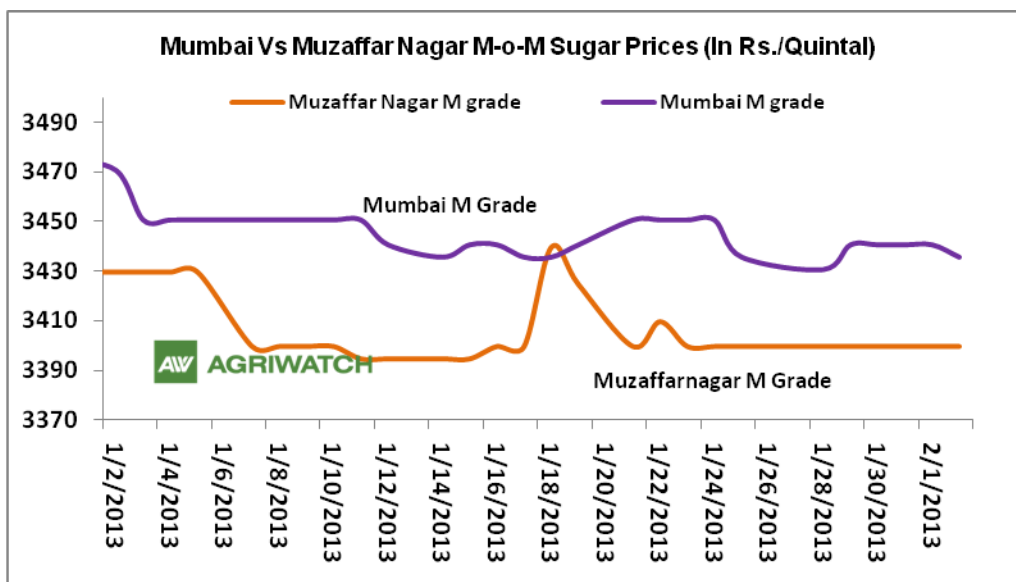


Sugar Price Trend and Outlook:

Sugar prices follow the bearish sentiments at present taking cues from weak demand and selling pressure from mills.

Meanwhile, India produced 13.63 million tons of sugar during Oct-Jan 2012-13 period up by 2 percent Y-o-Y. Out of total sugar production, Maharashtra and UP sugar mills contributes around 4.7 million tons and 3.58 million tons respectively.

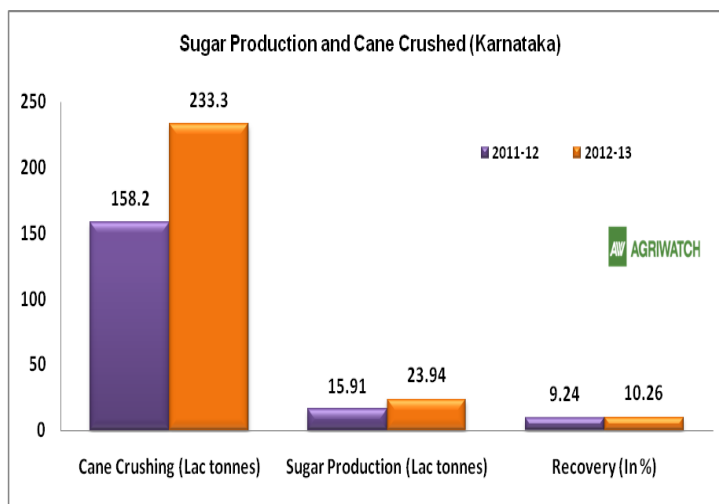


Domestic Sugar Price Outlook:

Prices not seems bullish at present until government ban sugar imports. Government is presently considering the sugar production stats for 2012-13. However, sugar exports don't seems viable in the coming months as global sugar is overflowing this year.

News Highlights:

- Decreasing sugar prices in domestic arena thanks to government policies dampen the growth of sugar industry. However, recent decisions taken by Cabinet ministry gives clear indication of loosen up the regulation on sugar industry. Industry is seeking some big decision from government that could give some respite to the millers.
- Karnataka sugar mills produce 2.39 million tons of sugar after crushing 23.33 million tons of cane with an average recovery of 10.26% till 2nd February 2013 starting from Oct 2012.
- Government today hike the Fair Remunerative Price of Sugarcane by 23.5% to Rs. 210/Quintal for 2013-14. It is notable that last year FRP of sugarcane was Rs 170/ Quintal. This move could encourage farmers to plant more sugarcane in their respective fields for the coming



year as sugarcane crop proved more competitive crop compared to Rice, wheat and cotton as estimated.

- Recent, government relaxed its norms to convert unsold sugar into levy sugar in the given period of release from December to March.
- 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.
- 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.

