

### Domestic Market Recap:

Sugar prices spiked up during July 2011 but later on softened during the month end. Government notification of additional 5 lack tonnes sugar exports under OGL and improved retail as well as export demand of sugar was the main supportive reasons for spike in sugar prices. However, relatively higher monthly quota and no fresh cues from government to allow additional sugar quota for export bring down the prices during later part of the month..

After allowing 1 million tonnes sugar exports under OGL, government denies further exports possibilities in the marketing year 2010-11 which disappoints the sugar industry and results in sugar price decline during month end. Government has taken this decision keeping in view low opening stock (~3.88 million tonnes) for 2011-12.

On demand front, buyers are seen active during last week of July to meet festival demand of Aug. Favourable buying support by whole sellers and subsequent off-take from the mill gate might lend support to the sugar prices which declined recently with release of sugar quota order. Daily 150000 bags have been lifted from Maharashtra out of which 50000 bags has been lifted from Kolhapur market alone. Sugar lifting might gain momentum during current festival seasons and may improve further by 10000 bags from Kolhapur market.

Demand from UP also witness similar trend and it is likely to improve during coming couple of weeks. UP millers are looking for opportunity to fetch premium for sugar export quota what they have been allotted. At the same time they are getting good response from few of the large export houses for sugar export. Sugar demand from Delhi stay firm these days and wholesalers are looking to purchase sugar from central UP this time owing to relatively lower quotes when compared with West UP.

Trade Channel			
Sourcing market	Muzaffar Nagar	Kolhapur	Lakhimpur Khiri
Consumption center	Delhi	Delhi	Delhi
<b>Loose prices (Rs/Qtl)</b>	<b>2800</b>	<b>2635</b>	<b>2750</b>
Excise duty (In Rs/Qtl)	99.85	99.85	99.85
Loading Charges (Rs/Qtl)	3	4	3
<b>Market expenses borne by purchaser/miller/crushers</b>	<b>102.85</b>	<b>103.85</b>	<b>102.85</b>
Transportation Cost (Rs/Qtl)	36	170	55
Insurance Rs. 2/Bag	2	2	2
Unloading at destinations (Rs/Qtl)	3	3	3
<b>Total transport cost + loading/unloading</b>	<b>41</b>	<b>175</b>	<b>60</b>
<b>Total Cost (Rs/Qtl)</b>	<b>2943.85</b>	<b>2913.85</b>	<b>2912.85</b>
<b>Local Prices at Consumption Center (Rs/Qtl)</b>	<b>2950</b>	<b>2950</b>	<b>2950</b>
<b>Parity/Disparity (Rs/Qtl)</b>	<b>6.15</b>	<b>36.15</b>	<b>37.15</b>

\*Transport rates are for FOR(Freight on Rail)

Upcountry buyer's shows buying interest from Lakhimpur Khiri sugar mill over Muzaffarnagar and Kolhapur centers due to spread advantage.

Meanwhile, government release relatively higher sugar quota (levy sugar – 2.22 lack tonne and non-levy sugar – 17.03 lack tonne) for August compared to previous 3 years average August sugar quota. Higher sugar quota for August month might give shock to the sugar prices initially.

With initial decline in sugar prices it is expected to rebound from lower level during coming month as expected festival demand may pull the prices up.

### **News Highlights:**

- The Government has decided to make available 19.25 lack tonne of sugar quota (levy sugar – 2.22 lack tonne, 0.03 lack tonne of white processed from imported raws and non-levy sugar – 17 lakh tonne) for the month of August 2011. August quota is higher compared to last three years average sugar quota which might pressurize the price in the coming week.
- With optimistic sugar production outlook for 2011-12, India may allow 3 million tonnes sugar exports. Agriwatch pegged its sugar production estimate at 26.4 million tonnes for 2011-12 which is 6.88% higher Y-o-Y. Earlier, trade house ED&F Man also predicts that India can export 3 million tonnes sugar exports in 2011-12.
- Food minister K.V Thomas denies the possibility for further sugar exports till September against industry demand of allowing additional half million tonnes sugar exports under OGL. Earlier, government has allowed in total 2.5 million tonnes (1.5 – ALS and 1 million tonnes – OGL) sugar exports in 2010-11.
- The food ministry has approved 3.89 lack tonne of sugar allocated to the sugar mills for export till 2<sup>nd</sup> August 2011. Total 386 mills have got the license to export sugar so far.
- Government has released 4th Advance Estimate of Sugarcane Production for 2010-11 and estimated 339.17 million tonnes sugarcane production which is marginally down from its April estimates of 340.54 million tonnes. It is noticeable that production of sugarcane, which had attained a record level of 355.52 million tonnes during 2006-07 and declined in subsequent years, has again started improving y-o-y.
- India has marginally raised its sugar production estimate for 2010/11 (Oct/Sep) to 24.5 million tonnes from 24.2 million tonnes previously, According to Food Minister K.V. Thomas. The country produced 18.8 million tonnes of the sweetener in 2009/10.
- Sugar exporters are quoting FOB \$775 per tonne to take advantage of recent spike of International sugar prices. Exporters are taking recent spike in prices as a golden opportunity to sell 500,000 tonnes of sugar exports under OGL approved by Government three weeks ago. Recent price rise also give opportunity to millers to cover their losses as they can ask for premium on domestic price from the export houses.

