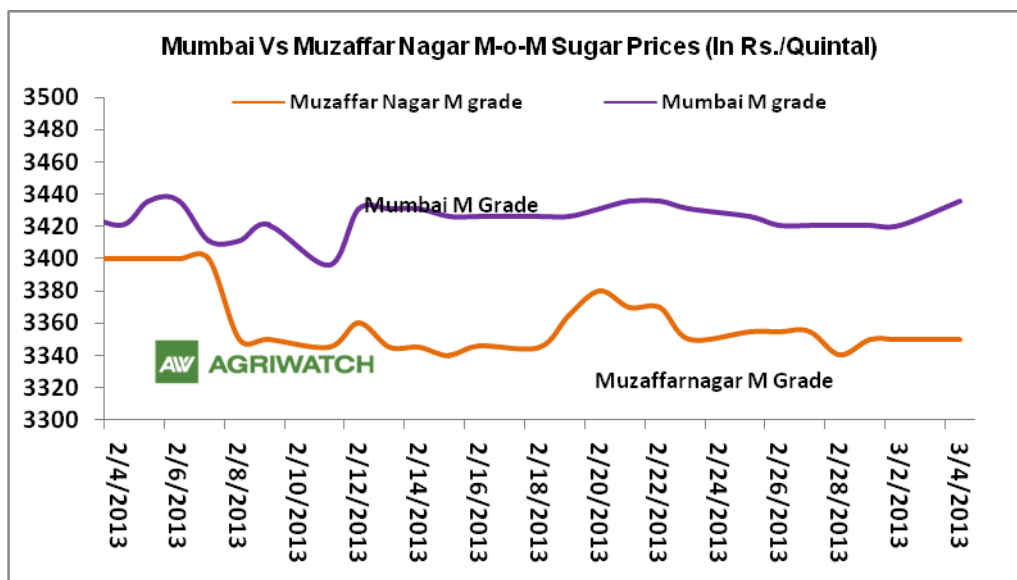


### Sugar Price Trend and Outlook:

Sugar prices traded steady to firm in key spot markets last week.

India produced 18.76 million tons of sugar till 28<sup>th</sup> Feb 2013 which is 60000 tons sugar less production compared to last year. Out of total sugar production figure, Maharashtra and UP states contributed 6.53 million tons and 5.03 million tons respectively.



### Domestic Sugar Price Outlook:

Sugar prices are moving range bound presently due to lack of cues in the markets. However, any change in policy by government would give the prices a new direction.

### News Highlights:

- Renuka sugars is active in East part of India and likely to spread its imported sugar in the open markets in the coming days. Presently, Kolkata market is getting sugar from Karnataka and TN by rake.
- Mills from Maharashtra likely to wind up their cane crushing operations in March due to lack of cane availability this year. Normally, mills in Maharashtra closes after mid of May but this time millers have to close their crushing operations well below their normal time. As far as UP is concerned, mills are likely to run till April as late start of crushing operations by mills and huge cane availability urges them to extend their cane crushing operations.
- Good amount of sugar has been released by mills in the open markets which depress the prices of sugar in domestic arena.
- Around 30% of the jaggery units have shifted from UP to MP this year as reported.
- The sugar mills in Punjab have purchased 21.24 million metric tons of sugarcane worth Rs 90.17 billion from growers during the current season till the end of Feb 2013.
- Government has not make any announcement of the removal of restrictions over sugar industry and raising excise duty on sugar which depress the prices of sugar in the domestic markets as reported. Just after the end of the speech of Finance Minister, sugar prices tumbled down. Also, some sugar stocks like Shree Renuka sugars stock prices make 52 week low today.
- Overall demand in domestic markets are weak as reported. As far as supply of sugar is concerned, Kolkata may get sugar loaded in rake most probably on Sunday which is coming from South as reported.

- Indian white sugar premium traded steady at \$35 over May London futures.
- Mills in UP has not open any tender for sugar as mills are waiting for any decision on sugar excise duty and sugar decontrol.in Union Budget 2013.
- Sugar production likely to improve in UP as higher remuneration to farmers this year likely to improve acreage.

