar M	2770-2850	2750-2830	-20
	Sugar S	2710-2750	2690-2730	-20
Kolhapur	Sugar M	2661-2741	2590-2670	-20
	Sugar S	2550-2590	2530-2570	-20
Vijaywada	Sugar M	2900	2900	Unch
	Sugar S	2850	2860	+10
Nagpur	Sugar M	2900	2900	Unch
	Sugar S	2875	2850	-25
Kolkata	Sugar M New	2965	2935	-30
Chennai	Sugar S	2650	2655	-5

International Futures Quotes (as on 25-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	25.50	25.60	25.00	25.07	-0.41
	Jul'11	23.95	23.96	23.31	23.40	-0.40
	Oct'11	23.60	23.68	23.06	23.19	-0.37
LIFFE Sugar (US \$/MT)	Aug'11	637.50	639.40	626.80	639.10	Closed
	Oct'11	615.10	620.60	605.60	619.10	Closed
	Dec'11	613.90	620.30	607.00	619.50	Closed
White Sugar Premium \$/MT	Aug'11	-	-	-	122.50	Closed
	Oct'11	-	-	-	100.75	Closed
	Dec'11	-	-	-	100.25	Closed

Spot Market prices trend



(Source: NCDEX)

Brazil Sugar Quotes (Kingsman) as on 26-4-2011

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	572.00	-3.25
Raw Sugar C&F (\$/MT)	Black Sea	616.00	-3.25
Sugar White FOB (\$/MT)	Santos Port	709.75	-3.50

Thailand Sugar Quotes as on 19-4-2011

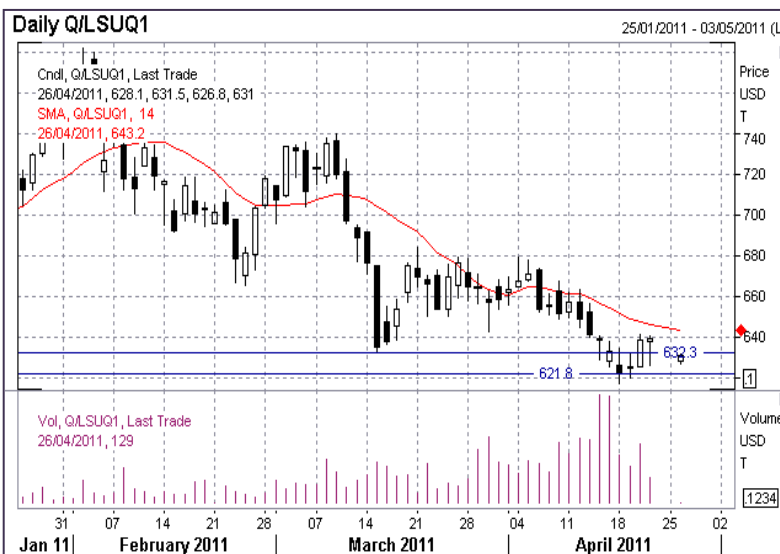
Commodity	Del. Date	Price	% Change
Thailand Raw 11 FOB(US Cent/lb)	12 - Jan	23.90	-1.38
Thailand 100 P1 FOB(\$/MT)	12 - Mar	627.50	-4.50

ICE Sugar Futures Mar'11 Contract



(Source: Reuters)

LIFFE Sugar Futures Mar'11 Contract



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