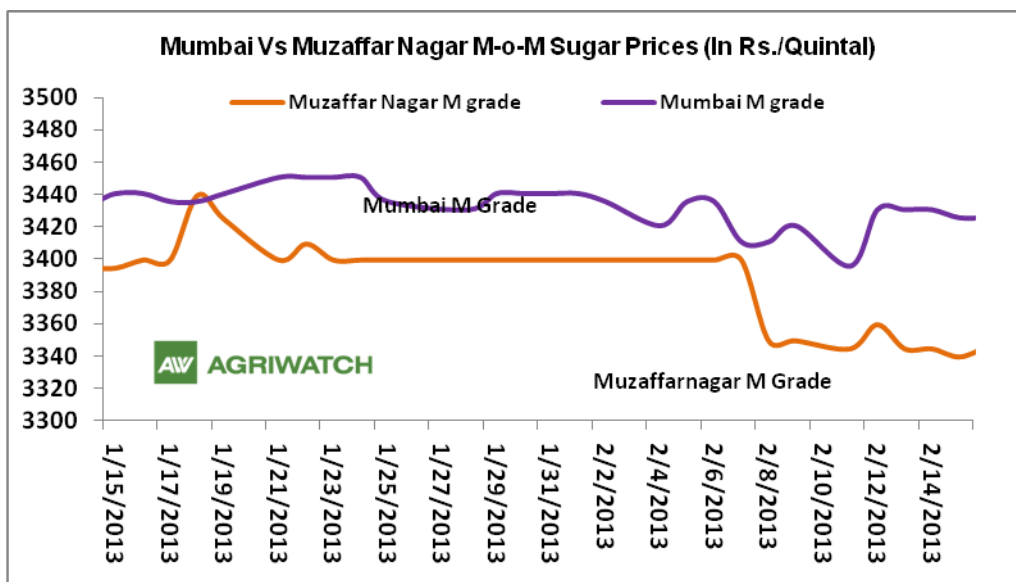


Sugar Price Trend and Outlook:

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

Government likely to decide on sugar decontrol in couple of weeks time. This news gives some support to the prices in future market.

However, reportedly around 123000 tons of raw sugar is heading towards India from Brazilian ports. Government need to watch the current situation and should increase the import duty on both raw and white sugar. It is notable that sugar prices are hovering below cost of production.



Domestic Sugar Price Outlook:

Sugar prices are catching volatility presently and expected downfall in the prices occurred in the last 6-7 days. Now, government would play a vital role here as food ministry is seeking approval of decontrol of sugar sector from cabinet, if it approves it then sugar prices should rebound from present level.

News Highlights:

- India's sugar output rose 3% to 13.75 million tonnes on year in the first four months of the season beginning October.
- India's sugar production for the 2013-14 seasons is set to fall below consumption for the first time in four years as water shortage trims acreage in three key states Maharashtra, Karnataka and Tamil Nadu.
- No arrivals have been reported in Kolkata market as demand is weak in domestic market. Also, buyers are not showing interest in buying sugar in bearish run of the sugar prices overall. Only 1-2 rakes has been reported from Maharashtra in a month towards Kolkata.
- Around 123,500 tons of raw sugar awaiting loading from various ports of Brazil towards India, according to shipping agency Williams report. Indian sugar refineries like Renuka sugars are getting import parity from Brazil. It is notable that more than 1 million tons of raw sugar has already been imported from abroad as expected.
- Government likely to take any decision on sugar decontrol in the next 15 days as per the statement given by K V Thomas.

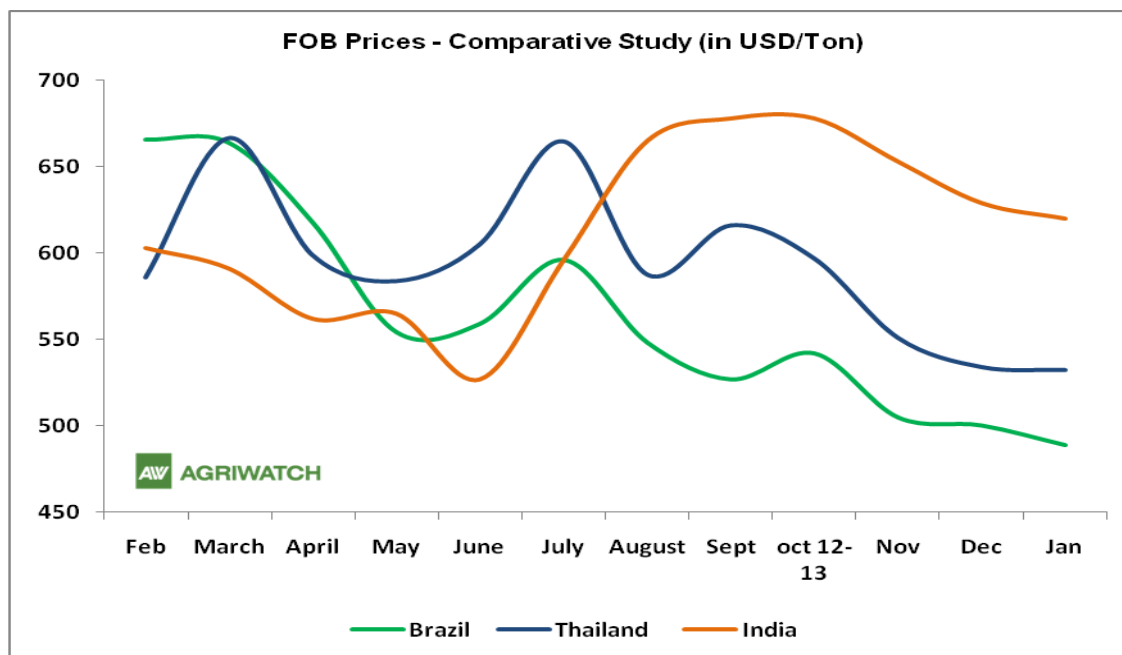
Raw Sugar Import Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$510.20 per ton (including 10% import duty) and Indian domestic refined sugar prices quoted at \$608.07 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 15 th February 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	510.20	508.19	

