

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 25.94 cents a pound.

In London, White sugar futures for August delivery declined \$6.00 to settle at \$633.10 per tonne.

Market Analysis of Sugar

- Mixed sentiments recorded in various spot markets of sugar as market could not find adequate cues to decide the prices either side. Prices remains steady in UP, Delhi, Chennai, Vijayawada and Kolkata market while firm sentiments recorded in Nagpur market in comparison to previous day while mixed sentiments seen in Maharashtra market.
- In Sitapur District (UP), average reserved sugarcane area in 2010-11 has been increased 6% to 53000 hectare from 50000 hectare in 2009-10. According to a survey by Agriwatch, Sugarcane average reserved area in Sitapur district would remains same in the next harvesting season 2011-12. Average Actual yield has also been increased from 295 tonnes/hectare in 2009-10 to 305 tonnes/hectare in 2010-11 due to better climatic conditions and high share of plant crop which further supports the overall sugar production scenario in 2010-11. In Sitapur district, 2 mill has been questioned to fetch the data of reserved area and actual yield out of the total mills.
- Average recovery in the Sitapur district is as of 27th April hovers near 9.37% in 2010-11 decreased marginally from 9.43% 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 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 downwards in the Ahmedabad market while Gur prices was steady in Muzaffar nagar market on Wednesday.
- The Gur arrival at Muzaffar Nagar is 4000 mund (1mund= 40kg) while Gur Arrivals in Ahmedabad market is 750 mund or 2 trucks on Wednesday.
- Average diversion to gur from sugarcane in Sitapur district was 7% in 2010-11.
- Arrivals of gur from mandi will stop in the next 10 days in Ahmedabad. Gur stored in the warehouse will be traded after 10 days.

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	2676	2667	2663	2681
Support & Resistance				
S2	S1	PCP	R1	R2
2663	2667	2694	2681	2696



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	1057	1066	1069	1055
Support & Resistance				
S2	S1	PCP	R1	R2
1042	1055	1064	1066	1069



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
		26/04/2011	25/04/2011	
Kolhapur	Sugar M Total	2651	4761	-2110
Kolhapur	Sugar S Total	1920	2610	-690
Source: NCDEX				

Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 27-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2300-2400	Unch
Ahmedabad	Gur	2400	-50

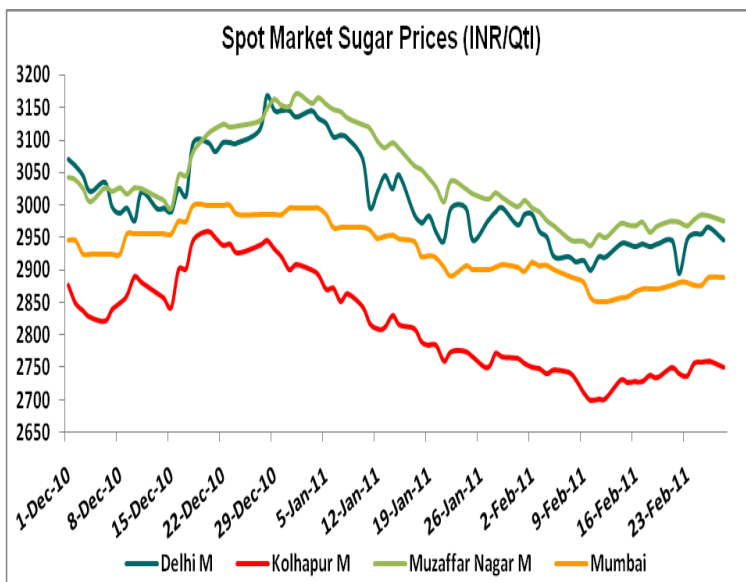
Prices at Key Markets

Centre	Grade/Variety	Prices 26-04-11 (Rs/Qtl)	Prices 27-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	2950	2950	Unch
	Sugar S	2850	2850	Unch
Khatauli	Sugar Ready	2880	2880	Unch
Ramala	Sugar Ready	2850	2850	Unch
Mumbai	Sugar M	2750-2830	2750-2800	-30
	Sugar S	2690-2730	2690-2741	+11
Kolhapur	Sugar M	2590-2670	2590-2640	-30
	Sugar S	2530-2570	2530-2581	+11
Vijaywada	Sugar M	2900	2900	Unch
	Sugar S	2860	2860	Unch
Nagpur	Sugar M	2900	2900	Unch
	Sugar S	2850	2890	+40
Kolkata	Sugar M New	-	2875	-
Chennai	Sugar S	2650	2650	Unch

International Futures Quotes (as on 26-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	25.12	25.25	24.68	24.94	-0.13
	Jul'11	23.37	23.46	22.86	23.24	-0.16
	Oct'11	23.28	23.28	22.71	23.11	-0.08
LIFFE Sugar (US \$/MT)	Aug'11	628.10	638.00	626.80	633.10	-6.00
	Oct'11	608.90	616.60	605.00	613.10	-6.00
	Dec'11	615.30	616.90	612.50	616.90	-2.60
White Sugar Premium \$/MT	Aug'11	-	-	-	118.50	-4.00
	Oct'11	-	-	-	101.75	+1.00
	Dec'11	-	-	-	105.50	+5.25

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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