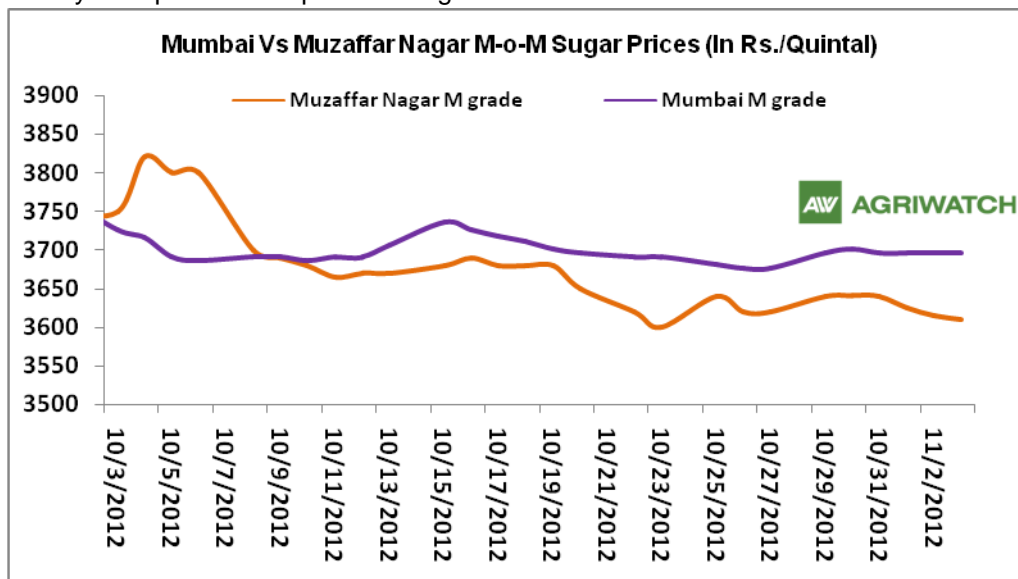


Sugar Price Trend and Outlook:

Sugar prices are moving range bound with firm tone in key spot markets of sugar during the week ended 5th November 2012. Festival demand of sugar and delay in crushing by mills from UP and Maharashtra supported the sugar prices during the week.

However, 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 are likely to correct from lower level considering upcoming festival demand like Dusherra and Diwali which would support the prices. However, medium term outlook seems bearish.

News Highlights:

- It is notable India has imported around 3.8 lac tons of sugar in this season till date as reported.
- Delay in cane crushing in UP and Maharashtra and good amount of sugarcane price hike by UP government likely to improve the sugar prices in domestic markets.
- India is like to import around 1 million tons of sugar keeping in view higher cane prices and shortage of cane availability in states like Maharashtra and Karnataka. In addition to it, global surplus of sugar would pressurize the prices which give an upper hand to the Indian sugar importers.
- It is reported that around 1 lac tons of raw sugar importing by India and is in process at Tuticorin port.
- North Indian farmers want Prime minister to ignore the C. Rangarajan committee recommendations that had suggested to remove SAP and cane reservation area. It is notable that farmers from Northern states are enjoying the premium prices fixed by state government over FRP which had fixed by Central government.

Raw Sugar Import Opportunity:

Indian indicative raw sugar CIF prices from Brazil are quoted at \$542 per ton and Indian domestic prices are quoted at \$665.58 per ton Mumbai. 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.52.21) till 22 nd October 2012			
	From Brazil	From Thailand	
CIF India (USD/MT)	542.14	536.85	

Spot Sugar Prices Scenario (Weekly)

	03-Nov-2012	26-Oct-2012	Change
Delhi M-30	3620	3620	Unch
Delhi S-30	3600	3550	50
Muzaffar Nagar M	3610	3620	10
Mumbai M-30	3696	3676	20
Mumbai S-30	3520	3516	4
Kolhapur M-30	3475	3475	Unch
Kolhapur S-30	3375	3375	Unch
Kolkata M Variety	3725	3700	25
Chennai S	3450	3450	Unch
Vijayawada M-30	3920	3920	Unch