### Raw Sugar Import Opportunity:

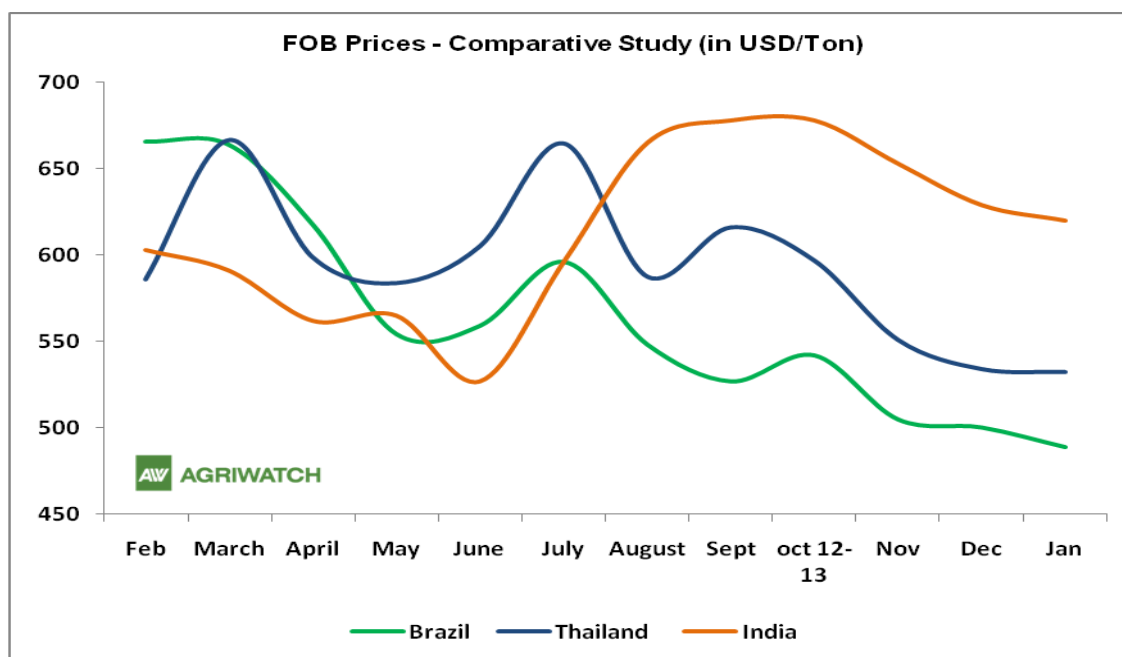
Indian indicative raw sugar CIF prices from Brazil quoted at \$506.06 per ton (including 10% import duty) and Indian domestic refined sugar prices quoted at \$612.8 per ton Kolhapur. It is notable that millers are now find import more profitable.

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.54.04) till 25 <sup>th</sup> February 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	506.06	505.72	

Meanwhile, vessels are waiting to load around 132700 tons of raw sugar at Brazilian ports that is bound to India, according to Williams shipping agency. It is notable that Indian refiners mainly SRS already import more than 1 million tons of raw sugar from Brazil.

