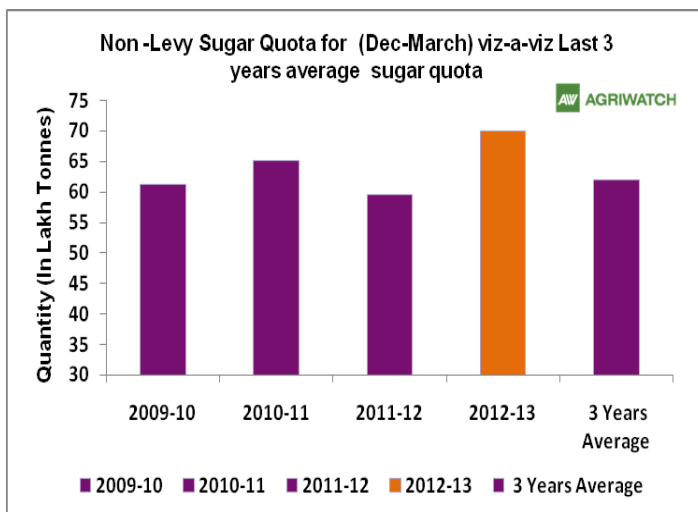


### Sugar Price Trend and Outlook:

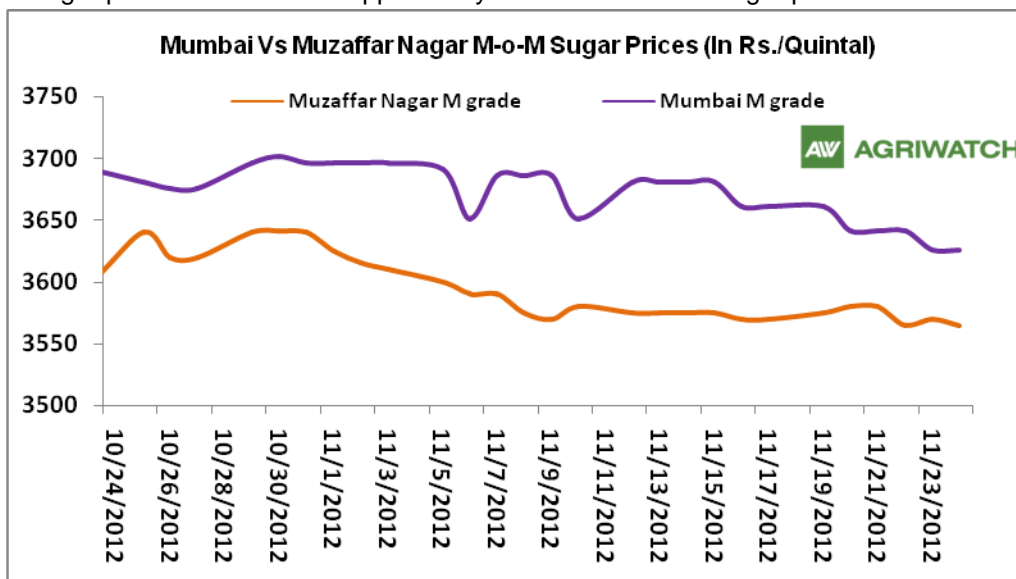
Mixed/Weak sentiments recorded in key sugar spot markets during the week ended 26<sup>th</sup> November 2012.

Meanwhile government has allocated total 70 lac tons of non-levy sugar quota for Dec-March 2012-13 period which is higher from 59.5 lac tons sugar quota allocated by government last year same period. Government want to curb any further spike in sugar prices considering lower sugar production for the marketing year 2012-13. Out of total 70 lac tons, Government released 66 lac tons non-levy sugar quota and 2 lac tons levy conversion sugar quota. Also, there is an extension of around 2 lac tons from October, 2012 - November, 2012 which the millers have to release upto 10th December, 2012.

However, government gives some respite to millers by removing the obligation of quantity of stock release in particular month



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.



### Domestic Sugar Price Outlook:

Sugar prices would continue its downtrend as higher sugar quota and weak international prospects dampen the possibility of any hike in sugar prices.

### News Highlights:

- Pakistan government increase the export limit of sugar to 4 lac tons. Already, Pakistan has exported 2 lac tons of sugar in October. There are some talks about sugar imports by India from Pakistan as sugar becomes cheaper in Pakistan compared to Northern India which made the import parity.
- Around 5.85 lac tons of sugar has been imported till date from overseas and still 2 lac tons of sugar waiting in-line to Tuticorin port as reported.
- Around 6000 tons of raw sugar is arriving at paradeep port as reported.
- UP government is likely increase 10% over last year SAP. Government is likely to fix the cane price tomorrow. Meanwhile, UP chief minister waives loans of around Rs 1650 crores by which around 7.2 lac farmers get benefitted. Only those farmers who took loans of Rs 50000 or more and have returned 10% of the amount get benefitted with this waiver scheme.
- Punjab government likely to fix the cane price next week as reported. Cane crushing is likely to start after 25th November in Punjab.
- Higher sugar output by Karnataka mills drive the overall sugar production up by 27%.
- 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.
- 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 starts.

