

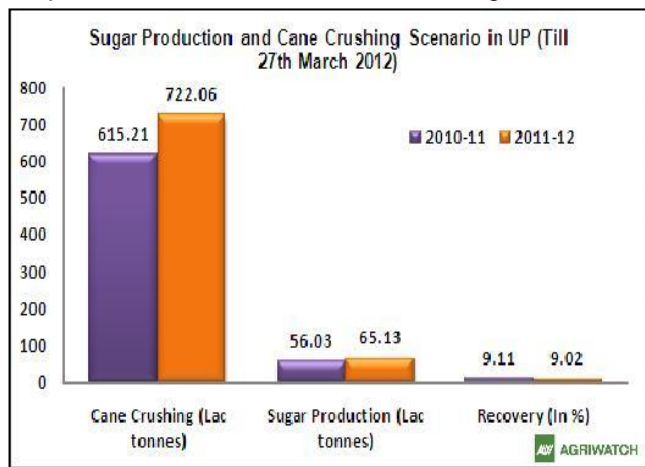
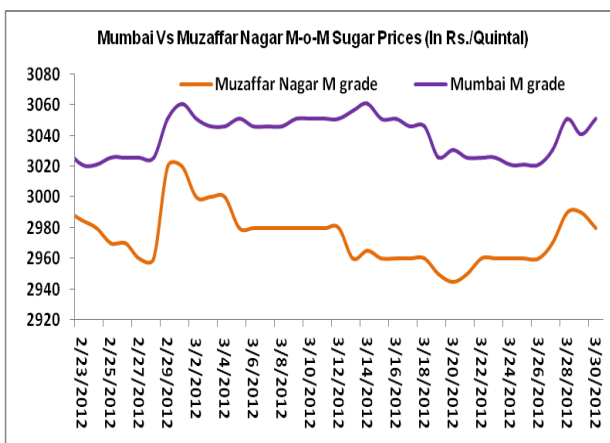
News Highlights:

- Sugar prices have stabilized at present level and moving in a range. Meanwhile, millers are not looking enthusiastic at all despite the announcement of back-to-back bullish news like sugar exports, lower sugar quota and removal of export quota.
- It is noticeable that Maharashtra based millers has exported about 240000 tons of sugar from December 1 through March 21, around 53% of their total allowed quota of 450,000 tons, according to news sources.
- Maharashtra mills have crushed 62.59 million tons of cane and produce 7.13 million tons of sugar at an average recovery of 11.39% in this season as reported.

Domestic Market Recap:

Sugar prices surged during the week ended 30th March 2012. Major influencing factors are removal of sugar export quota, lower quarterly quota released by government, and additional 1 million tons export allowance.

Meanwhile, Government removed quota system for sugar exports which means that millers have to take licenses on first come first serve basis. Mills located in coastal areas or near to ports like TN, Maharashtra and Gujarat will get benefitted with this. It is noticeable that good quantities of sugar exports have been blocked as government



allocates sugar export to those mills also which are unable to do the export of sugar due to high transportation charges due to larger distance from ports. The decision will boost the sugar exports as expected.

UP mills have crushed 722.06 lac tons of sugar cane and produce 65.13 lac tons of sugar with an average recovery of 9.02% till 27th March 2012. Till date sugar production in UP is 16% higher compared to last year same period sugar produced by mills. It is noticeable that only 86 mills are still crushing cane in UP out of 124 total mills at present.

Government released 46 lac tons (including 1 lac ton carry over quantity of March) total non-levy sugar quota for the quarter of April to June 2012 which is 12% lower compared to sugar quota released by government last year same quarter. It is noticeable that Government generally gives higher sugar quota in the summer season keeping in view increased sugar consumption in the form of Ice creams, cold drinks and Juices etc. But considering the sugar prices at its bottom levels and mounting cane arrears in front of millers, government tried to give some respite to the millers by giving lesser sugar quota. Higher sugar arrivals from millers will be offset by increasing exports demand of sugar and increasing summer demand that gives the indication that prices will trade range bound in the coming week with firm tone.

Sugar Export Opportunity:

Indian CIF prices to Indonesia ~658-712 are looking competitive compared to Brazil and Thailand CIF prices especially from Maharashtra and Chennai owing to recent appreciation in Dollar rates. However, export parity still not favorable from UP market due to higher transportation and labor charges compared to other domestic sourcing centers. Meanwhile, millers are getting higher premium owing to increase in sugar prices internationally. At present, millers are getting USD 60 per ton at present. Millers should make hurry for fetching sugar export licenses and take advantage of increasing sugar international prices. It is noticeable that Brazilian new sugar arrivals will hit the market in May which might depress the prices of sugar in ICE as well as in LIFFE that might results in no export parity for Indian exporters.