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)**

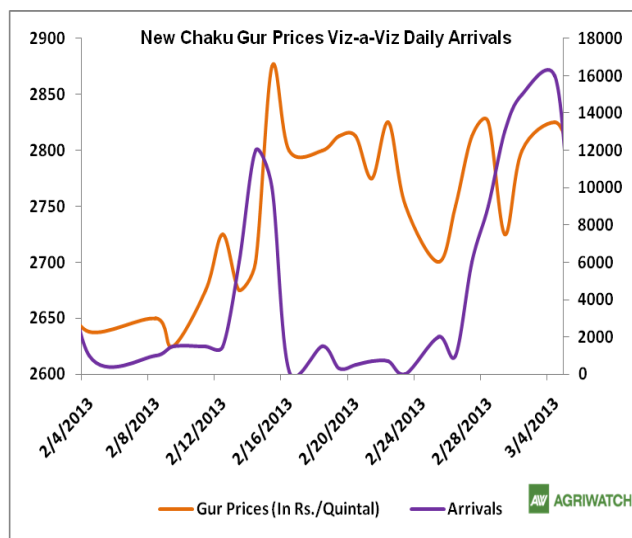
	01-Mar-13	22-Feb-13	Change
Delhi M-30	3400	3400	Unch
Delhi S-30	3360	3335	25
Muzaffar Nagar M	3350	3370	-20
Mumbai M-30	3421	3436	-15
Mumbai S-30	3230	3246	-16
Kolhapur M-30	3130	3175	-45
Kolhapur S-30	3060	3075	-15
Kolkata M Variety	3500	3500	Unch
Ambikapur (Chattishgarh) M	3201	3150	+51
Ambikapur (Chattishgarh) S	3160	3145	+15
Chennai S	3025	3040	-15
Vijayawada M-30	3600	3600	Unch

**Gur Market Scenario and Outlook**

Gur prices are moving in a range presently owing to consistent arrivals and demand in cash market. However, prices likely to move down in the coming days keeping in view increasing gur arrivals in the market. In addition to it, farmers have to clear their fields for sugarcane planting for next year which urge them to divert their cane towards gur production for quick payments.

However, considering lower stock position in the cold storages, prices of gur likely to surge in the medium to long term.

Total around 390000 bags of gur (40kg each) stored in cold storages till 4th March 2013 which are 535000 bags (40kg each) lower compared to last year same period. Out of total 390000 bags of gur, around 180000 bags of Chaku gur, 64000 bags of Rascut, 100000 bags of Papdi, stored in the cold storages as reported.



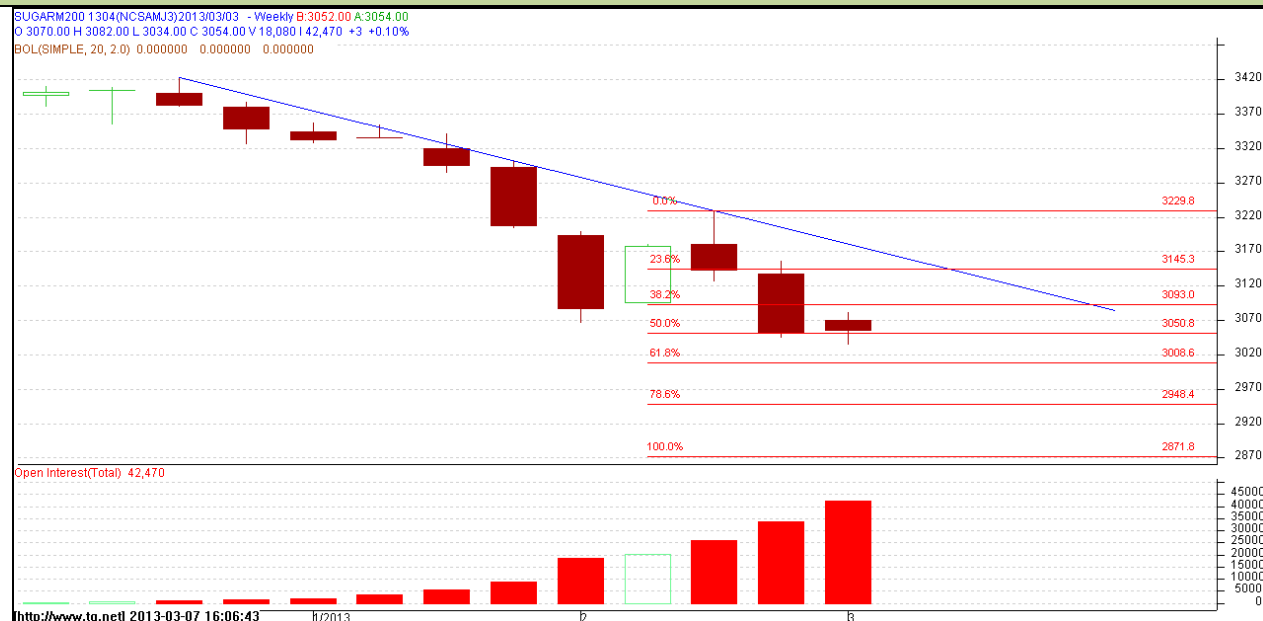
Gur prices are likely to move in a range with weak tone in the coming week owing to increase in gur arrivals.

