

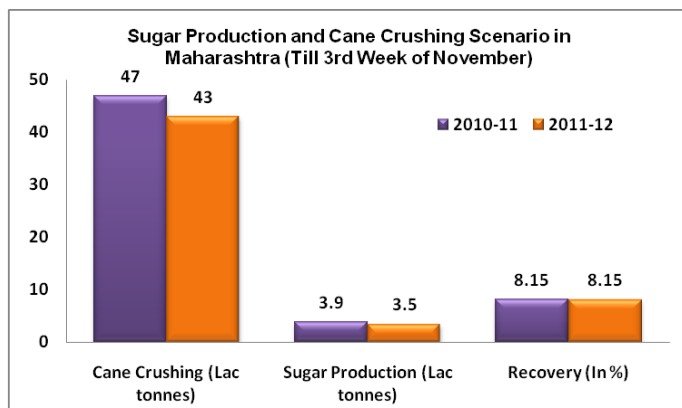
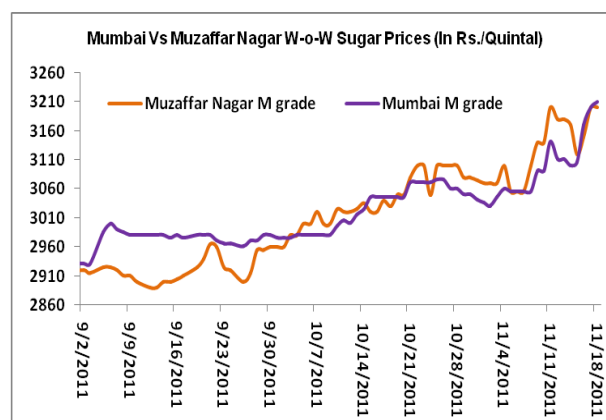
News Highlights:

- 10 co-operative mills in Haryana have started their crushing operations as on 14th November and it is expected that all mills will start their crushing operations till 25 November 2011.
- Government has deferred its decision over sugar exports till 22nd November.
- Mills from different states are quoting higher sugar prices on expectations of sugar exports.
- UP mills has crushed 25.193 lac tonnes of cane and produced 1.947 lac tonnes of sugar with an average recovery of 7.73% till 21st November 2011. However, UP mills have not started their crushing operations same period last year, according to Sugar commissionerate (UP).

Domestic Market Recap:

Sugar prices have remained in bullish mode in various sugar spot markets during the week ended 18th November 2011. Higher sugar demand, increase in Cane prices, delayed crushing data from UP and Maharashtra and export expectations are the main factors which weighed on to the sugar prices.

Meanwhile, millers are quoting higher prices in various sugar spot markets as they are expecting that government will allow sugar exports in the meeting which will held on 22nd November 2011. Meanwhile it is noticeable that Mills from Maharashtra have crushed 43 lac tonnes sugarcane and produce 3.5 lac tonnes sugar till date, according to sugar commissionerate of



Maharashtra. It is noticeable that mills have crushed 47 lac tonnes of sugarcane and have produce 3.9 lac tonnes of sugar last year same period. Dispute over cane remuneration issue is the main reason for delay in cane crushing operation by Maharashtra mills.

Keeping in view increasing sugar supply and moderate demand of sugar in the markets, sugar prices are likely to trade range bound with firm bias. However, any decision over sugar exports will give sugar prices a new

direction.

Weekly Sugar Production Scenario (2011-12) (Lakh Tonnes)

Maharashtra				UP		
	2010	2011	% Change	2010	2011	% Change
Sugar production	3.9	3.5	-10.3%	-	1.947	-
Cane crushed	47	43	-8.5%	-	25.193	-
Recovery (%)	8.15	8.15	0.0%	-	7.73	-
Mills started	127	127	0.0%	-	70	-

(Source: State Sugar Commissionerates)

Sugar Export Opportunity (Likely to Continue):

Increase in Domestic sugar prices and decreasing sugar prices in LIFFE reverse the situation in regards of export parity. Indian FOB prices are not looking lucrative compared to Brazil but give stiff competition to Thailand due to high Thai white premium, Meanwhile, keeping in view mills started crushing operations in Thailand, Thailand have to decline Thai white premium if it they want to export sugar. Meanwhile Indian government is likely to take decision over sugar exports issue in the third week of November. Given the pace of crushing and higher domestic sugar prices, government might delay sugar exports till December and are likely to allow sugar exports only after reviewing pace of crushing and sugar production in December as expected.

