

#### 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.
- Zero import duty on sugar till June.

#### ICE Sugar Futures Market

Raw-sugar futures for July delivery rose 0.12 cents to settle at 21.45 cents a pound.

In London, White sugar futures for August delivery raised \$0.70 to settle at \$602.80 per tonne.

### Market Analysis of Sugar

- Steady to negative sentiments recorded in various spot markets of sugar on Saturday as sluggish demand over supply pressurize the prices.
- Poor demand in Chennai market results in steady prices of sugar while mixed prices recorded in UP market. Prices have been decreased in Kolkata market while prices in Nagpur, Delhi, Maharashtra, Vijayawada remains steady. 30 Trucks delivered in Naka delivery on Saturday.
- Maharashtra sugar co-operative mills sell 12,500 tonnes sugar to exports for exports. Instead of selling sugar directly to overseas buyers, mills sell the sugar to exports owing to paltry quantity of sugar for exports. Earlier govt. allows around 91,000 tonnes of Indian sugar approved for sale, as a part of planned overseas sales of 5, 00,000 tonnes, have been sold at premiums of less than \$50. Mills could earn more profits if government allowed exports in February.
- Stockists are hesitating in maintaining stock at current level as they believe that if demand remains subdued during summer season then prices will fall sharply.
- However, it is expected that demand for the commodity will improve from June onwards as supply is likely to be lower after June 2011 due to the end of crushing season and this might support sugar prices in near term.

*We expect that sugar prices may improve in near term due to expecting summer demand. Also, carryover stock obligation will be completed by Maharashtra mills may support the prices in very short term. 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

- Negative prices recorded in Jaggery on Saturday as very less trade and demand occurs in various spot markets.
- Gur prices in Muzaffar Nagar have been closed due to UP band while low buying support in Ahmadabad market results in decrease in prices. 1 truck or 375 mund has been arrived in Ahmadabad market.
- Trade participants of UP believe that local markets will receive gur for another next one week and arrivals will decline from third week of May onwards.
- Gur from Cold storage may not trade in UP before mid June as severe temperature may perish the chaku gur.
- Gur arrivals have also declined for the reason that stockists have kept gur in cold storage and this has created a situation of supply crunch and hence supports gur prices.

#### Technical Analysis:

- Range bound movement occurs between Rs. 2733-2769, if breached level either side may decide the prices either side.
- Closing of prices below 9 & 18 days EMA supports bearish sentiments in the market.
- However Oscillator like RSI is moving down to oversold region which suggests bullishness in the market.
- Stay away from the market would be advisable.

#### Trade Recommendation – Sugar NCDEX (June) Contract

Call	Entry	T1	T2	SL
Stay Away	-	-	-	-
Support & Resistance				
S2	S1	PCP	R1	R2
-	-	2740	-	-



#### Technical Analysis:

- Prices are in a consolidation phase.
- Closing of prices below 9 & 18 days EMA supports weakness in the market.
- However, oscillators such as RSI are moving in a neutral zone.
- Stay Away from the market would be the best strategy.

#### Trade Recommendation – Gur NCDEX (July.) Contract

Call	Entry	T1	T2	SL
Stay Away	-	-	-	-
<b>Support &amp; Resistance</b>				
S2	S1	PCP	R1	R2
-	-	1037	-	-



#### NCDEX Gur Price Spread

NCDEX Spread	July	Sept	Nov
July	0	18	-79.5
Sept	18	0	-97.5
Nov	-79.5	-97.5	0

#### NCDEX Sugar Price Spread

NCDEX Spread	May	June	July
May	0	20	59
June	20	0	39
July	59	39	0

#### Stock Position of Sugar in NCDEX Warehouse (In MT)

Location	Variety	Dematted Stocks		Change
		12/05/2011	13/05/2011	
Kolhapur	Sugar M Total	2010	2010	Unch
Kolhapur	Sugar S Total	-	-	-
Source: NCDEX				

#### Prices at Key Markets – Gur

Centre	Grade/Variety	Prices 13-05-2011 (Rs/Qtl)	Prices 14-05-2011 (Rs/Qtl)	Change in Rs./Qtl.
Muzaffar Nagar	Chaku	2400-2450	2400-2450	Closed
Muzaffar Nagar (Cold Storage)	Chaku	2700-2750	2700-2750	Closed
Ahmedabad	Gur	2650	2625	-25

#### Prices at Key Markets

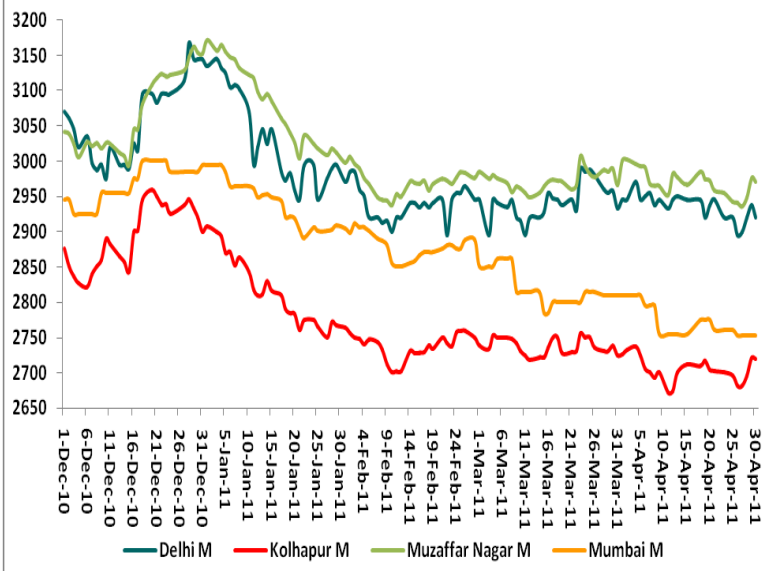
Centre	Grade/Variety	Prices 13-05-11 (Rs/Qtl)	Prices 14-05-11 (Rs/Qtl)	Chng. from Prior Day
Delhi	Sugar M	2920	2920	Unch
	Sugar S	2900	2900	Unch
Khatauli	Sugar Ready	2890	2910	+20
Ramala	Sugar Ready	2840	2830	-10
Mumbai	Sugar M	2801-2891	2801-2891	Unch
	Sugar S	2756-2781	2756-2781	Unch
Kolhapur	Sugar M	2641-2731	2641-2731	Unch
	Sugar S	2596-2621	2596-2621	Unch
Vijaywada	Sugar M	2910	2910	Unch
	Sugar S	2825	2825	Unch
Nagpur	Sugar S	2920	2920	Unch
Kolkata	Sugar SS New	2890	2880	-10
Chennai	Sugar S	2600-2640	2600-2640	Unch