<b>Gur Spot Prices (Rs/Qtl)</b>				
<b>Markets</b>	<b>Variety</b>	<b>01-Mar-13</b>	<b>22-Feb-13</b>	<b>Change</b>
Muzaffar Nagar	New Chaku	2725	2825	<b>-100</b>
	Chaku – Sukha	13000	700	<b>12300</b>
	Khurpa	2550	2650	<b>-100</b>
	Laddoo	2700	2725	<b>-25</b>
Bangalore	Achhu	2900	3000	<b>-100</b>
	Mudde	3000	3300	<b>-300</b>
Belgaum	Mudde	3000	3000	<b>Unch</b>
Belthangadi	yellow (Average)	3300	3300	<b>Unch</b>
Bijapur	Achhu	2750	2690	<b>60</b>
Gulbarga	Other (Average)	2800	2900	<b>-100</b>
Mahalingapura	Penti (Average)	2980	2960	<b>20</b>
Mandya	Achhu (Medium)	2600	2600	<b>Unch</b>
	Kurikatu (Medium)	2350	2300	<b>50</b>
	Other (Medium)	2450	2400	<b>50</b>
	Yellow (Medium)	2550	2500	<b>50</b>
Shimoga	Achhu (Average)	2775	2775	<b>Unch</b>

Commodity: Sugar  
Contract: April

Exchange: NCDEX  
Expiry: April 20, 2013

### SUGAR (Weekly March Contract Chart)



#### Technical Commentary:

- Sugar prices are moving range bound but hovering in a downtrend as chart depicts.
- Last candlestick pattern Morubozu depicts bearishness in the prices.
- Decrease in prices with volume and OI support clearly indicates short buildup.
- Also, RSI Negative diversion likely to take the prices downwards in the coming week.

#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	April	2950	3009	3135	3094	3145
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	April	<b>Sell</b>	Below 3060	3030	3015	3080

Commodity: Gur  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2013

### GUR (March Weekly Chart)



#### Technical Commentary:

- Gur prices is moving in a upward channel as chart depicts.
- RSI is hovering at overbought region.
- Decrease in prices has supported by OI which indicates profit booking at higher level.
- Increase in prices has supported by Volume and OI which indicates long buildup in the market.

#### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1276	1290	1331.5	1350	-
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1320	1340	1350	1310

### International Scenario

International raw as well as white sugar prices are trying to move up owing to increasing sugar demand and increasing port congestion in Brazil delaying sugar shipments.

We expect prices of sugar should move in a range with firm tone in the coming week in ICE as well as LIFFE.

### International Market News Highlights:

- Thailand sugar production reached to 7 million tons after crushing 71 million tons of cane till date.
- Bangladesh government impose export ban on sugar for next three years.
- Brazilian mills are going to start next season cane harvesting at least 20-30 days ahead of last year. It is notable that higher ethanol prices urge millers to go for producing biofuel from cane.
- Thai raw sugar premium Hi-pol traded at 60 to 100 points over March ICE sugar contract. Meanwhile, Thai white sugar premium stood at \$25 over May LIFFE Contract.
- Bangladesh is looking for 45 ICUMSA sugar as reported.