### **Sugar Production Scenario (2010-11)**

Agriwatch kept its sugar production estimate unchanged to 24.7 million tonnes for MY 2010-11 based on the information received from cane Commissionerate. Agriwatch production estimates stand above the government and industry projection of 24.5 million tonnes. Improved recovery, extended cane crushing programme by mills in Maharashtra and Tamil Nadu and better sugar production figures from Gujarat almost clear the sugar production scenario for 2010-11.

<b>Sugar Production estimate for 2010-11 (In Million Tonnes)</b>
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Indian Government	24.5
ISMA	24.2
<b>Agriwatch</b>	24.7
Sucden	24.0-24.5
ED&F Man	24.5
Maharashtra State Cooperative Sugar Factories Federation (MSCSFF)	24.5

Figures of 2010-11 sugar production exceeds the government and industry associations by 0.2 million tonnes

#### Sugar Production Scenario by Major Sugar Producing States (In lack tonnes)

States	Sugar Production as on 26th June	Expected Time for mills to close operations	Cane crushing continues with additional sugar production (expected)	Total Sugar Production
UP	58.75	Closed	Nil	58.75
Maharashtra	90.2	End of June	0.8	91
Andhra Pradesh	10	Closed	Nil	10
Karnataka	37	Closed	Nil	37
Tamil Nadu	14.48	-	1.91	16.39
Haryana	19.29	Closed	Nil	19.29
Gujarat	12.3	Closed	Nil	12.3
Punjab	3.02	Closed	Nil	3.02
<b>Total</b>	245.04	-	2.71	247.75
<b>Total Govt. estimate</b>	<b>245</b>			

\*Figures as on 26<sup>th</sup> June 2011. Source: State Sugar Commissionerate

#### Planting Situation for 2011-12

Higher cane prices compared to other competitive crops like paddy, wheat and soybean urges farmers to move towards cane planting as revealed from the sowing figures W-o-W. As on 29<sup>th</sup> July 2011, farmers so far covered in 51.81 lack hectares. Higher area has been reported Y-o-Y from Karnataka, Punjab, Uttar Pradesh and Maharashtra which hold our view of increased acreage this year during beginning of the planting time.

#### Area Estimation:

Agriwatch kept the cane acreage unchanged for 2011-12 season at 5439000 hectares. Higher realization to the growers from cane compared to its competing crops urges farmers to go for cane planting during current season.

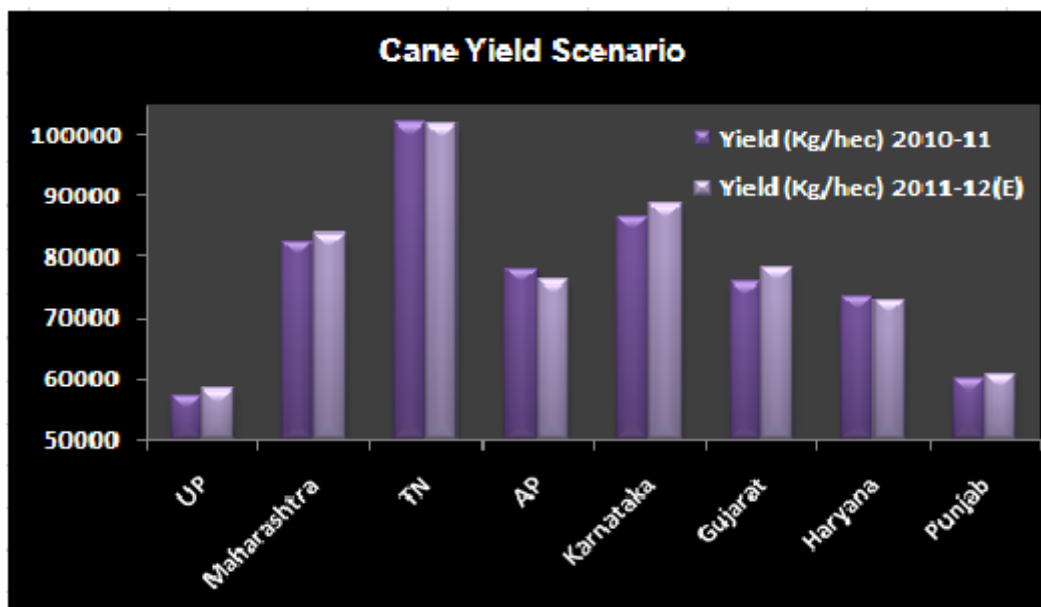
In UP sugarcane area is expected to up by 7.96% in 2011-12 due to better realization from cane. In 2009-10, farmers fetch Rs. 245/Qtl while in 2010-11, farmers fetch Rs. 205/Qtl. Inter cropping with sugarcane and marked return from other crops stands in favour of cane planting in UP with respect to other competing crops. Low realization from competitive crops like wheat and paddy urges farmers to opt the cane crop to grow in their respective fields.