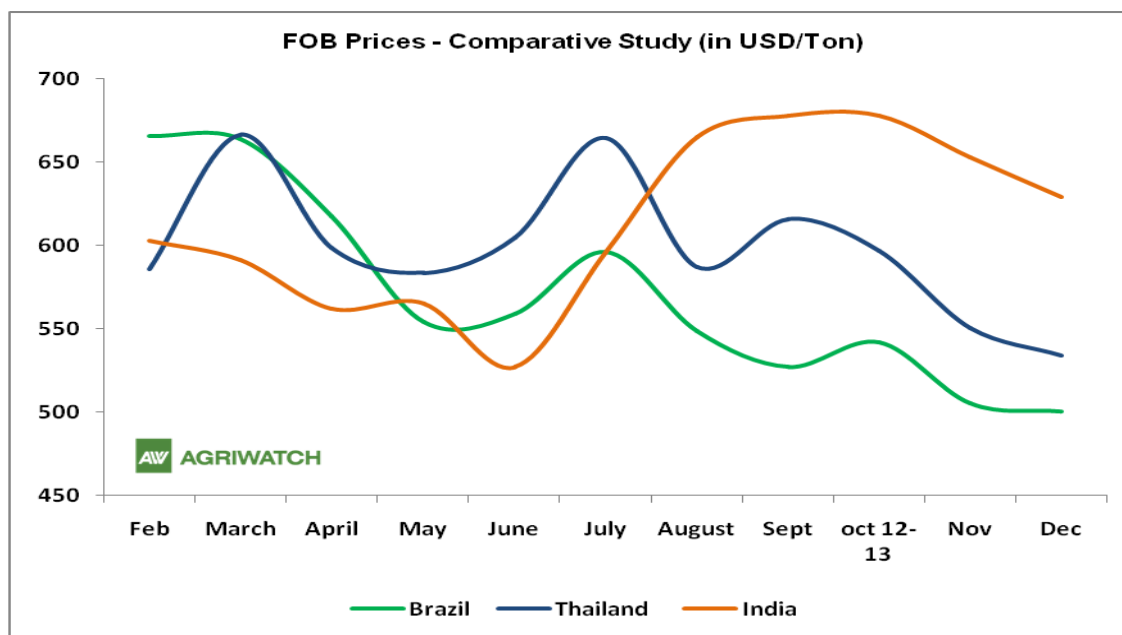
Raw Sugar Import Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$520.13 per ton (including 10% import duty) and Indian domestic refined sugar prices quoted at \$628.19 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.52.93) till 4 th February 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	520.13	527.96	

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. However, this week no sugar imports has been reported.



Spot Sugar Prices Scenario (Weekly)

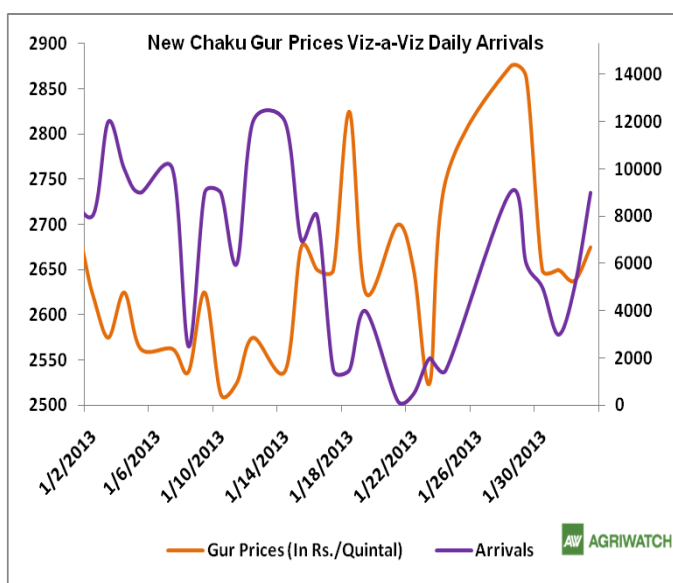
	01-Feb-13	25-Jan-13	Change
Delhi M-30	3400	3380	+20
Delhi S-30	3350	3360	-10
Muzaffar Nagar M	3400	3400	Unch
Mumbai M-30	3441	3436	+5
Mumbai S-30	3276	3271	+5
Kolhapur M-30	3220	3225	-5
Kolhapur S-30	3120	3125	-5
Kolkata M Variety	-	-	-
Chennai S	3100	3130	-30
Vijayawada M-30	3570	3590	-20

Gur Market Scenario and Outlook

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

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.

However, weak numbers for gur stored in Cold storages and expected lower gur production in Maharashtra due to lower cane crop this season could turned the market bullish in gur in the coming months.