### Raw Sugar Import Opportunity:

Indian indicative raw sugar CIF prices from Brazil are quoted at \$481 per ton and Indian domestic refined sugar prices are quoted at \$620 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.55.62) till 26th November 2012			
	From Brazil	From Thailand	
CIF India (USD/MT)	481.73	-	

### Spot Sugar Prices Scenario (Weekly)

	16-Nov-2012	23-Nov-2012	Change
Delhi M-30	3580	3590	10
Delhi S-30	-	3540	-
Muzaffar Nagar M	3570	3570	Unch
Mumbai M-30	3661	3626	-35
Mumbai S-30	3496	3486	-10
Kolhapur M-30	3450	3450	Unch
Kolhapur S-30	3350	3350	Unch
Kolkata M Variety	3670	3700	30

Chennai S	-	3400	-
Vijayawada M-30	3900	3900	Unch

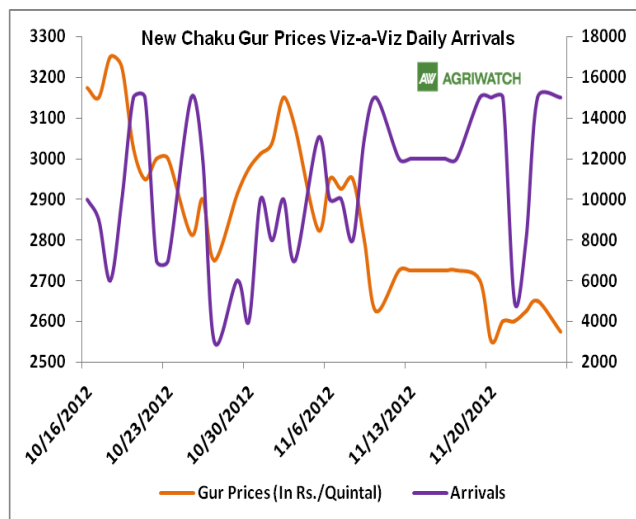
### Gur Market Scenario and Outlook

Gur markets declined during the week ended 26<sup>th</sup> November 2012 owing to sharp increase in arrivals. In addition to it, late start of crushing by UP millers make available lot of cane to Gur manufacturers which help to increase the arrivals of gur in the Muzaffar nagar market.

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	16-Nov-2012	23-Nov-2012	Change
Muzaffar Nagar	New Chaku	2800	2625	-175
	Chaku – Sukha	2575	-	-
	Khurpa	2625	2510	-115
	Laddoo	2313	2625	312
Bangalore	Achhu	3200	3200	Unch
	Mudde	3400	3400	Unch
Belgaum	Mudde	2900	3000	100
Belthangadi	yellow (Average)	3300	3400	100
Bijapur	Achhu	3430	3300	-130

Gulbarga	Other (Average)	3100	3000	-100
Mahalingapura	Penti (Average)	3380	3150	-230
Mandya\	Achhu (Medium)	2900	-	-
	Kurikatu (Medium)	2550	-	-
	Other (Medium)	2650	-	-
	Yellow (Medium)	2700	-	-
Shimoga	Achhu (Average)	3090	3575	485

**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	3347	3402
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	<b>Sell</b>	Below 3305	3280	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	<b>Sell</b>	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:

- ISO sees global sugar surplus to 6.18 million tons which it has raised from its previous sugar surplus estimate of 5.86 million tons which gives a clear hint of bearishness in the international sugar prices.
- Thai white sugar premium stood at \$15 per ton. Also Thai raw sugar premium (Hi-pol) were offered at 60-65 points over ICE March raw sugar futures contract which is down from 75 points premium last week.
- Crushing of new cane crop has started in Thailand but very few mills has started its cane crushing operations. All millers are expected to start their crushing operations in the first week of December.

International Sugar Prices (Weekly)				
	Contract Month	16-Nov-2012	22-Nov-2012	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	19.15	19.64	0.49
	May-13	19.18	19.6	0.42
	Jul-13	19.23	19.6	0.37
LIFFE Sugar (US \$/MT)	Mar-13	509.3	518	8.7
	May-13	515.5	525	9.5
	Aug-13	518.4	528	9.6

### 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	518	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	19.64	19

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