

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 0.39 cent to 24.55 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 Delhi, Chennai, and Nagpur market while firm sentiments recorded in, Maharashtra and Vijayawada market in comparison to previous day while mixed sentiments seen in UP market.
- India has approved around 30,000 tonnes of unrestricted sugar exports, starting overseas sales of a total 500,000 tonnes on April 19, government sources said on Thursday. Only 16 mills have been allowed for about 30000 tonnes.
- Sugar fell for a third straight day as production may increase 37 percent in Thailand to 9.47 percent owing to good rainfall results in improved yields. According to Media Sources, Thailand, the world's biggest exporter after Brazil, may increase its shipments more than record forecast. Increased supplies may ease the sugar prices downwards in the coming months and also may ease the world sugar deficit.
- 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 positive in various markets as good demand of Gur supports the prices upwards in the Ahmedabad market while Gur prices was steady in Muzaffar nagar market on Thursday.
- The Gur arrival at Muzaffar Nagar is 4000 mund (1mund= 40kg) while Gur Arrivals in Ahmedabad market is 1125 mund or 3 trucks on Thursday.
- 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 upwards. Price trading above 9 EMA and 18 EMA.
- Also, 9 day EMA is trying to break 18 day EMA which further suggests bullishness.
- Prices have increased with volume and open interest further suggests bullishness.
- However, oscillators such as RSI and Stochastic are going towards overbought region.
- Buy above from resistance level would be the best strategy.

Trade Recommendation - Sugar NCDEX (May) Contract

Call	Entry	T1	T2	SL
Buy Above	2717	2726	2731	2713
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.
- Sell below the support level would be the best strategy.

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Sell Below	1056	1051	1047	1059
Support & Resistance				
S2	S1	PCP	R1	R2
1047	1051	1061.5	1059	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
		27/04/2011	26/04/2011	
Kolhapur	Sugar M Total	2601	2651	-50
Kolhapur	Sugar S Total	1810	1920	-110
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	2450	+50

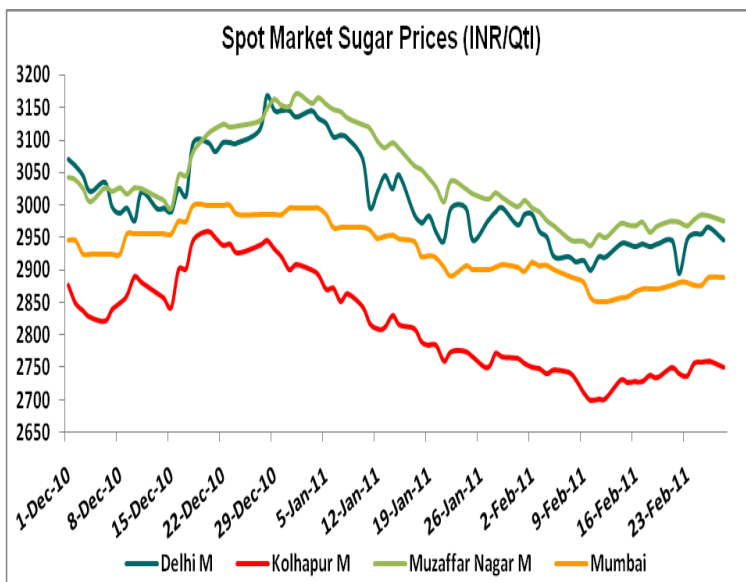
Prices at Key Markets

Centre	Grade/Variety	Prices 27-04-11 (Rs/Qtl)	Prices 28-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	2950	2950	Unch
	Sugar S	2850	2850	Unch
Khatauli	Sugar Ready	2880	2885	+5
Ramala	Sugar Ready	2850	2845	-5
Mumbai	Sugar M	2750-2880	2791-2891	+11
	Sugar S	2690-2741	2751-2771	+30
Kolhapur	Sugar M	2590-2640	2631-2731	+11
	Sugar S	2530-2581	2591-2611	+30
Vijaywada	Sugar M	2900	2900	Unch
	Sugar S	2860	2865	+5
Nagpur	Sugar M	2900	2900	Unch
	Sugar S	2890	2890	Unch
Kolkata	Sugar M New	2875	2850	-25
Chennai	Sugar S	2650	2650	Unch

International Futures Quotes (as on 27-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	24.92	24.94	24.28	24.55	-0.39
	Jul'11	23.28	23.28	22.61	22.96	-0.28
	Oct'11	23.20	23.27	22.84	23.16	+0.05
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	-	-	-	120.00	+1.50
	Oct'11	-	-	-	100.00	-1.75
	Dec'11	-	-	-	104.50	-1.00

Spot Market prices trend



(Source: NCDEX)

Brazil Sugar Quotes (Kingsman) as on 28-4-2011

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	546.50	-20.00
Raw Sugar C&F (\$/MT)	Black Sea	590.50	-20.00
Sugar White FOB (\$/MT)	Santos Port	697.75	-6.75

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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