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.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	01-Feb-13	25-Jan-13	Change
Muzaffar Nagar	New Chaku	2638	2750	-112
	Chaku – Sukha	5000	1500	3500
	Khurpa	2638	2660	-22
	Laddoo	2788	2775	13
Bangalore	Achhu	3000	3500	-500
	Mudde	3300	3600	-300
Belgaum	Mudde	3000	3100	-100
Belthangadi	yellow (Average)	3200	-	-
Bijapur	Achhu	-	2800	-
Gulbarga	Other (Average)	2830	3060	-230
Mahalingapura	Penti (Average)	3000	2950	50
Mandya\	Achhu (Medium)	2500	2650	-150
	Kurikatu (Medium)	2350	2400	-50
	Other (Medium)	2300	2400	-100
	Yellow (Medium)	2500	2600	-100
Shimoga	Achhu (Average)	2975	3000	-25



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.
- Decrease in prices along with OI and volume indicates short buildup in the market.

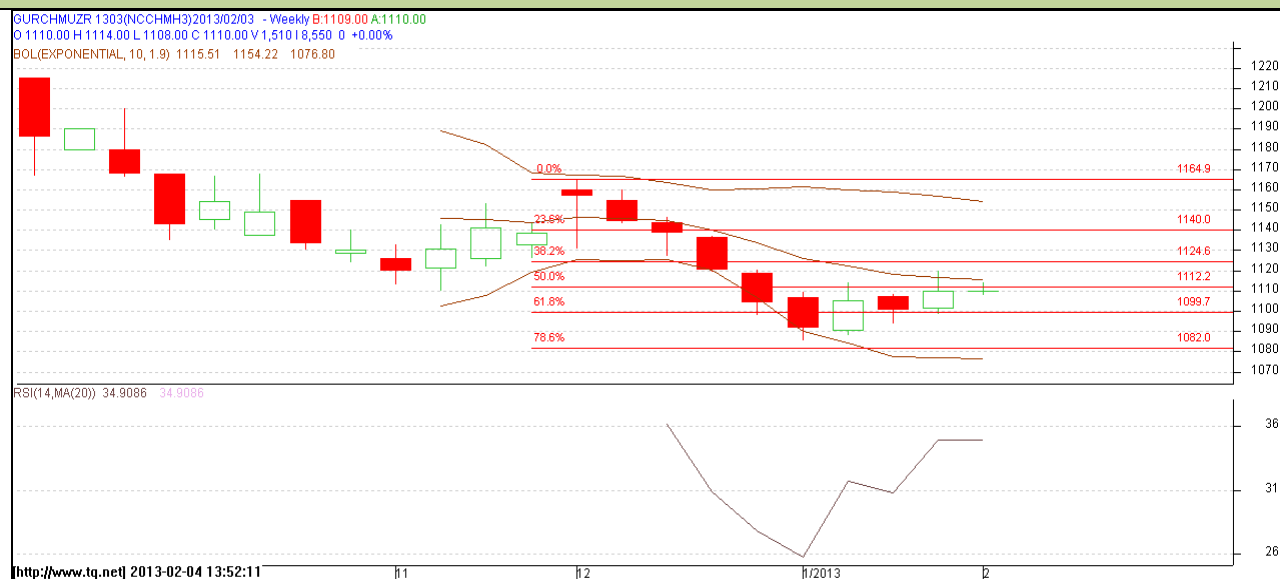
Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	March	2935	3005	3148	3190	3235
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	March	Sell	Below 3140	3100	3080	3160

Commodity: Gur
Contract: March

Exchange: NCDEX
Expiry: March 20, 2012

GUR (March 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 that shows strength of short participants increases in the market.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	March	1058	1082	1110	1122	1138
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	March	Sell	Below 1115	1105	1100	1120

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:

- World top sugar refiner, Al Khaleej Sugar co. stopped its sugar processing unit based in Dubai. Weak refined sugar demand internationally and sugar stocks piling up at silos urge them to stop refining operations of raw sugar. It is notable that Al Khaleej sugar refinery has 6000 TCD capacity per day.
- Brazil Center South sugar production ends at 34.1 million tons in 2012-13.
- Sugarcane output likely to increase to 585 million tons from 532.5 million tons in Center South region of Brazil, according to Raizen.
- Market participants increase their net short positions in LIFFE by 5840 lots to 8762 lots as on 22nd Jan, as per Exchange COT data.
- Thai raw sugar premium stood at 75 to 80 cents over ICE raw sugar futures may contract. Also, Thai raw sugar premium for J-spec also trading at 95-100 points over ICE May contract which was 75 to 80 last week.

International Sugar Prices (Weekly)				
	Contract Month	31-Jan-2013	24-Jan-2013	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	18.78	18.49	0.29
	May-13	18.84	18.46	0.38
	Jul-13	19.14	18.73	0.41
LIFFE Sugar (US \$/MT)	Mar-13	499.4	487.3	12.1
	May-13	509.2	500.5	8.7
	Aug-13	514	505.5	8.5

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	499.4	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	18.78	18.10

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