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) (Without Premium)*	633.50	648.73	678.17
	Brazil	Thailand	
FOB (USD/MT) (With Premium)	623.00	693.00	

*Millers are not getting any premium as there are no export allowances by government of sugar in 2011-12.

Spot Sugar Prices Scenario (Weekly)

	18-Nov-11	25-Nov-11	change
Delhi M-30 (New)	-	3450	-
Delhi M-30 (old)	3280	3350	+70
Delhi S-30	3150	3211	+61
Muzaffar Nagar M	3200	3280	+80
Mumbai M-30	3211	3356	+145
Mumbai S-30	3081	3191	+110
Kolhapur M-30	3075	3150	+75
Kolhapur S-30	2975	3025	+50
Kolkata M Variety	3300	3300	Unch
Chennai S	2990	3050	+60
Vijayawada M-30	3400	3500	+100

Spot Market Technical Analysis (Kolhapur–Grade M)



Price Expectation for Kolhapur market for the coming week.

- Sugar prices have surged in Kolhapur market during the week ended 18th November 2011.
- Prices have recently touched its all time high.
- Kolhapur spot prices are hovering in a range between Rs 2900 to Rs. 3100, and any breach of the levels either side will decide the movement of the prices further.
- We expect prices are likely to hover within the mentioned range.

Spot Market Technical Analysis (Muzaffar Nagar –Grade M)



Price Expectation for Muzaffar Nagar market for the coming week.

- Muzaffar nagar sugar spot prices have been rising during the week ending 18th November 2011.
- Prices continuously testing the Rs 3200 level which now acts as a strong resistance level.
- Prices are likely to move in a range between Rs 3100 to Rs. 3200 in the coming week.

Gur Market Scenario and Outlook

Gur prices have decreased in Muzaffar nagar market during the week ended 18th November 2011. Increasing arrivals of gur and sluggish demand weigh on to the gur prices. Daily 8000-10000 bags (40 kg each) are arriving in the market. It is noticeable that buyers are buying gur from MP market due to lesser prices quoting by Kolhus in MP compared to UP which pressurize the prices of gur in benchmark market Muzaffar nagar.

Moreover, Cold storage has started in Muzaffar nagar and they are waiting for some decline in gur prices as they feel that prevailing gur prices are pretty high and there is no point to buy gur over prevailing gur prices. It indicates that due to lesser demand of gur will definitely pressurize the prices at some extent from where buying might occur.

We expect gur prices will plunge in the coming week keeping in view higher arrivals and lesser demand.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	18-Nov-11	25-Nov-11	Change
Muzaffar Nagar	Chaku – New	2550	2550	Unch
	Khurpa	2325	2350	+25
	Laddoo	2500	2450	-50
Bangalore	Achhu	2700	2700	Unch
	Mudde	2800	2900	+100
Belgaum	Mudde	2800	2600	-200
Belthangadi	yellow (Average)	3100	3200	+100
Bijapur	Achhu	2600	2400	-200
Gulbarga	Other (Average)	2596	2725	+131
Mahalingapura	Penti (Average)	2530	2350	-180
Mandya	Achhu (Medium)	2300	2250	-50
	Kurikatu (Medium)	2200	2175	-25
	Other (Medium)	2250	2050	-200
	Yellow (Medium)	2300	2100	-200
Shimoga	Achhu (Average)	2975	2600	-375

Last Week's Technical Calls Review (Domestic):

Sugar: Sugar future prices have improved during the week and prices have touched its contract high during the week which let our objective achieved in this week for Sugar.

Gur: In gur, prices have tested 1026 level and then moved down sharply in this week. However, our 1st objective has been achieved.

