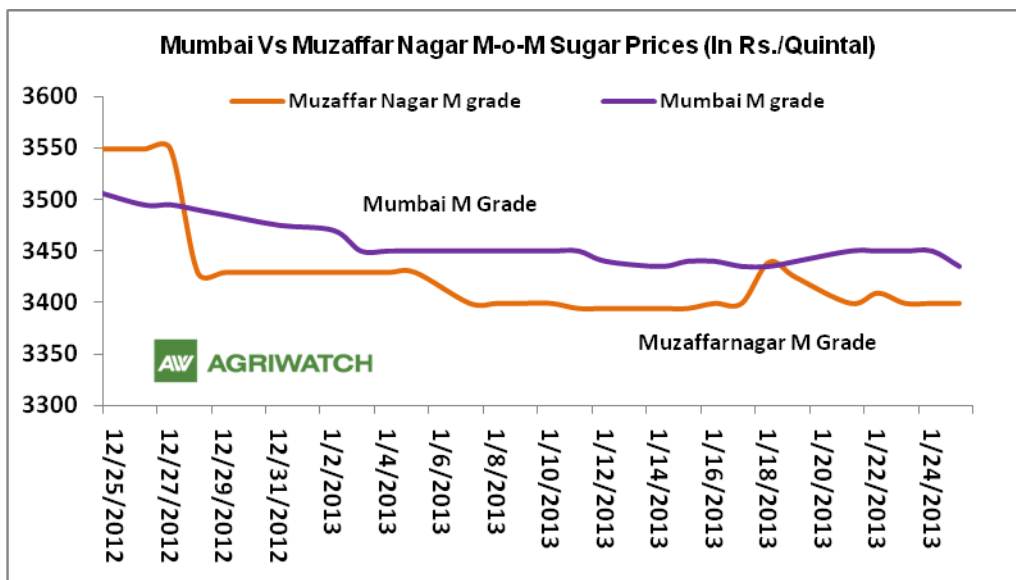


### Sugar Price Trend and Outlook:

Sugar prices continue its bearish trend this week in most of the spot markets.

Weakening of dollar prices encourage the sugar imports from Brazil which become the main reason for crash in sugar prices in domestic markets.

It is notable that sugarcane sowing in Maharashtra has started and around 2.34 lac hectares of sugarcane sowing has been done till 21<sup>st</sup> January 2013 as reported.



### Domestic Sugar Price Outlook:

Despite of extension of releasing sugar quota in the open market, sugar prices again started declining owing to consistent sugar imports from Brazil which bound our sugar prices estimate bearish for the coming weeks.

### News Highlights:

- Maharashtra sugarcane growers have planted sugarcane in total 234986 hectares area till 21<sup>st</sup> January 2013. Out of total planting, farmers have sowed sugarcane in 0.81 lac hectares in adsali and 0.72 lac hectares in suru, 0.18 lac hectares in suru and 0.64 lac hectares of ratoon crop as reported this year till date.
- Indian Sugar production is likely to improve by 0.3 million tons to 24.3 million tons up from previous production forecast i.e. 24 million tons. Increase in sugar production from UP boost the overall sugar output.
- Brazilian sugar waiting at ports increased by 23% this week compared to last week as ships loaded with sugar are bound to sail towards India, Algeria and Black sea region. It is notable that Indian refiners find raw sugar import more profitable. India has imported 919,000 tons of sugar till date from Oct 2012, according to Director General of ISMA.