Significant increase in area is expected from rest of the sugarcane growing states like Tamil Nadu, AP, Karnataka, Haryana and Punjab which contributing in the overall sugarcane acreage bring to 54 million hectares for 2011-12. Meanwhile, cane acreage from Gujarat is expected to decline due to less remuneration paid by millers to farmers who shifted to other remunerative crops such as cotton.

States	Area (000 hec)		%Change
	2010-11	2011-12	
UP	2125	2294	7.96%
Maharashtra	964	1079	11.90%
Tamil Nadu	336.2	421	25.26%
Andhra Pradesh	192	213	10.93%
Karnataka	421	433	2.92%
Gujarat	188	174	-7.49%
Haryana	85	107	26.31%
Punjab	69	89	28.87%
Others	574	629	9.50%
<b>India</b>	<b>4955</b>	<b>5439</b>	<b>9.79%</b>

## 1. Yield Assumption:

Though sugarcane yield situation will clear after July – Aug rainfall, it is early to comment on the actual yield. As per the July rainfall data of IMD reveal near to normal rainfall in cane producing states indicating yield to stay normal. Considering favourable soil moisture regime for cane as of now, we expect yield to stay near to its 2 year's average yield.



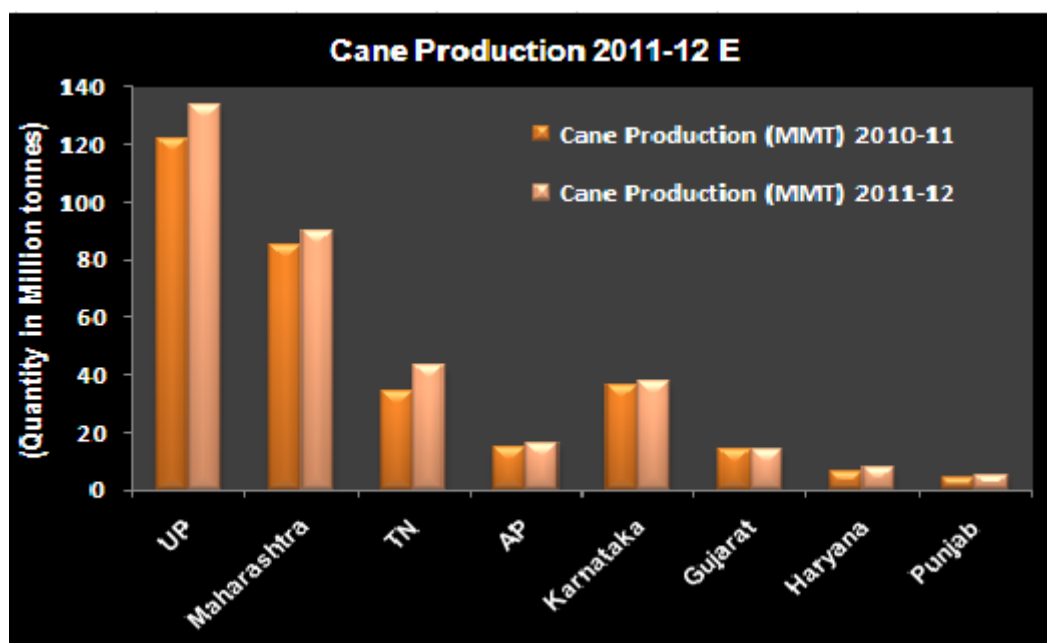
Western UP gets 21% above normal rainfall in July. Better precipitation over the region ensures adequate soil moisture which might get translated into the final yield. Central Maharashtra, second largest cane growing region, has got 3% below normal rains which is almost near to the normal. However, marked decline in amount of rainfall in Gujarat might take be a concern for sugarcane in the state. However, actual rainfall during Aug is likely to define the final cane yield as Aug rainfall stands crucial for cane development and growth. Rainfall data is tabulated in the following table:

State wise Rainfall Distribution (In Millimeter)			
	Actual (31.7.2011)	Normal (01.06.2011)	% Change
Eastern UP	387.6	405.8	-4%
Western UP	398.2	329.3	21%
Central Maharashtra	374.9	387.8	-3%
Andhra Pradesh	243.5	264.3	-8%
Northern Karnataka	229.9	239.6	-4%
Southern Karnataka	355.7	357.6	-1%
Gujarat	287.4	466.6	-38%
Tamil Nadu	98.9	114	-13%
Bihar	495.6	512	-3%
<b>Country as a whole</b>	<b>429.2</b>	<b>452.4</b>	<b>-5%</b>

