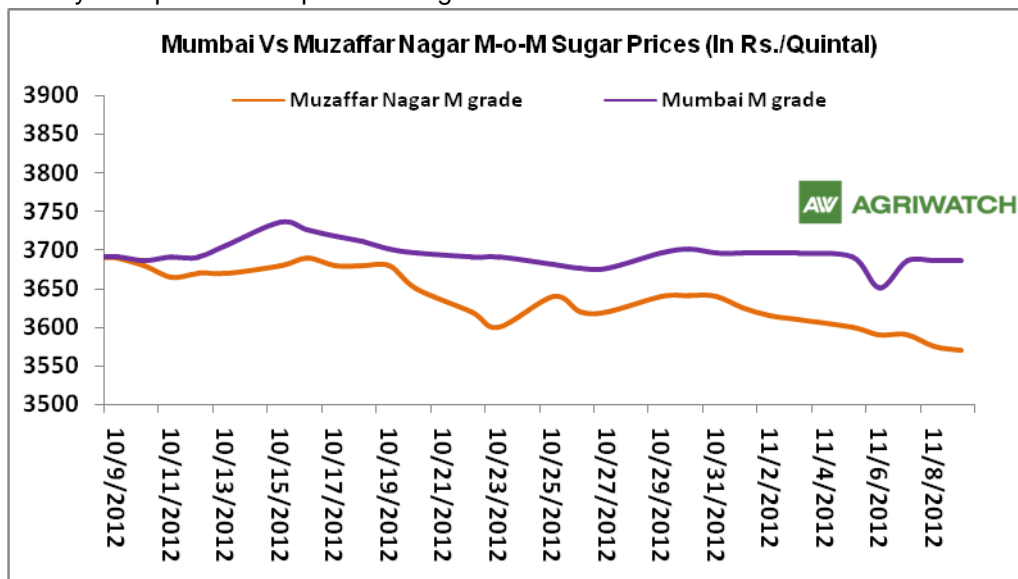


Sugar Price Trend and Outlook:

Sugar prices are moving range bound with weak tone in key spot markets of sugar during the week ended 19th November 2012. Increasing sugar imports from India and weak international outlook pressurize the sugar prices in domestic markets.

Meanwhile, increasing raw sugar imports by India in this season weakens the prospects of further increase in sugar prices in near term supported by weak international sugar prices.

In addition to it, government decision of not to increase the sugar import duty on both raw as well as white sugar also likely to depressed the prices of sugar.



Domestic Sugar Price Outlook:

Sugar prices seems to move in a range with weak tone considering increasing imports and weak international prices. However, increase in cane prices in UP and Maharashtra, which is due to release by government, might support the prices of sugar for short term.

News Highlights:

- Around 3.25 lac ton sugarcane has been crushed by 15 Maharashtra sugar mills till date. However, crushing of cane delayed as dispute over fixing of cane prices remained.
- Government of India gives a major relief to sugar industry by allowing 40% usage of Jute bags to pack the sugar output instead of 100%.
- Government is thinking to abolish levy sugar quota and non-levy sugar quota mechanism. Decision might come within 2 -3 months in this regard.
- ISMA and NFCSF advocates removing levy and non-levy sugar quota mechanism recommended by Rangarajan committee. ISMA and NFCSF organized a press release in Delhi on Thursday to support the recommendations by Rangarajan committee. Managing committee of ISMA and NFCSF strongly advocate the total decontrol of sugar industry and left the sugar industry on the market forces which would decide the price movement. Presently, government always trying to curb any rise in sugar prices by releasing additional or higher sugar quota in the open market which would suffer the industry a lot.
- Around 2 lac tons of sugar import deals has been witnessed this week by India from Brazil. However, we couldn't able to know the buyer and the quote of the shipment.

