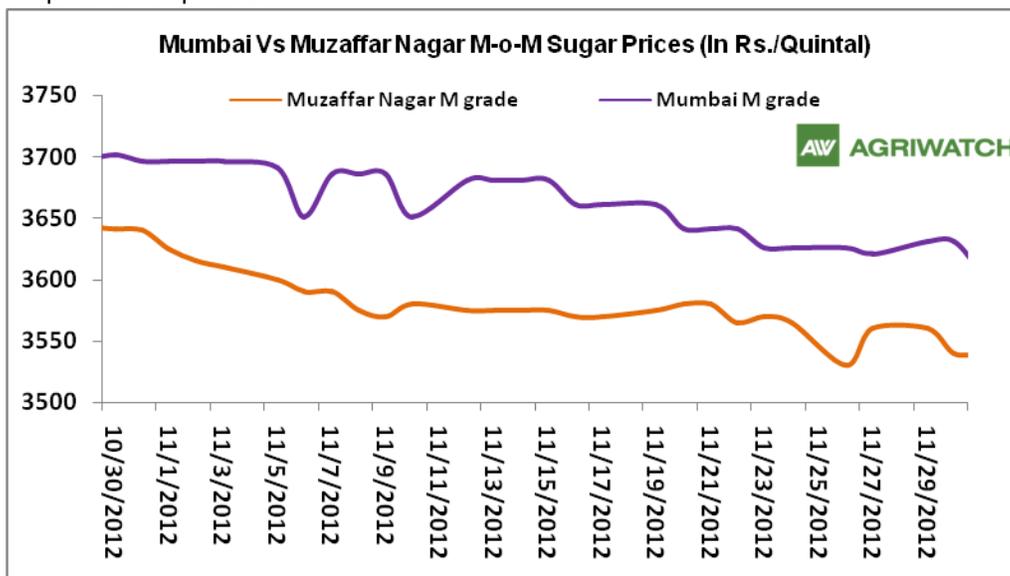


### Sugar Price Trend and Outlook:

Weak sentiments recorded in key sugar spot markets during the week ended 3<sup>rd</sup> December 2012.

Mills have started to release sugar stocks in the open markets to avoid the overburden of sugar stocks in the warehouses.

It is notable that around 8 lac tons of sugar has been imported from Brazil. Renuka sugars became the key sugar importer as reported.