(Source: IMD)

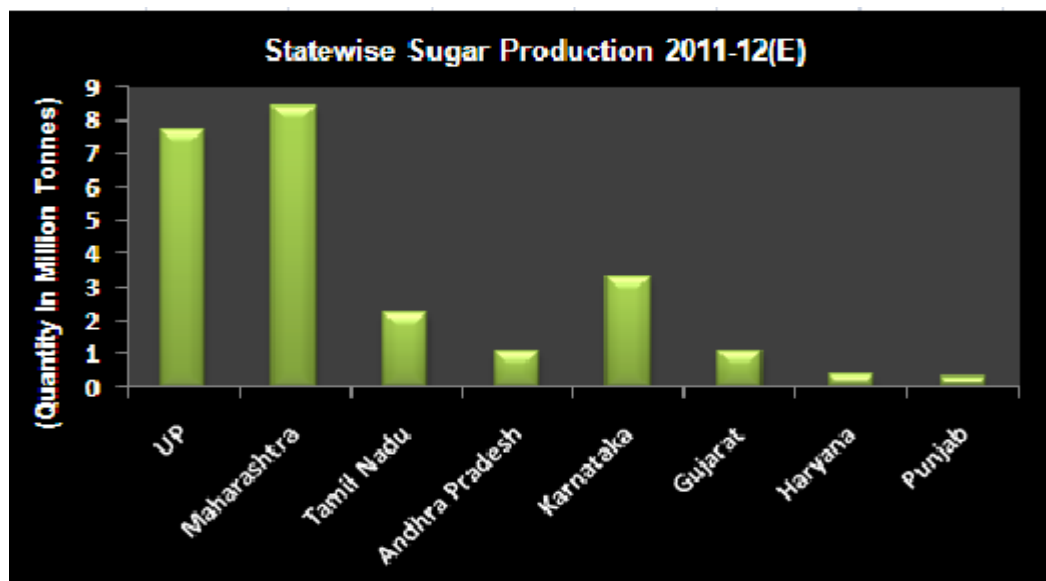
## 2. Cane Production Estimation (2011-12)

We kept our cane production figure unchanged for 2011-12 which is projected to improve by 17% compared to 2010-11. Also slightly below normal rainfall data by IMD may likely to support the overall sugarcane production for 2011-12.



## Sugar Production Estimation (2011-12)

Assuming a normal crushing season we expect sugar production to increase by 7% during 2011-12. Assuming average which is 9.85% (3 yrs average) for 2011-12 and cane diversion for Gur/Khandsari to the tune of 20% we expect sugar to be produced around 26.4 million tonnes. 11.9% cane diversion is considered for seed/feed purpose.



## Exports Scenario

Indian prices are not looking competitive at present from major international players as evident in the following table. Increased exports by Brazil in July month and ease in port congestion in Brazil decline the international sugar prices in LIFFE which weakens the possibilities of further sugar exports.

Also, considering the sugar lower ending stock (~3.88) for 2010-11 might remove the possibilities of allowing further sugar exports by government in the MY 2010-11.

Meanwhile government has released 4.15 lack tonnes of sugar till 4th Aug 2011 out of 5 lack tonnes export and rest of the quantity will be release during coming days. It is noticeable that exports was willing to pay premium as much as 7000/MT to fetch the allotted export licenses from millers.

Comparative Sugar FOB Prices (USD/MT)			
	South (T.N)	West (Maharashtra)	North (U.P)
	Chennai S 30	Kolhapur S 30	Muzaffarnagar M 30
FOB India (USD/MT)	791.47	797.06	839.56
	Brazil	Thailand	
FOB (USD/MT)	719.80	799.80	-

Sugar prices at Chennai and Kolhapur centers were seen competitive against Thailand, second largest sugar exporter country after Brazil. However Muzaffar nagar center is not looking competent compared to

Brazil and Thailand due to freight disadvantage and large distance to ports. Recently Thailand raised its sugar premium from USD 22 to 80 over LIFFE. At these higher levels of Thai premiums buyers are seen inactive and waiting for Thai premium to come down. This stands favorable for Indian exporters to bag import orders from SE Asian nations. However, sugar export parity advantage remains useless for Indian exports until government allows further sugar exports apart from 1 million tonnes of sugar exports till date.

### Domestic Sugar Balance Sheet:

There is no marked change in sugar balance sheet as production and consumption along with export and import is kept unchanged. Tight stock position during the year end shall keep prices firm during Sep to Oct period. Detail is mentioned in the following table:

Expected increase in sugar production for 2011-12 would result in surge in total availability by ~3.06% which will ultimately give the boost to the sugar ending stocks.