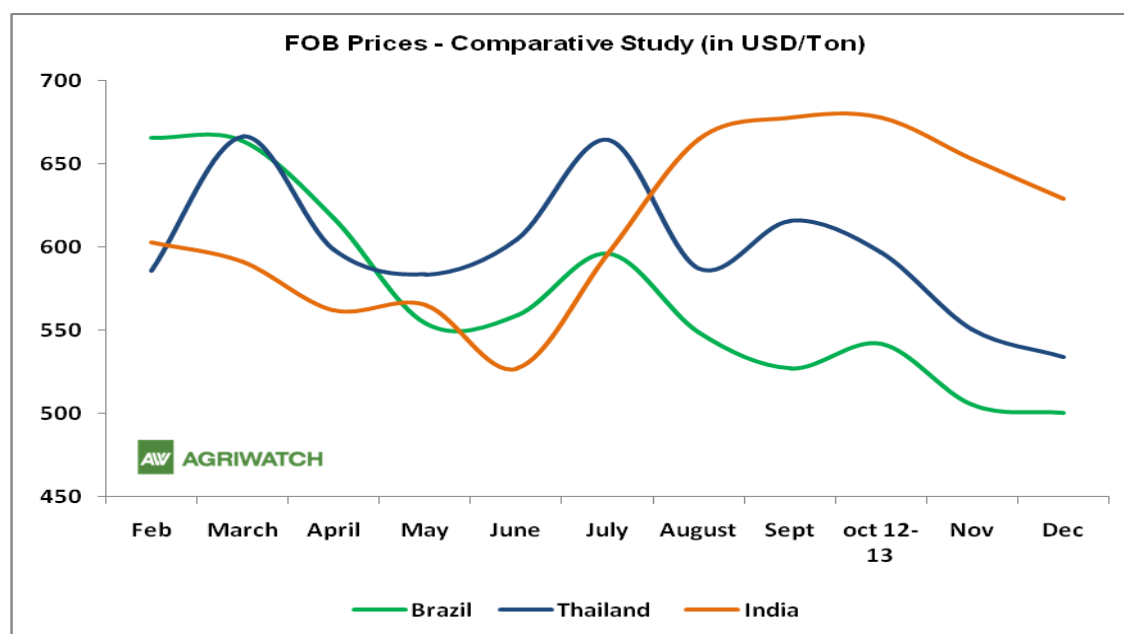
### Raw Sugar Import Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$514.34 per ton (including 10% import duty) and Indian domestic refined sugar prices quoted at \$613.75 per ton Kolhapur. It is notable that millers are now find import more profitable.

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.53.90) till 21st January 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	514.34	511.40	

As far as India's sugar imports are concerned, we are expecting around 1.5 to 2 million tons of sugar imports in 2012-13.



**Spot Sugar Prices Scenario (Weekly)**

	25-Jan-13	18-Jan-13	Change
Delhi M-30	3380	3410	-30
Delhi S-30	3360	3370	-10
Muzaffar Nagar M	3400	3440	-40
Mumbai M-30	3436	3436	Unch
Mumbai S-30	3271	3268	3
Kolhapur M-30	3225	3250	-25
Kolhapur S-30	3125	3150	-25
Kolkata M Variety	-	-	-
Chennai S	3130	3150	-20
Vijayawada M-30	3590	3590	Unch

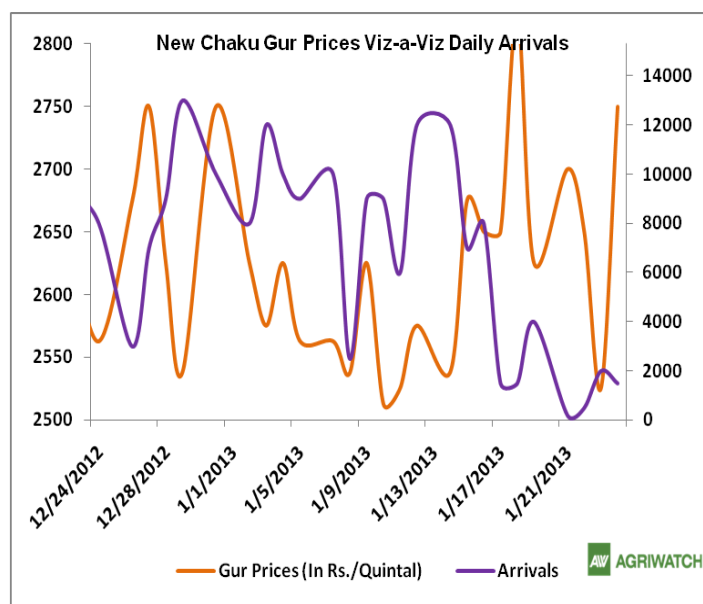
**Gur Market Scenario and Outlook**

Gur prices are falling like anything in Muzaffar nagar market owing to dull demand and consistent gur arrivals.

It is notable that some sugar mills might withdraw cane crushing in this marketing year owing to lower sugar prices so ultimately that cane would be diverted towards gur making which might also dampen the possibilities of increase in gur prices in near future.

Good demand of UP gur has been witnessed from Haryana, Punjab and Rajasthan confirmed by lower pace of gur stored in the cold storages compared to last couple of weeks.

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



This week around 55500 bags of chaku gur (each 40 kg) arrived in the gur Muzaffar nagar market.

As far as stock position is concerned, around 281000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 7th Jan 2013, which are 11000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 111000 bags of Chaku variety gur stock stored in Cold storages as reported.