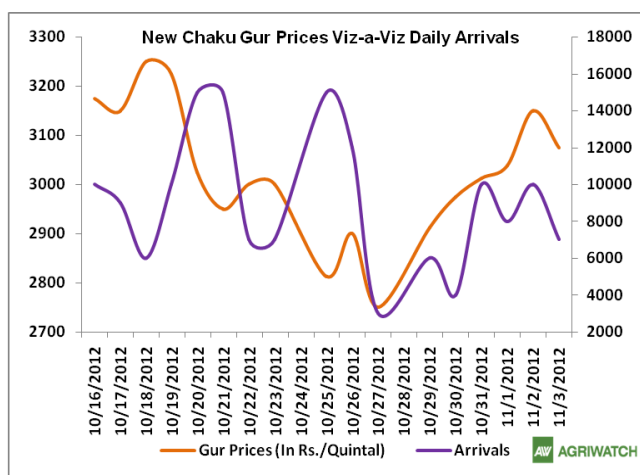
Gur Market Scenario and Outlook

Gur prices are moving upwards keeping in view lower gur arrivals due to decrease in gur prices during the week ended 5th November 2012.

In addition to it, higher gur offtake kept the prices upwards.

This week around 29400 bags of gur (all varieties) has been lifted which is higher from 10700 bags lifted in the same period a year earlier

Meanwhile, Gur Manufacturers from UP are trying to move their unit from UP towards MP due to lower cane cost and higher gur recovery from cane from MP sugarcane as reported. Lower units of gur manufacturers in UP might led the gur prices upwards for the short term.



This week around 84000 bags of chaku gur (each 40 kg) arrived in the gur Muzaffar nagar market. Raid by government officials to curb the gur trade out of the mandi increase the fear among traders and led the increase in arrivals in the gur mandi.

Around 35000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 29th Oct 2012, which are 3000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 1400 bags of Chaku variety gur left in Cold storages for last season. This week around 29400 bags of gur has been lifted which increase the prices of gur last week.

	This week Off take (In Bags)
Chaku	3200
Raskut	4200
Papdi	4800
Total	29400

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	03-Nov-2012	26-Oct-2012	Change
Muzaffar Nagar	New Chaku	3075	2900	175
	Chaku – Sukha	2625	2525	100
	Khurpa	2825	2813	12
	Laddoo	2400	2475	-75
Bangalore	Achhu	3200	3200	Unch
	Mudde	3400	3400	Unch
Belgaum	Mudde	2900	-	-
Belthangadi	yellow (Average)	3100	-	-
Bijapur	Achhu	3200	3200	100
Gulbarga	Other (Average)	3025	2900	75
Mahalingapura	Penti (Average)	3310	-	-
Mandya\	Achhu (Medium)	2800	2800	Unch
	Kurikatu (Medium)	2400	2400	Unch
	Other (Medium)	2500	2450	50
	Yellow (Medium)	2700	2700	Unch
Shimoga	Achhu (Average)	3100	3050	50

Commodity: Sugar
Contract: December

Exchange: NCDEX
Expiry: December 20, 2012

SUGAR (Weekly December Contract Chart)



Technical Commentary:

- Sugar prices are trying to rebound from current level as chart depicts.
- RSI is moving at neutral region.
- Last candlestick pattern suggests bullishness in the prices.
- However, Increase in price has supported by OI and volume which indicates long buildup occurred in the market.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Dec	3230	3305	3322	3402	3443
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Buy	Above 3325	3360	3275	3308

Commodity: Gur
Contract: November

Exchange: NCDEX
Expiry: November 20, 2012

GUR (November 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.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	December	1022	1086	1085.5	1106	1126
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	December	Sell	Below 1090	1070	1060	1100