Supply and demand component are listed in the table below:

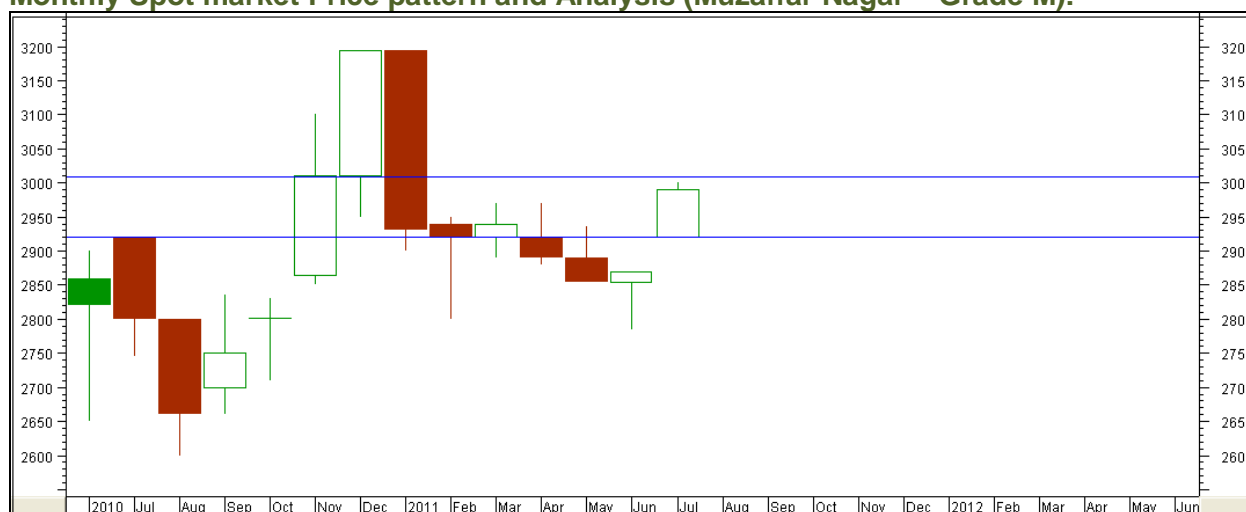
All Units in Million Tons	2009-10	2010-11	2011-12
Opening stocks	3.73	4.68	3.88
Production	18.9	24.70	26.40
Imports	4.76	0.00	0.00
Total Availability	27.39	29.38	30.28
Domestic consumption	22.50	23.00	23.60
Exports	0.21	2.50	3.00
Total Usage	22.71	25.50	26.60
Closing stocks	4.68	3.88	3.68
Average Monthly consumption	1.88	1.92	1.97
Stocks in months to use	2.50	2.02	1.87
Stock/Consumption Ratio	0.21	0.17	0.16

\*Export break up – OGL – 1.0 million tons, ALS – 1.5 million tons

### Spot Sugar Prices Scenario (Monthly):

	28-June-11	28-July-11	change
Mumbai M-30	2866	2956	90
Mumbai S-30	2665	2791	126
Muzaffar Nagar M	2815	2990	175
Delhi M-30	2880	2985	105
Delhi S-30	2820	2915	95
Nagpur M	2840	2960	120
Nagpur S	2780	2890	110
Chennai S	2610	2760	150
Kolhapur M-30	2706	2730	24
Kolhapur S-30	2505	2660	155

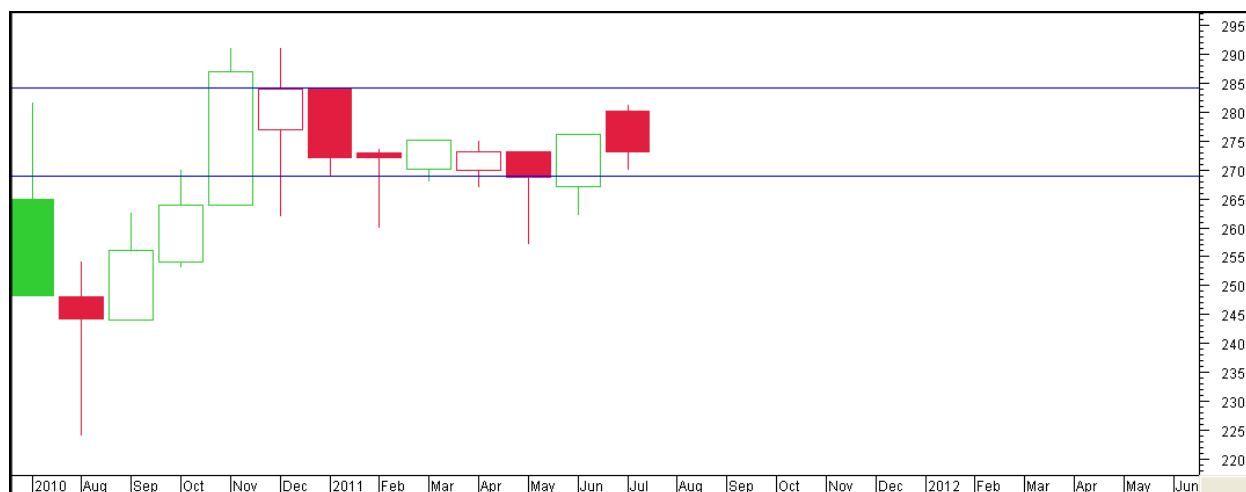
### Monthly Spot market Price pattern and Analysis (Muzaffar Nagar – Grade M):