#### International Futures Quotes (as on 13-5-2011)

	Contract Month	Open	High	Low	Close	Change
ICE Sugar #11 (US Cent/lb)	Jul'11	21.70	22.10	21.26	21.45	+0.12
	Oct'11	21.74	22.03	21.29	21.44	-0.07
	Mar'12	22.06	22.35	21.75	21.86	-0.17
LIFFE Sugar (US \$/MT)	Aug'11	605.00	614.80	601.30	602.80	+0.70
	Oct'11	574.10	584.00	571.50	573.60	Unch
	Dec'11	583.30	589.30	579.20	580.90	-1.20
White Sugar Premium \$/MT	Aug'11	-	-	-	130.75	+1.75
	Oct'11	-	-	-	99.00	+1.00
	Dec'11	-	-	-	107.50	Unch

#### Spot Market prices trend

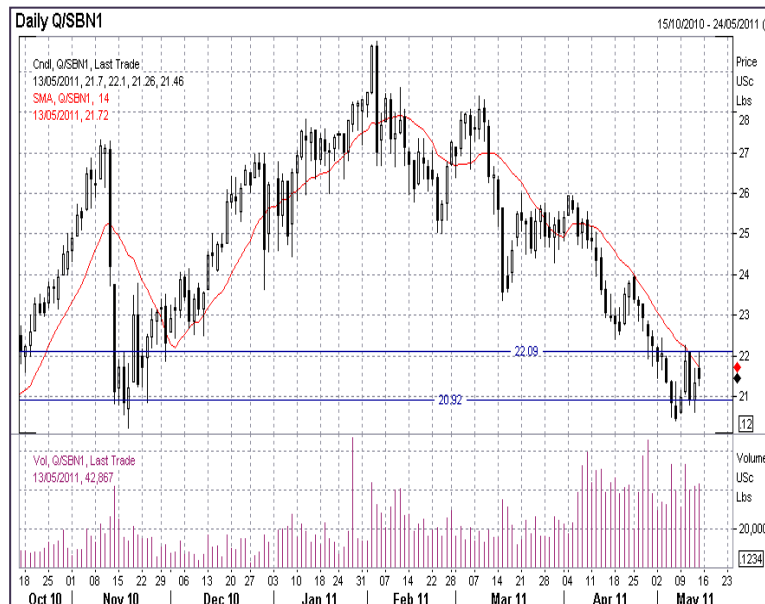
Spot Market Sugar Prices (INR/Qtl)



#### Brazil Sugar Quotes (Kingsman) as on 13-05-2011

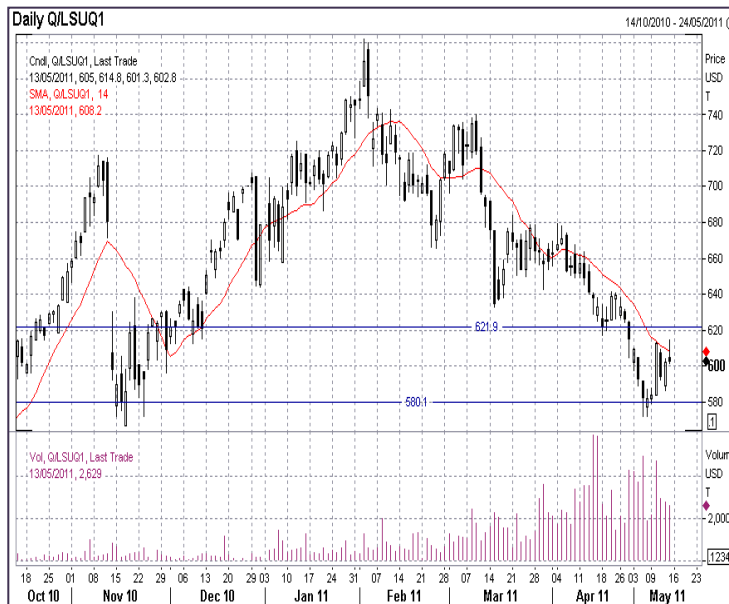
Commodity	Place	Price	% Change
Raw Sugar FOB (\$/MT)	Santos Port	518.25	+19.50
Raw Sugar C&F (\$/MT)	Black Sea	563.25	+19.50
Sugar White FOB (\$/MT)	Santos Port	639.75	+23.00

#### ICE Sugar Futures July'11 Contract



(Source: Reuters)

#### LIFFE Sugar Futures Aug'11 Contract



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