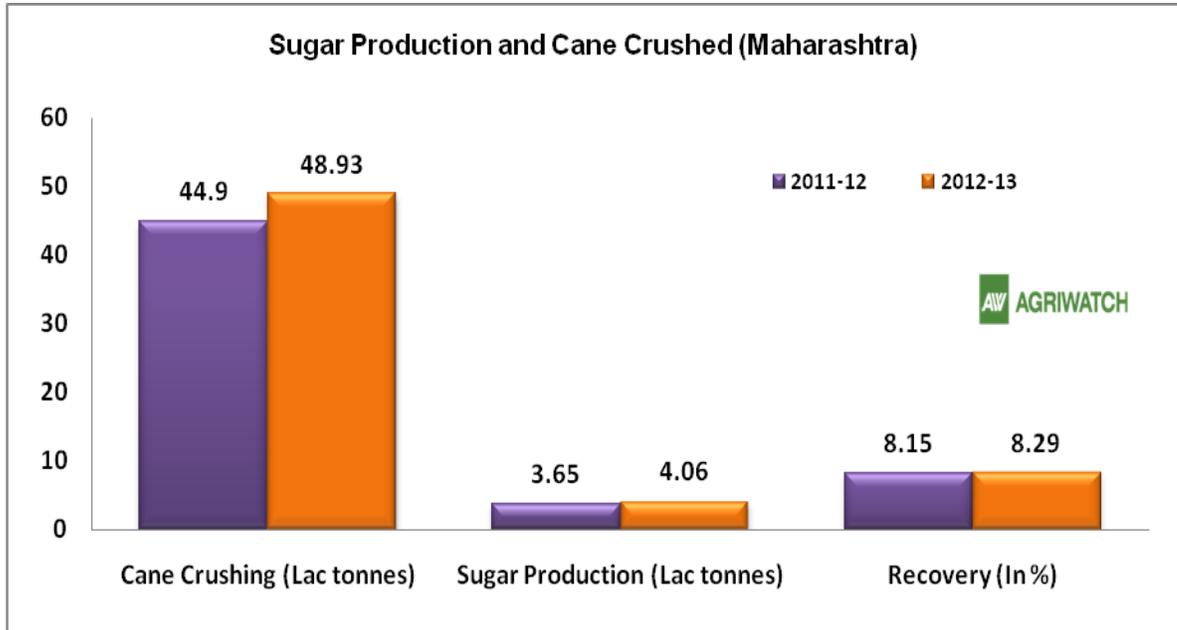


### Domestic Sugar Price Outlook:

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:

- India's sugar production reached at 2.33 million tons in the first two months starting from October 1st 2012 marginally down from 2.39 million tons sugar produced by mills last year same period. Delay in sugarcane crushing by UP millers owing to non declaration of cane price by UP government for 2012-13.
- Maharashtra sugar millers had crushed around 48.93 lac tons of cane till 18th Nov 2012 and produced around 4.06 lac tons of sugar with an average recovery of around 8.29 percent. However, in total around 103 mills had started their crushing operations till 18th Nov which was 10 mills less compared to same period last year.



- UP millers had made around 15.70 lac quintals till date which is around 10 lac quintals less sugar production by UP millers than last year. Out of total 124 sugar mills, only 78 sugar mills started crushing cane which is around 84 sugar mills running last year same period.
- Government defers its decision to raise the prices of sugar distributed in PDS to avoid any hue and cry from opposition party.
- UP government is likely increase 10% over last year SAP. 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.

### Raw Sugar Import Opportunity:

Indian indicative raw sugar CIF prices from Brazil are quoted at \$488 per ton and Indian domestic refined sugar prices are quoted at \$633 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.54.73) till 30th November 2012			
	From Brazil	From Thailand	
CIF India (USD/MT)	488.25	532.90	

### Spot Sugar Prices Scenario (Weekly)

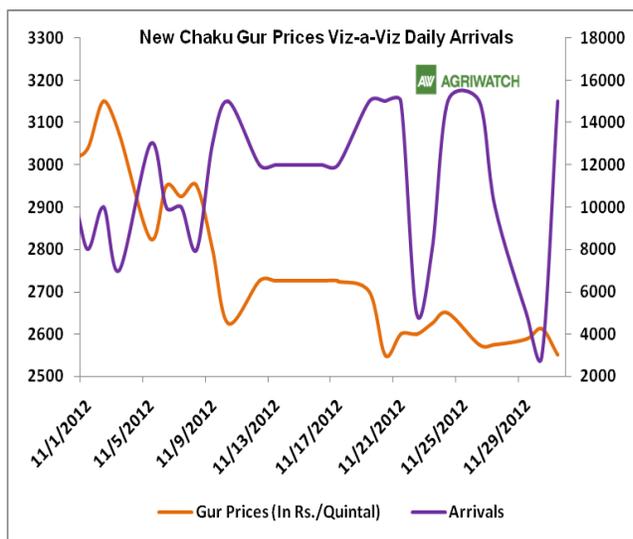
	30-Nov-12	23-Nov-12	Change
Delhi M-30	3580	3590	-10
Delhi S-30	3540	3540	Unch
Muzaffar Nagar M	3540	3570	-30
Mumbai M-30	3631	3626	5
Mumbai S-30	3472	3486	-14
Kolhapur M-30	3450	3450	Unch
Kolhapur S-30	3350	3350	Unch
Kolkata M Variety	3630	3700	-70
Chennai S	3375	3400	-25
Vijayawada M-30	3900	3900	Unch

### Gur Market Scenario and Outlook

Gur markets declined during the week ended 3<sup>rd</sup> December 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.