#### Price Expectation for Muzaffar Nagar market for the coming month.

- Muzaffar nagar spot prices increased during previous month.
- Prices may move sideways and will move in a range between Rs. 2920 to Rs.3000/Qtl, if breached present range on either side will decide the direction.
- Price may move up further Rs.20 to Rs.30 per Quintal from present level after initial profit booking from present level which is quoting at Rs. 2990/Qtl.

### Monthly Spot market Price pattern and Analysis (Kolhapur – Grade M):



#### Price Expectation for Kolhapur market for the coming month.

- Kolhapur spot prices have come down during July.
- Prices are testing its support level Rs. 2690 which might be tested in the coming days from where good buying opportunity will be made.
- Prices are expected to move in a range between Rs. 2690/Qtl to Rs. 2820/Qtl, if breached these levels then it will decide the movement of the prices further.



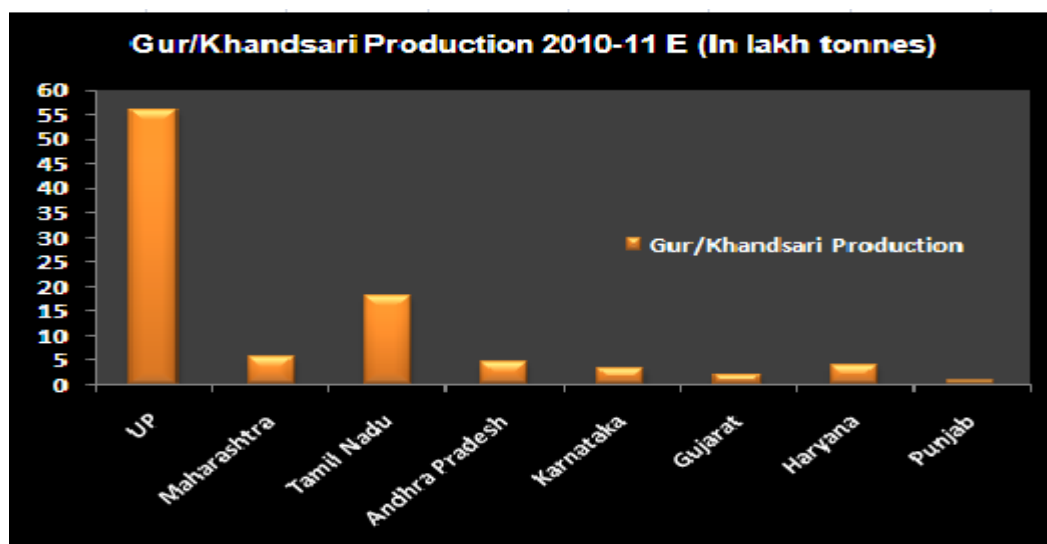
### Gur Scenario

Gur prices surge in Muzaffarnagar spot during month ending 30<sup>th</sup> July 2011. Improved demand of Chaku gur from Gujarat, Rajasthan, Haryana and Punjab markets supports the prices of gur during the month. However, lack luster demand could be seen during last week of June due to road blocks on the occasion of Kavad yatra which restricts the gur shipments. Presently, 11000 bags of gur are lifting per day on an average, higher from last week off-take of 2500 bags in Muzaffarnagar. Total stock of Gur at Muzaffarnagar was seen at 950,000 bags out of which 625,000 bags are of Chaku variety while rest 325,000 bags are of Raskut, Khurpa and Papdi varieties.

Meanwhile, demand of Chaku variety for making remade gur is very high now a day. Daily 8000-9000 bags are lifted from the mandi for making remade gur as demand came from Haryana and Rajasthan.

At present, Karnataka and Maharashtra gur makers are giving stiff competition to Muzaffar nagar gur market for shorter term. Moving forward with start of festivals might bring back the demand in the markets.

Gur production is likely to gain momentum in South Karnataka with new cane crushing for gur is expected to pick up during Aug and Sep. This might results into sharp increase in Gur arrivals in its major gur market "Mandya" . With expectation of increase in arrivals in Mandya we expect prices to soften going ahead which might impart spillover weakness other trading centers.