- Middle east countries are trying to buy sugar from India and Pakistan for nearby shipments. However, recent decline in Thai raw sugar premium gives good competition to India and Pakistan at present. Also, continuous downfall in Brazilian raw sugar prices has been reported owing to increasing sugar exports from Brazil.
- Millers want to remove the control over sugar industry by government to attract new investments and to grow the sugar industry.

Raw Sugar Import Opportunity:

Indian indicative raw sugar CIF prices from Brazil are quoted at \$529.5 per ton and Indian domestic prices are quoted at \$636 per ton Kolhapur. It is notable that millers are now find import more profitable. Sugar prices in spot markets increased like anything during couple of months due to speculation. Prices of sugar which was traded at Rs 3100 per quintal in June is now trading at Rs. 3700-3800 per quintal in Muzaffar nagar markets.

Comparative raw sugar CIF prices from various sugar sourcing countries to India are mentioned in the table below:

Indicative Import Parity/ Disparity (USD/MT) (\$=Rs.54.97) till 19th November 2012			
	From Brazil	From Thailand	
CIF India (USD/MT)	529.5	535.61	

Spot Sugar Prices Scenario (Weekly)

	09-Nov-2012	16-Nov-2012	Change
Delhi M-30	3560	3580	+20
Delhi S-30	3560	-	-
Muzaffar Nagar M	3570	3570	Unch
Mumbai M-30	3686	3661	-25
Mumbai S-30	3486	3496	+10
Kolhapur M-30	3450	3450	Unch
Kolhapur S-30	3350	3350	Unch
Kolkata M Variety	3680	3670	-10
Chennai S	3400	-	-
Vijayawada M-30	3920	3900	-20

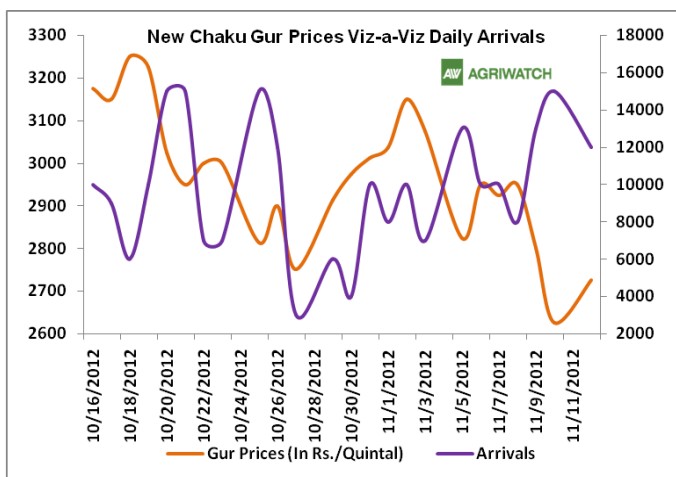
Gur Market Scenario and Outlook

Gur prices are moving downwards in tandem with increasing gur arrivals in the benchmark market during the week ended 16th November 2012.

It is notable that kolhus have started crushing new cane for making gur.

This week around 9150 bags of gur (all varieties) has been lifted which is lower from 12000 bags lifted in the same period a year earlier

This week around 71000 bags of chaku gur (each 40 kg) arrived in the gur Muzaffar nagar market.



Around 26000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 5th Nov 2012, which are 6000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 650 bags of Chaku variety gur left in Cold storages for last season. This week around 9150 bags of gur has been lifted which increase the prices of gur last week.