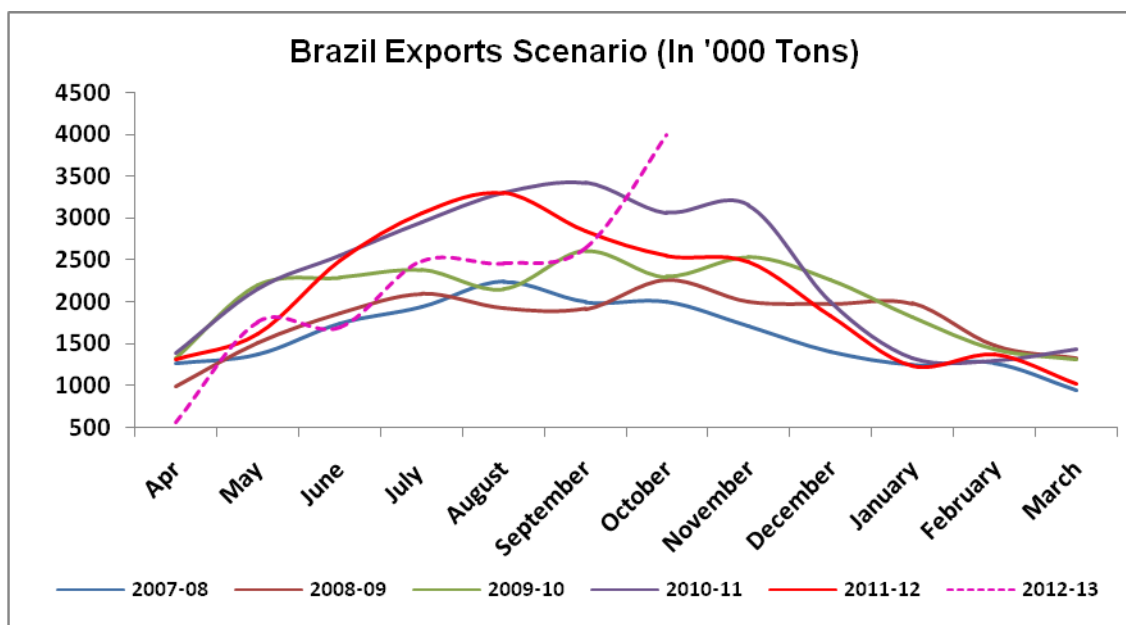
International Scenario

International raw as well as white sugar prices declined last week owing continuous supply of sugar from Brazil. Brazil has exported around 4 million tons of sugar in October which is all time high sugar export figures by Brazil. In addition to it, Improvement of sugar production in China weakens the share of sugar imports by China.

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 raw sugar is trading at premium for next crop as reported.
- China is likely to restrict sugar imports due to large domestic production. It is notable that china has imported around 4.26 million tons of sugar imports in 2011-12.
- Brazil exported 3.998 million tons of sugar, raw value, in October up from 2687 million tons in September and up from 2.553 million tons sugar exported last year same period. It is noticeable that Brazil is likely to increase export in the coming months keeping in view higher sugar production compared to last year. In addition to it, Brazil has exported only 15.59 million tons of sugar this year till October which was 17.17 million tons, raw value, last year same period.



International Sugar Prices (Weekly)				
	Contract Month	02-Nov-2012	25-Oct-2012	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	19.45	19.53	-0.08
	May-13	19.4	19.44	-0.04
	Jul-13	19.35	19.35	Unch
LIFFE Sugar (US \$/MT)	Dec-12	537.1	543.8	-6.7
	Mar-13	521.2	527.5	-6.3
	May-13	526.9	529.5	-2.6

LIFFE Future Market Sugar Scenario (December Contract):



Technical Commentary:

- Prices rebound from support level as chart depicts.
- Prices hovering in a short trading range between \$540 to \$626, breach of mentioned levels either side will give the prices a new direction.
- However, Decrease in prices has supported by OI which clearly indicates short buildup occurs.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'12	537.1	532

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

Technical Commentary:

- ICE raw sugar futures are trying to test support level.
- Decrease 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	19.45	19

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