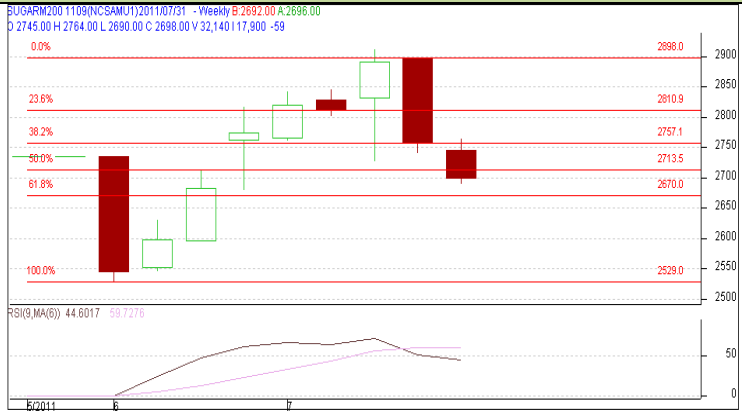
Agriwatch kept its gur and khandsari production remains unchanged for 2010-11 which pegged at 96.45 lack tonnes. Around 843.3 lack tonnes sugarcane are crushed by Kohlus for making gur and khandsari and produce 96.45 lack tonnes of gur/ khandsari with an average recovery of 11.43%.



Gur Spot Monthly Prices (Rs/Qtl)				
Markets	Variety	01-Jul-11	1-Aug-11	Change
Muzaffar Nagar	Chaku	2410	2600	+190
Bangalore	Achhu	2500	2500	Unch
	Mudde	2900	2700	-100
Belgaum	Mudde	2100	2300	+200
Belthangadi	yellow (Average)	2800	2700	-100
Bijapur	Achhu	2300	2558	+258
Gulbarga	Other (Average)	2300	2575	+275
Mahalingapura	Penti (Average)	2530	2580	+50
Mandya	Achhu (Medium)	2300	2350	+50
	Kurikatu (Medium)	2200	2100	-100
	Other (Medium)	2200	2250	+50
	Yellow (Medium)	2250	2300	+50
Shimoga	Achhu (Average)	2100	2800	+700


Commodity: Sugar  
Contract: September

Exchange: NCDEX  
Expiry: September 20<sup>th</sup>, 2011

SUGAR							
<b>Technical Commentary:</b>							
<ul style="list-style-type: none"> <li>Sugar prices are under pressure and moving in a range between Rs 2670 to Rs. 2757 per quintal, if breach the level either side will decide the movement of the prices further.</li> <li>Prices are testing support level of Rs. 2713 and close below the level might bring the prices to test towards its next support at Rs 2670.</li> <li>However, RSI is in neutral zone and moving down to oversold region.</li> </ul>							
<b>Strategy:</b> It is advisable to buy from support level.							
Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	September	-	2638	2698	2757	2797
Intraday Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	September	Buy	>2670-2680	2757	2797	2638

Commodity: Gur  
Contract: September

Exchange: NCDEX  
Expiry: September 20<sup>th</sup>, 2011

GUR							
<b>Technical Commentary:</b>							
<ul style="list-style-type: none"> <li>Gur future prices going down and moving in a range from Rs.1025 to Rs.1061 if breached either side will decide the movement of prices. Also, prevailing fundamentals indicates bearishness in the market.</li> <li>Prices are continuously trying to test Rs 1061 level which is acting as a strong resistance level if breached the level then it may go up further.</li> <li>RSI is also in overbought region which suggests bearishness in the prices.</li> </ul>							
<b>Strategy:</b> Sell from resistance level is advisable.							
Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	September	1005	1025	1042.5	1061	1082
Intraday Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	September	Sell	<1045-1050	1025	989	1061

### International Scenario

International Sugar prices in LIFFE and ICE have increased during July. Concern over Brazilian sugarcane crop, high sugar demand from China lends support to the sugar at its bench mark market. However, prices come down during last week of the month due to ease in supply from Brazil during month end.

We expect sugar prices to correct at international bench mark market of Liffe and ICE which is likely to coincide with peak sugar production in Brazil and subsequent supply thereof. Meanwhile, supply from Australia to start to SE states during coming couple of week might helped to ease the recent surge in Thai premium.