Commodity: Sugar
Contract: December

Exchange: NCDEX
Expiry: December 20th, 2011

SUGAR (Continuous Weekly Chart)



Technical Commentary:

- Sugar prices are moving upwards and hovering in uptrend as chart depicts.
- Prices are moving in a range between Rs 2980-3050, two consecutive closes above or below the mentioned level will decide the direction of the prices further.
- After hitting a contract high, prices have shown some downward correction.
- Prices have tested 100% retracement level and then move downwards which indicates prices haven't sustained at higher level.
- Prices are likely to move in the mentioned range in the coming week.
- However, RSI is moving in an overbought region.

Strategy: Sell from higher level would be advisable.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	December	2950	2980	2940	3075	-
Intraday Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	December	Sell	3040-3050	3000	2975	3074

Commodity: Gur
Contract: December

Exchange: NCDEX
Expiry: December 20th, 2011

GUR (Continuous Weekly Chart)



Technical Commentary:

- Gur prices are moving downwards as chart depicts.
- Prices are moving in a range between Rs 995 to Rs 1022, two consecutive closes above or below the mentioned level will decide the movement of the prices further.
- Prices are likely to test Rs 980 level which is also lying over trend line support level.
- Breach of 23.6% retracement level or 995 level will take the prices down to Rs 980 and then Rs 955.
- However, RSI is hovering in neutral region.

Strategy: Buy from support level.

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	December	960	970	1001	1022	1040
Intraday Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	December	Sell	1000-1005	980	972	1015

International Scenario

International sugar prices have plunged during the week ended 18th November 2011. Lower buying activity of sugar from countries like China and EU, export expectations from India, ISO predicts sugar surplus globally and uncertainty over Euro Zone kept the sugar prices under pressure in ICE and LIFFE.

International Market News Highlights:

- China produced 214,000 ton sugar in October 2011 which is 36% up compared to same month last year, according to the National Bureau of Statistics.
- Mills in Brazil's Centre/South region have crushed 23.04 million tonnes of sugarcane in October second half which is marginally down compared to 23.41 million in the first half of the month, According to UNICA.
- Despite of some crop damage, Australia is likely to export 2.6 million tonnes of sugar in 2011-12 which is 4% higher compared to previous year.
- China's sugar production is likely to rise by 15% to 12 million tonnes in 2011-12 from 10.45 million tonnes last year.

International Sugar Prices (Weekly)				
	Contract Month	18/11/2011	23/11/2011	Change
ICE Sugar #11 (US Cent/lb)	Mar'12	23.97	23.09	-0.88
	May'12	23.49	22.7	-0.79
	Jul'12	23.10	22.46	-0.64
LIFFE Sugar (US \$/MT)	Mar'12	623.00	605.4	-17.6
	May'12	612.40	596.2	-16.2
	Aug'12	605.10	589.7	-15.4

Last Week's Technical Calls Review (International):

Sugar Future prices in ICE and LIFFE have tumbled as per our last week expectations. Sugar prices were trading at \$622 in LIFFE and 23.97 cents per pound in ICE which indicates that we have achieved all the targets.

LIFFE Future Market Sugar Scenario (Mar'12 Contract):



Technical Commentary:

- Sugar prices are moving in a downtrend as the chart depicts.
- Prices are moving in a range between \$620 to \$660, two consecutive closes above or below the mentioned level will give the prices a new direction.
- Prices have recently breach trend line support level. Two consecutive closes below the trend line will take the prices down to \$600 and then \$566. However, prices might rebound from present level.
- Prices are likely to trade range bound and will hover above the trend line support level in the coming week.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'12	623	640

ICE Raw Sugar Future Market Scenario (Mar'12 Contract):

Technical Commentary:

- ICE raw sugar futures are hovering in downtrend.
- Prices have recently breach its trend line support level and also 38.2% retracement level, two consecutive close below the trend line support level will continue the bear run of raw sugar prices.
- However, decrease in prices has not been supported by volume which indicates that sellers are losing strength.
- Prices are likely to trade range bound and prices are likely to trade above the trend line support level in the coming week.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'12	23.97	25.00

Disclaimer

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