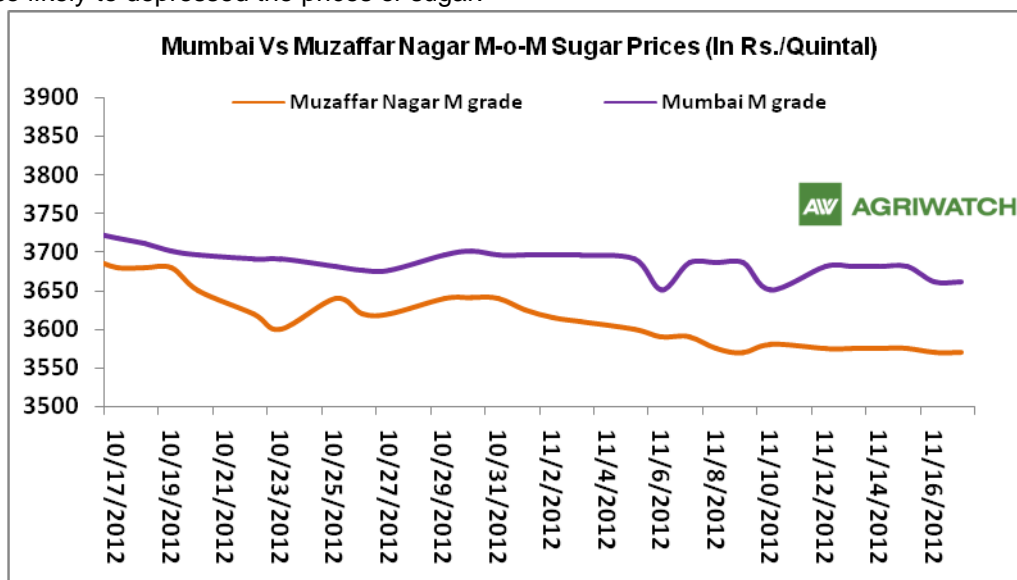


Sugar Price Trend and Outlook:

Most of the markets remained closed during the week owing to Diwali holidays which kept the prices of sugar steady in key spot 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 are hovering in a trading range and likely to trade sideways until any change in government policy or hike in sugarcane price.

News Highlights:

- Around 5 lac tons of sugar imports has been done by India till date. Sugar imports likely to test above 1 million tons in the coming year keeping in lower sugar cane availability in Maharashtra.
- Farmers continue their agitation over cane prices in Maharashtra. Farmers are asking Rs 3000 per ton as a cane remuneration price for the current crushing season which started from October 2012.
- Sugars mills in Uttar Pradesh have not yet started crushing though cane harvesting begun more than a week ago. Sugarcane farmers diverting their sugarcane to jiggery units as millers are yet to start.
- In Maharashtra, out of the 160 mills that are expected to be active in crushing season this year, only 27 mills have started operations. Among them, only 15 mills are currently active in crushing.
- Around 9.84 lac tons of sugar has been produced by 178 sugar mills in the country till 15th November. Out of total sugar production, around 4.2 lac tons of sugar has been produced by 49 Karnataka sugar mills.
- Maharashtra millers agreed to pay Rs 250 per quintal as cane remuneration to the farmers for 2012-13 season. However, final decision would be taken in the meeting soon by government.

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

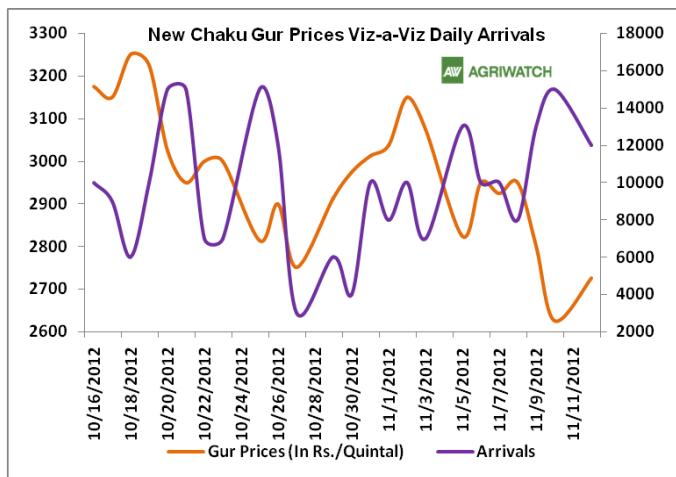
Gur Market Scenario and Outlook

Gur markets closed during the entire week ended 19th November 2012 owing to diwali and govardhan festivals.

This week around 1757 bags has been stored in the cold storage as reported.

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 18000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 19th Nov 2012, which are 6400 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 435 bags of Chaku variety gur left in Cold storages for last season.

	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 moved in a range but had fall sharply overall 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:

- Wet weather disturbs cane harvest in Brazil as reported.
- 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.
- ISO sees global sugar surplus to 6.18 million tons in 2012-13 up from previous forecast of 5.86 million tons.
- Thai raw sugar premium traded at 55 to 75 points over March ICE raw sugar futures contract.
- Thailand cuts its sugar output estimate to 9.4 million tons from 10 million tons due to poor rainfall in the cane growing regions.

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	509.3	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	19.15	19

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