International Sugar Prices (Weekly)				
	Contract Month	28-Feb-2013	21-Feb-2013	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	18.38	18.12	0.26
	May-13	18.39	17.9	0.49
	Jul-13	18.46	18.07	0.39
LIFFE Sugar (US \$/MT)	Mar-13	519.7	498	21.7
	May-13	510.8	496.9	13.9
	Aug-13	507.2	496.5	10.7

## LIFFE Future Market Sugar Scenario (May Contract):



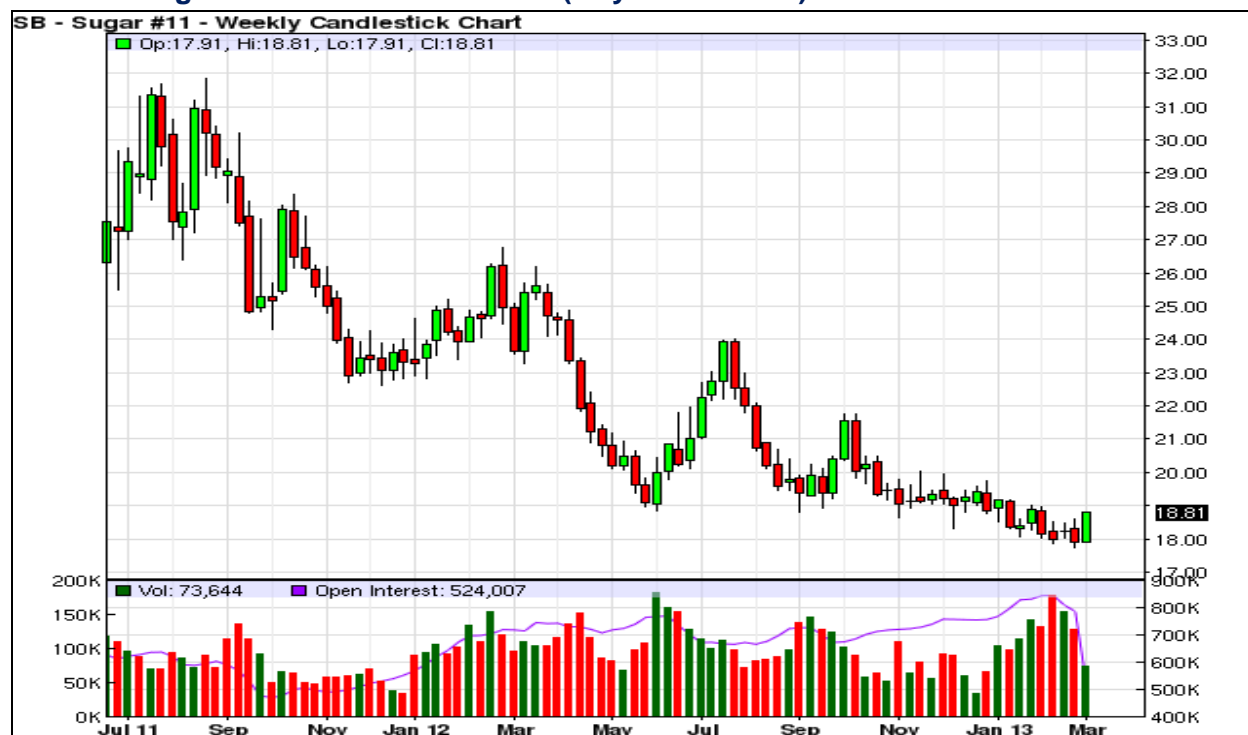
## Technical Commentary:

- Sugar prices are continuously moving in a primary downtrend.
- Last candlestick suggests bullishness.
- Increase in prices has supported by OI which indicates long buildup occur in the market.
- It is advisable to market participants to made short covering at present level.
- Breach of 14 day SMA also indicates bullishness in the prices.
- However, RSI is hovering at neutral region.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'13	519.7	540



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



**Technical Commentary:**

- ICE raw sugar futures are trading in a downward trend.
- Decrease in prices has not supported by volume and OI that indicates market will consolidate from present level.
- Market participants should buy from present level

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'13	18.39	18.97

**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.