### International Market News Highlights:

- Australia's 2011 sugar crush is starting to gather pace with nearly 25% of the crop now harvested. Australia is the world's third largest sugar exporter and is likely to harvest around 30 million tonnes of cane, up from last year's rain affected 27.5 million tonnes, but still below a typical harvest of 33 million tonnes.
- Brazil's top sugar producing region, Center South, has produced 11.9 million tonnes sugar, down by 15% Y-o-Y, from the start of the season till July 16. However, sugar production is catching up the pace of 2010 which started exceptionally early. The major reason for lower sugar production in Brazil was frequent rain from February to April month this year which results in lesser cane crush lagging last year crushing progress. However, dry weather since May has helped the crop to get ready to harvest.
- White sugar production from imported raws reached 2.249 million tonnes as of July 25, up 20% from 1.873 million tonnes in the same period a year ago, the Russian Sugar Producers Union said. There are currently 12 refineries operational, compared with 6 at the same time last year. Remaining raw sugar stocks at the refineries on July 25 totaled 113,300 tonnes, up from 18,500 a year ago.
- The sugar lineup at Brazilian ports goes down to 56 vessels, down from 62 on July 20, 2011. At Santos, Brazil's main port for sugar exports, the queue declined to 41 from 43. At Paranaque, the No. 2 sugar port, there were 15 ships this week, down from 18 vessels on July 20, 2011. There is major improvement in the situation over 2010 when at this time there were 108 ships queuing at the Brazilian ports due to wet weather repeatedly halted loading last year.
- China's sugar import decreased in June by 40.54% Y-o-Y. Major exporters of sugar to China are Thailand, Cuba, and Vietnam. China could become no.1 market for Brazilian sugar exports in 2011-12. Rising incomes had boosted demand for processed foods and soft drinks in the world's most populous country. China could import between 2.2 million and 2.5 million tonnes of sugar from the international market this year. Chinese per capita consumption of sugar is currently around 10.3 kg per capita per year.
- Mexico's 2010/11 sugar exports through June have more than tripled from last season to 1.24 million metric tonnes. Mexico exported just 367,836 metric tonnes through June of the 2009/10 season, which runs October through September. Mexico's sugar industry chamber has said exports are likely to reach 1.4 million tonnes this season, up from an initial forecast of 1.3 million tonnes.
- Indonesia's white sugar production this year will reach 2.58m tonnes, lower than a previous target of 2.7m tonnes because of erratic weather, according to the Indonesian Sugar Council (DGI) forecast. The output forecast is still above last year's 2.3m tonnes.
- Total sugar exports from centre-south Brazil stood at 6.7 million tonnes between April 1 and July 15, down from 8.4 million in the same year ago period.

- Thailand sugar production in 2011-12 is forecast to reach 105.1 million tonnes, raw value, up from 95.4 million tonnes in 2010-11. The area under sugarcane is forecast to reach 1.3 million hectares up 2.6% Y-o-Y.

**International Sugar Production Scenario:**

White Sugar production Scenario - Country -Wise (In 1000 T)				
	Crop Season	2008-09	2009-10	2010-11
<b>Australia</b>	Jun-Jan	4233	4163	3293
<b>Brazil</b>	Apr-Mar	30959	31748	36681
<b>Cuba</b>	Oct-June	1278	1012	1026
<b>China</b>	Oct-May	12431	10738	10454
<b>EU</b>		13981	15961	14056
<b>India</b>	Oct-Sept	14534	18902	24200
<b>Indonesia</b>	May-Dec	2668	2519	2250
<b>Mexico</b>	Nov-Sept	4763	4631	4986
<b>Philippines</b>	Sept-Aug	1881	1824	2300
<b>Russia</b>	Sept-Jan	3550	3220	2727
<b>Thailand</b>	Nov-June	6919	6560	9200
<b>World - Total</b>		<b>137072</b>	<b>141340</b>	<b>152351</b>

\* Production figures are in White value.

Source: FO Litch

**World Sugar Balance Sheet:**

World Sugar (1000 Tonnes)	Years	
	2009-10	2010-11
<b>Opening stocks</b>	27946	26146
<b>Production</b>	153637	165605
Imports	51409	49159
Domestic consumption	154096	158202
Exports	51807	51824
<b>Closing stocks</b>	26146	26457
Average Monthly consumption	12841.3	13183.5
Stocks in months to use	2.04	2.01
Stock to use ratio	16.97%	16.72%

\*Sugar Balance Sheet based on Global sugar production figures by F O Litch

International Sugar Prices (Monthly)				
	Contract Month	29/6/2011	29/7/2011	Change
<b>ICE Sugar #11 (US Cent/lb)</b>	<b>Oct'11</b>	26.92	29.81	<b>2.89</b>

LIFFE Sugar (US \$/MT)	Mar'12	26.17	28.51	2.34
	May'12	25.22	27.01	1.79
	Oct'11	693.80	777.40	83.6
	Dec'11	670.10	730.50	60.4
	Mar'12	657.30	715.20	57.9

### ICE Raw Sugar Future Market Monthly Scenario (Aug'11 Contract):



might continue to stay within its rising channel.

- Volume increase with buying indicating buying at dip levels might continue to support the prices thereby keeping prices on firm note.

International Sugar Futures Price Projection (Monthly)			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'11	29.81	27.17

**LIFFE Sugar Future Market Monthly Scenario (July'11 Contract):**

**Technical Commentary:**

- Prices corrected for short term and moving in a range between US\$ 750 to 801 per mt and might test its support level of US\$ 711 per/mt in the coming month. However, technical bounce is expected from its support zone which might keep its firm trend intact.

	Contract Month	Present Quote	Expected Price level for Coming Month
<b>LIFFE Sugar (US \$/MT)</b>	<b>Oct'11</b>	777.40	711

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