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)**

	15-Feb-13	08-Feb-13	Change
Delhi M-30	3345	3375	-30
Delhi S-30	3315	3320	-5
Muzaffar Nagar M	3340	3350	-10
Mumbai M-30	3426	3411	15
Mumbai S-30	3246	3243	3
Kolhapur M-30	3175	3200	-25
Kolhapur S-30	3075	3100	-25
Kolkata M Variety	-	-	-

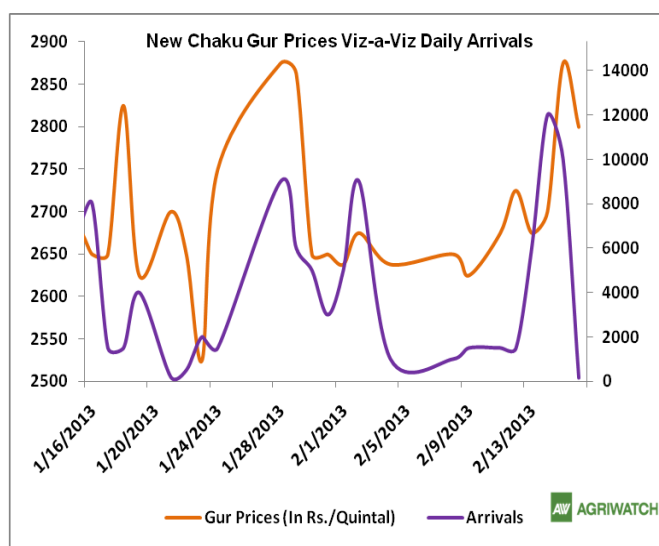
Ambikapur (Chattishgarh) M	3201	3150	+51
Ambikapur (Chattishgarh) S	3160	3145	+15
Chennai S	3000	3040	-40
Vijayawada M-30	3530	3550	-20

Gur Market Scenario and Outlook

Gur prices are moving range bound at present.

Gur prices might get some downward correction in the coming days as gur manufacturers are not able to supply gur in the market owing to continuous rainfall in the region and good amount of arrivals would hit the market in the coming days which might take the prices downward for the short term.

As far as stock position of gur is concerned, total around 339000 bags of gur (40kg each) stored in Muzaffar nagar cold storages till 4th February 2013 which are 123000 bags (40kg each) lower compared to last year same period. Out of total 339000 bags of gur, around 145000 bags of Chaku gur, 59000 bags of Rascut, 99000 bags of Papdi, and 1500 bags of Khurpa stored in the cold storages as reported.