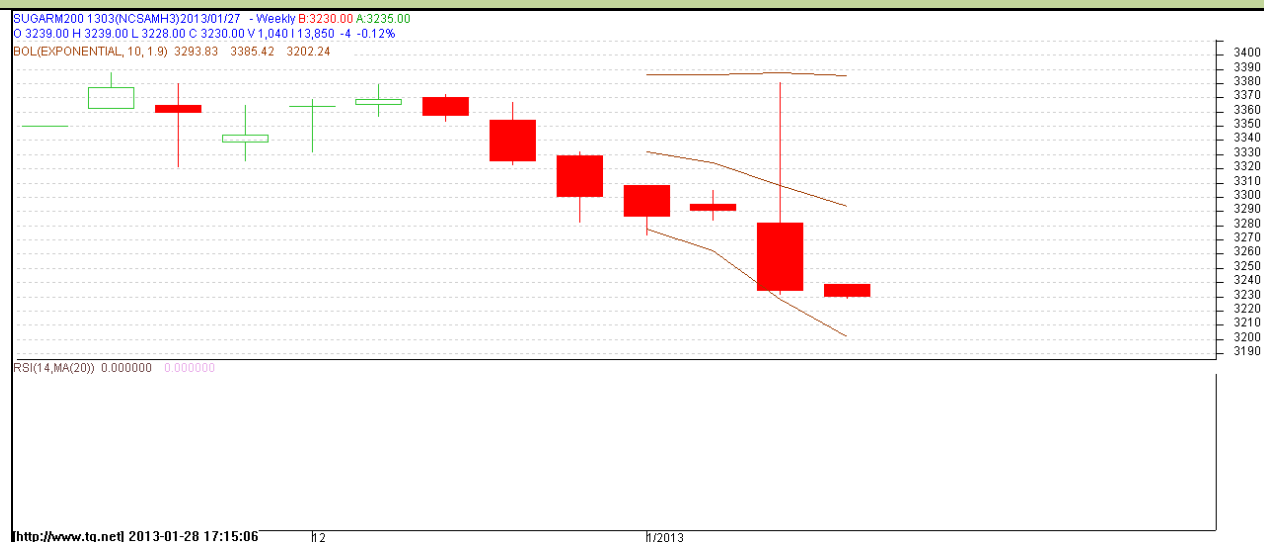
Meanwhile, we are expecting a sharp hike in gur prices after Makar Sakranti due to expected demand. Also, lower cane production in Maharashtra kept the gur production at lower side this year.

<b>Gur Spot Prices (Rs/Qtl)</b>				
<b>Markets</b>	<b>Variety</b>	<b>25-Jan-13</b>	<b>18-Jan-13</b>	<b>Change</b>
Muzaffar Nagar	New Chaku	2750	2825	<b>-75</b>
	Chaku – Sukha	1500	1500	<b>Unch</b>
	Khurpa	2660	2600	<b>60</b>
	Laddoo	2775	2750	<b>25</b>
Bangalore	Achhu	3500	3500	<b>Unch</b>
	Mudde	3600	3600	<b>Unch</b>
Belgaum	Mudde	3100	3000	<b>100</b>
Belthangadi	yellow (Average)	-	3200	<b>-</b>
Bijapur	Achhu	2800	2525	<b>275</b>
Gulbarga	Other (Average)	3060	3000	<b>60</b>
Mahalingapura	Penti (Average)	2950	3140	<b>-190</b>
Mandya\	Achhu (Medium)	2650	2650	<b>Unch</b>
	Kurikatu (Medium)	2400	2300	<b>100</b>
	Other (Medium)	2400	2400	<b>Unch</b>
	Yellow (Medium)	2600	2600	<b>Unch</b>
Shimoga	Achhu (Average)	3000	3050	<b>-50</b>

Commodity: Sugar  
Contract: March

Exchange: NCDEX  
Expiry: March 20, 2012

### SUGAR (Weekly March Contract Chart)



#### Technical Commentary:

- Sugar prices are moving in a downward channel as chart depicts.
- Last candlestick suggests bearishness in the market.
- However, RSI is hovering at oversold region which indicates market should recover from present level.

#### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	March	2935	3160	3187	3320	3338
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	March	Buy	Above 3190	3220	3235	3175

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

**Technical Commentary:**

- Gur prices are moving in a downward channel as chart depicts
- RSI is moving near to oversold region.
- Prices are likely to hover between Rs 1094 to Rs 1112.
- Decrease in prices has supported by volume and OI which shows strength of short participants increases in the market.