Comparative Sugar FOB & CIF Prices (USD/MT)			
	South (T.N)	West (Maharashtra)	North (U.P)
	Chennai S 30	Kolhapur S 30	Muzaffar nagar M 30
FOB India (USD/MT) (With Premium)	626.96	641.62	670.95
CIF up to Indonesia	658.66	683.37	712.78
	Brazil	Thailand	
FOB (USD/MT) (With Premium)	643.60	658.60	
CIF (USD/MT) (With Premium) up to Indonesia	709.53	680.58	

* Note: Sugar prices have been taken on the basis of average of high and low.

Spot Sugar Prices Scenario (Weekly)

	23-Mar-12	30-Mar-12	Change
Delhi M-30	2945	3000	+55
Delhi S-30	2920	2970	+50
Muzaffar Nagar M	2960	2980	+20
Mumbai M-30	3026	3051	+25
Mumbai S-30	2901	2896	-5
Kolhapur M-30	2840	2850	+10
Kolhapur S-30	2740	2750	+10
Kolkata M Variety	2950	-	-
Chennai S	2710	2810	+100
Vijayawada M-30	3200	3220	+20

Spot Market Technical Analysis (Kolhapur–Grade M)



Price Expectation for Kolhapur market for the coming week.

- Sugar Kolhapur prices are moving in a range during the week ended 30th March 2012.
- Prices are likely to move in a mentioned trading range and we expect the prices to trade above the mentioned support level in the coming week. We suggest spot market sugar participants to buy sugar at present level.

Spot Market Technical Analysis (Muzaffar Nagar –Grade M)



Price Expectation for Muzaffar Nagar market for the coming week.

- Sugar prices are moving in a range between Rs 2950 to Rs 3050 as chart depicts.
- Prices have used support of 50% retracement level.
- Sugar prices are moving downwards but might get support at present level as upcoming two big fundamental events might drive the prices upwards.
- However, two consecutive close below 50% retracement level will drag the prices down to Rs 2900 in Khautali spot market.

Gur Market Scenario and Outlook

Gur prices declined in various sourcing markets during the week ended 30th March 2012. Moderate arrivals and stock position of gur stored in 7 cold storage based in Muzaffar nagar are also higher compared to last year.

Around 1288917 bags (40 kg each) were stored in Muzaffar nagar cold storage till 2nd April 2012 which is 75917 bags more than last year same period. Out of the total gur, Chaku variety gur is around 689,000 which is also 182,000 bags higher compared to previous year. Meanwhile Daily 8000 bags arrived in Muzaffar nagar market on an average last week which are almost same compared to prior week.

We expect prices are likely to trade in a weaker tone in the coming week as higher gur stock position might weigh on to the gur prices.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	23-Mar-12	30-Mar-12	Change
Muzaffar Nagar	Chaku – New	2650	2600	-50
	Khurpa	2375	2375	Unch
	Laddoo	2600	2500	-100
Bangalore	Achhu	2800	2600	-200
	Mudde	2900	2700	-200
Belgaum	Mudde	2400	2600	+200
Belthangadi	yellow (Average)	3125	3150	+25
Bijapur	Achhu	2400	2400	Unch
Gulbarga	Other (Average)	2350	2375	+25
Mahalingapura	Penti (Average)	2640	-	-
Mandya	Achhu (Medium)	2400	2450	+50
	Kurikatu (Medium)	2250	2250	Unch
	Other (Medium)	2300	2350	+50
	Yellow (Medium)	2350	2400	+50
Shimoga	Achhu (Average)	2400	2475	+75

Commodity: Sugar
Contract: April

Exchange: NCDEX
Expiry: April 20, 2012

SUGAR (April Weekly Chart)