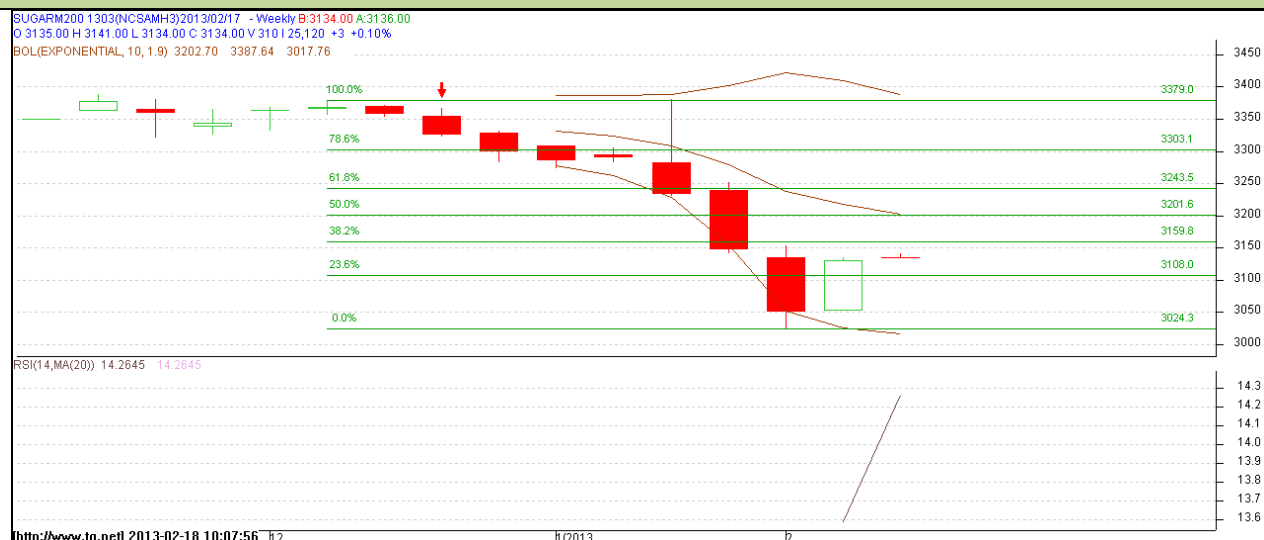
Gur prices are likely to move in a range with weak tone in the coming week owing to increase in gur arrivals after consistent rainfall in the region which hampers the gur production and arrivals in the market last week.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	15-Feb-13	08-Feb-13	Change
Muzaffar Nagar	New Chaku	2875	2650	225
	Chaku – Sukha	10000	1000	9000
	Khurpa	2575	2575	Unch
	Laddoo	2663	2650	13
Bangalore	Achhu	3000	3000	Unch
	Mudde	3300	3300	Unch
Belgaum	Mudde	3000	3000	Unch
Belthangadi	yellow (Average)	3300	3300	Unch
Bijapur	Achhu	2685	2775	-90
Gulbarga	Other (Average)	2825	3000	-175
Mahalingapura	Penti (Average)	2940	2990	-50
Mandya\	Achhu (Medium)	2500	2450	50
	Kurikatu (Medium)	2300	2300	Unch
	Other (Medium)	2400	2400	Unch
	Yellow (Medium)	2450	2450	Unch
Shimoga	Achhu (Average)	2825	2850	-25

Commodity: Sugar
Contract: March

Exchange: NCDEX
Expiry: March 20, 2012

SUGAR (Weekly March Contract Chart)



Technical Commentary:

- Sugar prices rebound after making its contract low.
- Last candlestick pattern Morubozu depicts bullishness in the prices.
- Prices should test 38.2% retracement level i.e. Rs.3160, breach of that level would take the price up to Rs 3201 level which is its next resistance level.
- Also, RSI is hovering at oversold region which gives indication of bullishness in the prices in the coming week.
- Increase in prices with decrease in OI clearly indicates short covering.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	March	2908	3005	3131	3160	3200
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	March	Buy	Above 3120	3150	3160	3005

Commodity: Gur
Contract: March

Exchange: NCDEX
Expiry: March 20, 2012

GUR (March Weekly Chart)

GURCHMUZR 1303(NCCHMH3)2013/02/17 - Weekly B:1103.50 A:1104.50
O 1101.50 H 1106.00 L 1101.50 C 1104.00 V 77016,260 +1 +0.09%
BOL(EXPONENTIAL, 10, 1.9) 1109.36 1134.35 1084.38



Technical Commentary:

- Gur prices are moving in a downward channel as chart depicts
- RSI is moving near to oversold region.
- Decrease in prices has not supported by OI which indicates short covering.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	March	1058	1082	1103	1122	1138
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	March	Sell	Below 1106	1090	1082	1116

International Scenario

International raw as well as white sugar prices moving downwards due to weak demand and excess sugar production globally.

Presently, Brazilian and Thai sugar are in the competition to sell more quantity of sugar in the global market which kept the prices lower.

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 mills might increase the ratio for producing ethanol over sugar in the coming season starting from April 2013 as raw sugar prices (18.08 cents a pound) are trading below ethanol prices (18.11 cents a pound) which encourage the millers to go for ethanol production rather than sugar production. Forecasts for the 2013-14 ethanol/sugar ratio might go to as high as 54% due to good export demand of ethanol.
- Brazilian raw sugar premium trading at a premium of 0.15 cents to the price of March contract on the ICE Futures.
- Cane production costs in top sugar exporter Brazil have started to fall due to the prospect of a bounteous harvest and will force some of the least efficient beet growers, many of them in Eastern Europe, to switch out of sugar.
- Thai cane and sugar Corp (TCSC) will open a tender to sell 73332 tons of raw sugar. Out of total sugar quantity, company offers 53565 tons of hipol raw sugar and rest 19767 tons of J-spec raw sugar both for delivery from July 1st to 15th September 2013.

International Sugar Prices (Weekly)				
	Contract Month	14-Feb-2013	07-Feb-2013	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	17.94	18.16	-0.22
	May-13	17.77	18.2	-0.43
	Jul-13	17.97	18.46	-0.49
LIFFE Sugar (US \$/MT)	Mar-13	490.4	490.4	Unch
	May-13	492.5	496.9	-4.4
	Aug-13	495	500.9	-5.9

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 \$474, 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	490.4	474

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.
- 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	17.94	17.60

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