

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 0.54 cent to 23.38 cents a pound.

In London, White sugar futures for August delivery declined \$11.40 to settle at \$615.10 per tonne.

Market Analysis of Sugar

- Mixed sentiments recorded in various spot markets on Saturday as markets couldn't find adequate cues to decide the prices either side. Prices increased in UP while decreased in Delhi and Mumbai. No change recorded in the prices in Kolkata, Vijayawada, Chennai and Nagpur markets.
- As on 27th April, 2011, Mills in Maharashtra has produced 83.63 lakh tonnes sugar by crushing 738.96 lakh tonnes sugarcane with an average recovery of 11.32%. It is noticeable that sugar production has been increased 24.69% in comparison to 2009-10 sugar production in the same period i.e. 67.07 lakh tonnes.
- Maharashtra state seems to achieve its sugar production estimate of 95 lakh tonnes as all the mills may continue their crushing operations till May end that further supports the overall sugar production scenario.
- Sugar prices seem to be 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 support 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 positive in various markets as sluggish arrivals of Gur supports the prices upwards in the Ahmedabad market while Gur prices were steady in Muzaffar nagar market on Saturday.
- The Gur arrival at Muzaffar Nagar is 2000-3000 mund (1mund= 40kg) while no arrivals reported in Ahmedabad market on Saturday.
- 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 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	2726	2736	2741	2720
Support & Resistance				
S2	S1	PCP	R1	R2
2716	2720	2723	2736	2741



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
-	-	1058	-	-



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
		29/04/2011	28/04/2011	
Kolhapur	Sugar M Total	2571	2601	-30
Kolhapur	Sugar S Total	1110	1810	-700
Source: NCDEX				

Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 30-04-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2400-2500	Unch
Ahmedabad	Gur	2450	+25

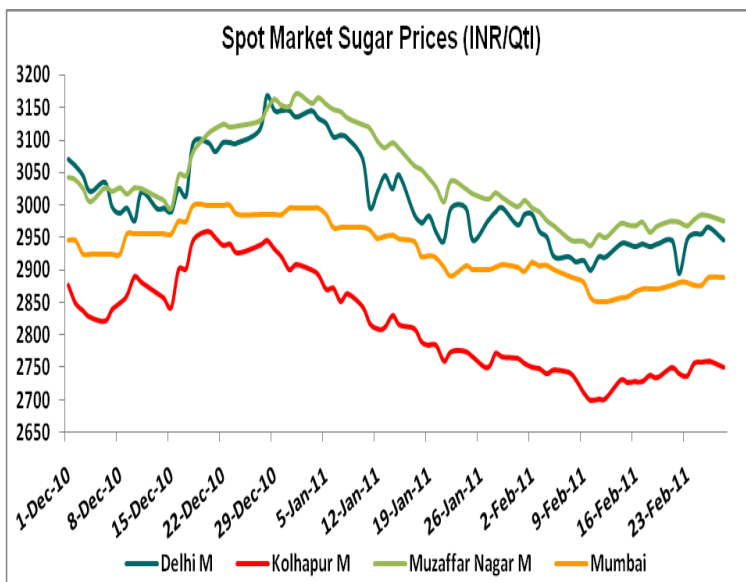
Prices at Key Markets

Centre	Grade/Variety	Prices 29-04-11 (Rs/Qtl)	Prices 30-04-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	2950	2930	-20
	Sugar S	2875	2875	Unch
Khatauli	Sugar Ready	2890	2890	Unch
Ramala	Sugar Ready	2855	2865	+10
Mumbai	Sugar M	2811-2901	2811-2891	-10
	Sugar S	2760-2781	2771-2781	Unch
Kolhapur	Sugar M	2651-2741	2651-2731	-10
	Sugar S	2600-2621	2611-2621	Unch
Vijaywada	Sugar M	2900	2900	Unch
	Sugar S	2870	2870	Unch
Nagpur	Sugar S	2900	2900	Unch
Kolkata	Sugar M New	2860	2860	Unch
Chennai	Sugar S	2655	2655	Unch

International Futures Quotes (as on 29-4-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	May'11	24.09	24.15	22.81	23.38	-0.54
	Jul'11	22.48	22.61	21.75	22.25	-0.26
	Oct'11	23.00	23.00	22.22	22.65	-0.27
LIFFE Sugar (US \$/MT)	Aug'11	624.30	624.70	605.00	615.10	-11.40
	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	Closed
	Oct'11	-	-	-	97.50	Closed
	Dec'11	-	-	-	103.50	Closed

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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