

Price Drivers

- Govt notifies the 5 lakh tonnes sugar export under OGL. Also issued first tranche of sugar exports i.e. around 30000 metric tonnes.
- 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 0.63 cent to 23.92 cents a pound.

In London, White sugar futures for August delivery declined \$6.60 to settle at \$626.50 per tonne.

Market Analysis of Sugar

- Sugar prices increased in maximum spot markets on Friday as lower export quota for May month and first tranche of sugar exports under OGL supports the prices upwards. Prices increased in Delhi, UP, Mumbai, Kolkata, Vijayawada, Chennai and Nagpur markets.
- The Government has decided to make available 19.63 lakh tonne of sugar (levy sugar - 2.13 lakh tonne and non-levy sugar - 17.50 lakh tonne) for the month of May, 2011. The validity period for sale of the non-levy sugar quota released for the month of April, 2011 has been extended up to 15-05-2011. Sugar quota for May month lowered in comparison to previous year. Govt released 21.17 lakh tonnes of sugar (levy sugar - 2.17 lakh tonnes and non-levy sugar -19.00 lakh tonnes in May month 2009-10.
- 60% mills have started crushing operations in Brazil's Centre South region. Brazil will crush 568.5 million metric tonnes of cane this year, up 2.1 percent up in 2011-12 harvest in comparison to previous harvest in 2010-11 according to Media sources.
- Sugar prices seems going up owing to summer demand has picked up and lower sugar export quota for May month in comparison to previous year. Also, export demand may support the prices on higher side for the short term.

We expect that sugar prices are in Positive bias in near term due to comparative lower sugar quota for May month and sugar export demand may supports the prices upwards. Meanwhile prices of Sugar in International markets may go down owing to good production scenario from Thailand. Also, supply coming from Brazil may ease prices in the coming days. 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 sluggish demand of Gur pressurizes the prices downwards in the Ahmedabad market while Gur prices was steady in Muzaffar nagar market on Friday.
- The Gur arrival at Muzaffar Nagar is 4000 mund (1mund= 40kg) while Gur Arrivals in Ahmadabad market is 375 mund or 1 trucks on Friday.
- 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	2736	2755	2765	2725
Support & Resistance				
S2	S1	PCP	R1	R2
2718	2725	2732	2755	2765



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

Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Stay Away	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
-	-	1059.50	-	-



NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	17	-83.5
Sept		0	-100.5
Nov			0

NCDEX Sugar Price Spread

NCDEX Spread	May	June	July
May	0	65	117
June		0	52
July			0

Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		28/04/2011	27/04/2011	
Kolhapur	Sugar M Total	2601	2601	Unch
Kolhapur	Sugar S Total	1810	1810	Unch
Source: NCDEX				

Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 29-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2350-2500	Unch
Ahmedabad	Gur	2425	-25

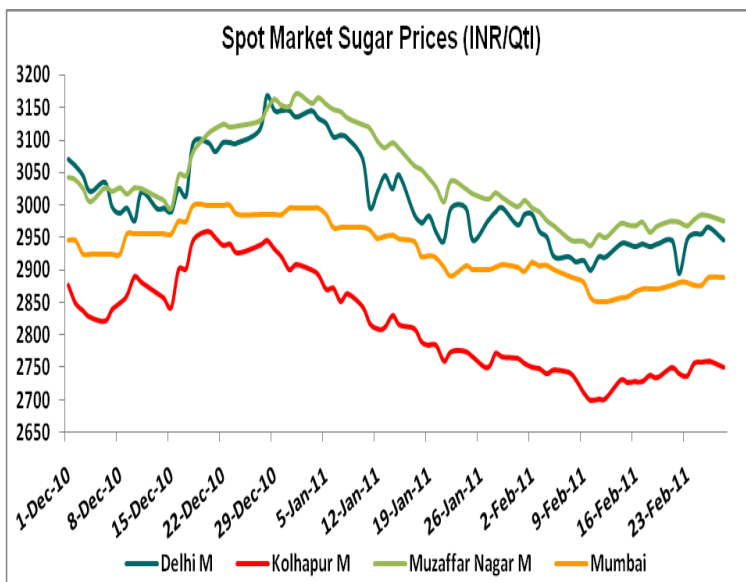
Prices at Key Markets

Centre	Grade/Variety	Prices 28-04-11 (Rs/Qtl)	Prices 29-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	2950	2950	Unch
	Sugar S	2850	2875	+25
Khatauli	Sugar Ready	2885	2890	+5
Ramala	Sugar Ready	2845	2855	+10
Mumbai	Sugar M	2791-2891	2811-2901	+10
	Sugar S	2751-2771	2760-2781	+10
Kolhapur	Sugar M	2631-2731	2651-2741	+10
	Sugar S	2591-2611	2600-2621	+10
Vijaywada	Sugar M	2900	2900	Unch
	Sugar S	2865	2870	+5
Nagpur	Sugar M	2900	2900	Unch
	Sugar S	2890	2900	+10
Kolkata	Sugar M New	2850	2860	+10
Chennai	Sugar S	2650	2655	+5

International Futures Quotes (as on 28-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	24.34	24.55	23.60	23.92	-0.63
	Jul'11	22.78	22.87	21.94	22.51	-0.45
	Oct'11	23.11	23.11	22.20	22.92	-0.24
LIFFE Sugar (US \$/MT)	Aug'11	630.40	631.40	624.30	626.50	-6.60
	Oct'11	607.10	607.60	589.50	601.50	-7.70
	Dec'11	608.90	611.00	595.00	607.40	-6.30
White Sugar Premium \$/MT	Aug'11	-	-	-	118.00	-2.00
	Oct'11	-	-	-	97.50	-2.50
	Dec'11	-	-	-	103.50	-1.00

Spot Market prices trend



(Source: NCDEX)

Brazil Sugar Quotes (Kingsman) as on 29-4-2011

Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	514.00	-32.50
Raw Sugar C&F (\$/MT)	Black Sea	558.00	-32.50
Sugar White FOB (\$/MT)	Santos Port	665.25	-32.50

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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