	This week Off take (In Bags)
Chaku	750
Raskut	5000
Papdi	3400
Total	9150

Gur prices are likely to move in a range keeping in view higher offtake and new gur arrived in the markets.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	09-Nov-2012	16-Nov-2012	Change
Muzaffar Nagar	New Chaku	2800	-	-
	Chaku – Sukha	2575	-	-
	Khurpa	2625	-	-
	Laddoo	2313	-	-
Bangalore	Achhu	3200	-	-
	Mudde	3400	-	-
Belgaum	Mudde	2900	-	-
Belthangadi	yellow (Average)	3300	-	-
Bijapur	Achhu	3430	-	-
Gulbarga	Other (Average)	3100	-	-
Mahalingapura	Penti (Average)	3380	-	-

Mandya\	Achhu (Medium)	2900	-	-
	Kurikatu (Medium)	2550	-	-
	Other (Medium)	2650	-	-
	Yellow (Medium)	2700	-	-
Shimoga	Achhu (Average)	3090	-	-

Commodity: Sugar
Contract: December

Exchange: NCDEX
Expiry: December 20, 2012

SUGAR (Weekly December Contract Chart)



Technical Commentary:

- Sugar prices are moving range bound as chart depicts.
- RSI is moving at neutral region.
- Prices are hovering near to lower Keltner's channel.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Dec	3230	3305	3315	3402	3443
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Sell	Below 3340	3305	3295	3355

Commodity: Gur
Contract: December

Exchange: NCDEX
Expiry: December 20, 2012

GUR (December Weekly Chart)



Technical Commentary:

- Gur prices are moving in a downward channel as chart depicts
- Breach of 61.8% retracement level would take the prices down to 1022 level or 100% retracement level.
- RSI is moving at oversold region.
- Harami bullish pattern could be seen on the charts which indicates bullishness in the prices.
- Increase in prices has not supported by volume and OI which indicates short covering occurred in the market.
- However, ADX still not giving confirmation of bullishness in the market.
- Market might again move down from 61.8% retracement level or Rs 1087 level which also act as a resistance level.

Strategy: Sell



Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	December	1022	1052	1089	1106	1126
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	December	Sell	Below 1094	1070	1058	1106

International Scenario

International raw as well as white sugar prices continuously falling due to continuous supply of sugar from Brazil. In addition to it, Thai raw as well as white sugar premium slip also depress the prices.

We expect prices of sugar should move in a range with weak tone in the coming week in ICE as well as LIFFE.

International Market News Highlights:

- Brazilian sugar output seems to surpass last year's sugar production as dry weather help mills to crush cane at faster rate. Sugar output reached at 29.34 million tons this year which is higher compared to last year sugar production i.e. 29.31 million tons.
- Rain is expected to occur in the coming week in major Brazilian cane belt Center-South that can halt cane crushing, according to local weather forecaster Somar. It is notable that the entire cane belt region can crush around 4 to 5 million tons of cane in a day.
- Thai white sugar premium slip to \$20-30 per ton over LIFFE sugar prices from \$35 last week. Also, Thai raw sugar prices were offered at 50 to 65 points over ICE raw sugar futures March contract down from 75 points a week earlier.
- Pakistan FOB prices were offered at \$560 per ton as reported.
- Indonesia raw sugar imports reached at 2.174 million tons till Aug this year compared to 2.425 million tons in the same period a year earlier.

International Sugar Prices (Weekly)				
	Contract Month	08-Nov-2012	16-Nov-2012	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	18.84	19.15	0.31
	May-13	18.96	19.18	0.22
	Jul-13	19.03	19.23	0.2
LIFFE Sugar (US \$/MT)	Mar-13	506.6	509.3	2.7
	May-13	516.3	515.5	-0.8
	Aug-13	516.3	518.4	2.1

LIFFE Future Market Sugar Scenario (March Contract):



Technical Commentary:

- Prices rebound from support level as chart depicts. However, still moving in a downtrend.
- However, Decrease in prices has supported by OI which clearly indicates short buildup occurs.
- Last candlestick depicts that long participants could sustain at resistance level.
- It is advisable to market participants to sell from resistance level.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'13	506.6	490

ICE Raw Sugar Future Market Scenario (Mar'13 Contract):



Technical Commentary:

- ICE raw sugar futures are trying to test support level.
- Increase in prices has not supported by volume and OI which suggest consolidation in the market.
- Last candlestick suggests bearishness in the prices.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'13	18.84	18.5



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