**Strategy: Sell**

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Feb	1058	1082	1100.5	1122	1138
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Feb	<b>Sell</b>	Below 1105	1096	1092	1110

**International Scenario**

International raw as well as white sugar prices moving downwards due to lackluster trade.

Good cane crushing reports from Thailand and higher sugar production figures from Brazil led the sugar prices down for ICE as well as LIFFE sugar 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:**

- Refined white sugar from Pakistan quoted at between \$505 to \$535 per ton. While millers are fetching Indian white sugar premium at between \$30 to \$35 per ton to LIFFE March contract.
- Brazilian raw sugar premium is trading at a discount of 0.3 cents a pound to the March contract sugar prices on ICE futures which was 0.5 cents a pound last week.
- Thai white sugar premium stood at 75 to 85 cents over ICE raw sugar futures march contract.

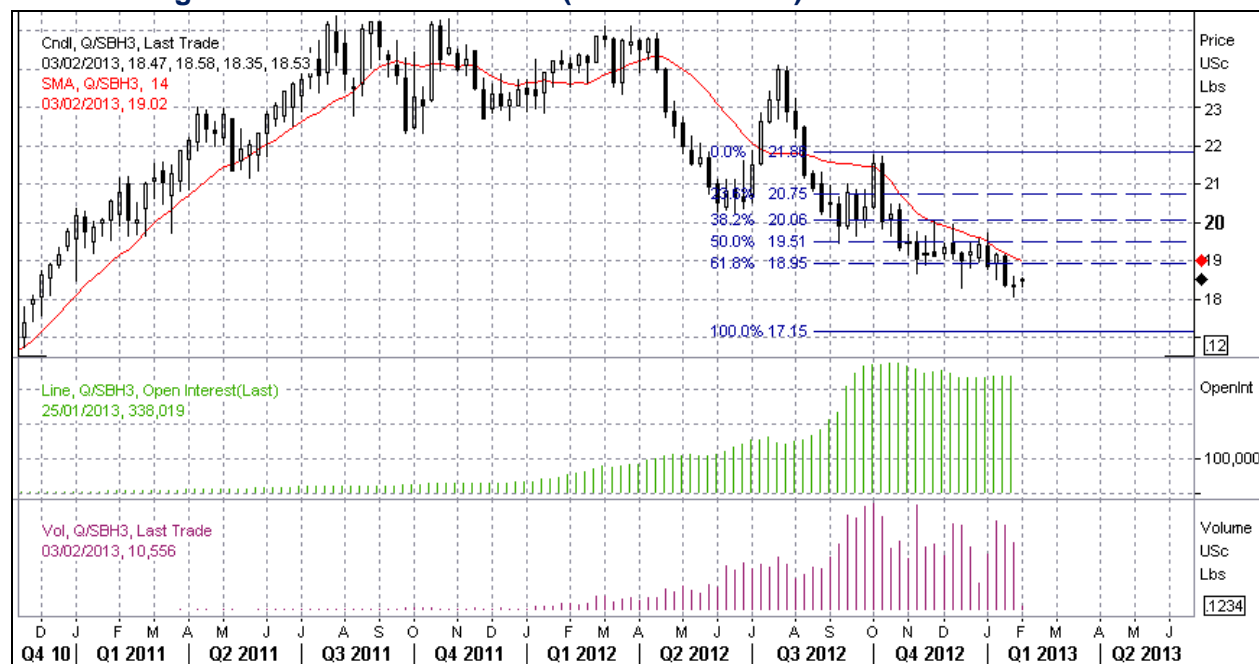
International Sugar Prices (Weekly)				
	Contract Month	24-Jan-2013	17-Jan-2013	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	18.49	18.42	0.07
	May-13	18.46	18.6	-0.14
	Jul-13	18.73	18.92	-0.19
LIFFE Sugar (US \$/MT)	Mar-13	487.3	497.5	-10.2
	May-13	500.5	505	-4.5
	Aug-13	505.5	509.4	-3.9

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

**Technical Commentary:**

- Sugar prices are continuously moving in a primary downtrend.
- Last candlestick suggests bearishness.
- Breach of \$484 would take the prices down to \$470, which is its next support level.
- It is advisable to market participants to made short selling from present level

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'13	487.3	470

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

**Technical Commentary:**

- ICE raw sugar futures are trading in a downward trend and presently consolidates.
- Decrease in prices has supported by volume and OI.
- Market participants should sell from present level

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'13	18.49	18.10

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>  
 © 2005 Indian Agribusiness Systems Pvt Ltd.