Also, farmers have to harvest sugarcane and empty their respective fields for fresh sowing of wheat.

This week around 63000 bags of chaku gur (each 40 kg) arrived in the gur Muzaffar nagar market.



Gur prices are likely to move downwards due to higher arrivals.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	30-Nov-12	23-Nov-12	Change
Muzaffar Nagar	New Chaku	2613	2625	-12
	Chaku – Sukha	-	-	-
	Khurpa	2400	2510	-110
	Laddoo	2600	2625	-25
Bangalore	Achhu	3200	3200	Unch
	Mudde	3400	3400	Unch
Belgaum	Mudde	3000	3000	Unch
Belthangadi	yellow (Average)	3400	3400	Unch
Bijapur	Achhu	3200	3300	-100
Gulbarga	Other (Average)	3100	3000	100
Mahalingapura	Penti (Average)	3050	3150	-100
Mandya\	Achhu (Medium)	-	-	-
	Kurikatu (Medium)	-	-	-
	Other (Medium)	-	-	-
	Yellow (Medium)	-	-	-
Shimoga	Achhu (Average)	3425	3575	-150

Commodity: Sugar  
Contract: January

Exchange: NCDEX  
Expiry: January 18, 2012

**SUGAR (Weekly January Contract Chart)**



**Technical Commentary:**

- Sugar prices are moving range bound as chart depicts.
- RSI is moving at oversold region.
- Prices are trying to test 23.6% retracement level if breach then it may go up to 38.2% retracement level.

**Strategy:** Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Jan	-	3250	3296	3358	3389
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Jan	Buy	Above 3300	3325	3335	3288

Commodity: Gur  
Contract: January

Exchange: NCDEX  
Expiry: January 20, 2012

**GUR (January Weekly Chart)**



**Technical Commentary:**

- Gur prices are moving in a range as chart depicts
- RSI is moving at neutral region.
- Decrease in prices has supported by volume and OI which indicates short buildup occurred in the market.
- However, ADX still not giving confirmation of bullishness in the market.
- 

**Strategy:** Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Jan	1086	1102.5	1112	1106	1126
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Jan	<b>Sell</b>	Below 1115	1102	1096	1122

### International Scenario

International raw as well as white sugar prices moving downwards but 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.

Fresh cane crushing also started in Thailand which also likely to depress sugar prices in International arena.

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 weigh on Thai sugar premiums. It is notable that fresh Brazilian sugar demand came from Indonesia. Thai raw sugar premium stood at premium of 60 to 70 points over New York's March contract which was 60 to 65 points last week.
- Dry weather in Brazil allows millers to extend their crushing operation upto Christmas. Usually, rain used to disturb the cane crushing operations at this point of time.
- Thailand millers had crushed around 1 million tons of sugarcane and made around around 50000 tons of sugar as reported which is around 28% higher compared to last year sugar produced by Thai mills same period last year.
- Thailand has sugar exportable surplus of around 7 million tons for 2013 season.
- Brazil sugar production reached at 31.07 million tons till mid of November 2012 up by 1.6% from 30.58 million tons produced same period last year.

International Sugar Prices (Weekly)				
	Contract Month	29-Nov-2012	22-Nov-2012	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	19.34	19.64	-0.3
	May-13	19.39	19.6	-0.21
	Jul-13	19.45	19.6	-0.15
LIFFE Sugar (US \$/MT)	Mar-13	513.30	518	-4.7
	May-13	521.40	525	-3.6
	Aug-13	525.30	528	-2.7

**LIFFE Future Market Sugar Scenario (March Contract):**



**Technical Commentary:**

- Prices rebound from support level as chart depicts. However, still moving in a downtrend.
- However, Increase in prices has supported by OI.
- Last candlestick depicts that short participants could be active 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	513.30	490

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



**Technical Commentary:**

- ICE raw sugar futures are moving range bound.
- 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	19.34	19

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