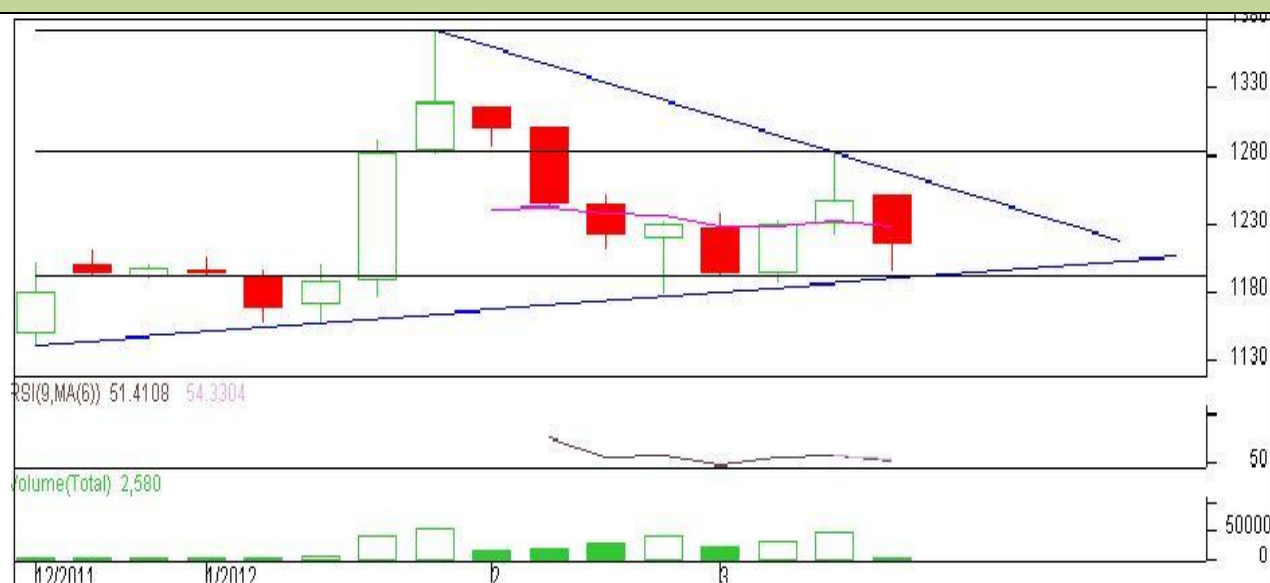


Technical Commentary:

- Prices are hovering in a trading range between Rs 2760 to Rs 2855, two consecutive close either side will give the prices a new direction.
- However, widening of 9 and 18 day EMA suggests bearishness.
- RSI is hovering in oversold region.
- Last candlestick depicts buyers are not able to sustain at higher level.

Strategy: Sell towards entry level.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	April	-	2760	2789	2850	2900
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	April	Sell	Above 2790	2770	2760	2800

Commodity: Gur
Contract: July
Exchange: NCDEX
Expiry: July 20, 2012
GUR (July Weekly Chart)

Technical Commentary:

- Gur prices are moving in a range with weak tone as chart depicts.
- In addition, RSI is hovering near to neutral region.
- Prices might test its trendline support level.
- Evening star pattern has witnessed on the charts.
- Prices are likely to trade in the mentioned range with weak tone in the coming week.

Strategy: Sell from entry level.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1142	1155	1211.5	1282	1370
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Sell	Below 1210	1190	1180	1221

International Scenario

International sugar prices have declined during the week ended 30th March 2012. Good production figures from India and Thailand, recent sugar exports by India and fresh crop arrivals after April end from Brazil weigh on the sugar prices. Considering above facts, we expect prices will move in a range with weak tone in ICE and LIFFE.

International Market News Highlights:

- Thailand sugar production reached at 8.99 million tons, raw value, till 21st March 2012 compared to 7.64 million tons sugar produced in the same period last year. Total cane crush reached at 84.4 million tons this year which is 12.3 million tons higher compared to last year cane crushed at the same period last year
- Sugar production in Thailand stood at 9.8 million tons till 1 April 2012 which is 17% more compared to last year same period. Last year, Thai mills produced 8.3 million tons of sugar. Out of 9.8 million tons, 3.0 million tons is white sugar and rest is raw sugar, according to news sources.
- ICE introduces circuit breakers for soft commodities to curb sharp movement in prices. The system called interval price limits will pause the trading for 30 seconds if prices breach those limits.
- Brazil Center south sugar cane estimate cut by Sao-Paulo based consultancy named Archer. Archer estimates around 512 million tons of sugarcane production in the region which is around 2% lower compared to its previous estimates.
- Asia's Thai white sugar premium decline to \$15 from \$25 owing to supply pressure from Thailand and expectation over sugar export allowance by India.

International Sugar Prices (Weekly)				
	Contract Month	22-Mar-12	29-Mar-12	Change
ICE Sugar #11 (US Cent/lb)	May'12	25.91	24.60	-1.31
	Jul'12	24.72	23.68	-1.04
	Oct'12	24.43	23.68	-0.75
LIFFE Sugar (US \$/MT)	May'12	663	634.10	-28.9
	Aug'12	646.2	623.00	-23.2
	Oct'12	633.8	613.00	-20.8

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



Technical Commentary:

- White sugar prices are moving upwards as the chart depicts.
- Prices are moving in a range between \$620 to \$680, two consecutive closes above or below the mentioned level will give the prices a new direction.
- However, Decrease in prices has supported by OI.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'12	663	630

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



Technical Commentary:

- ICE raw sugar futures are moving range bound with weak tone as the chart depicts
- However, volume support the recent dip in prices.
- Prices are trying to test 38.2% retracement level, if breach then prices might test next support level i.e 23.69.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'12	24.60	24.00



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