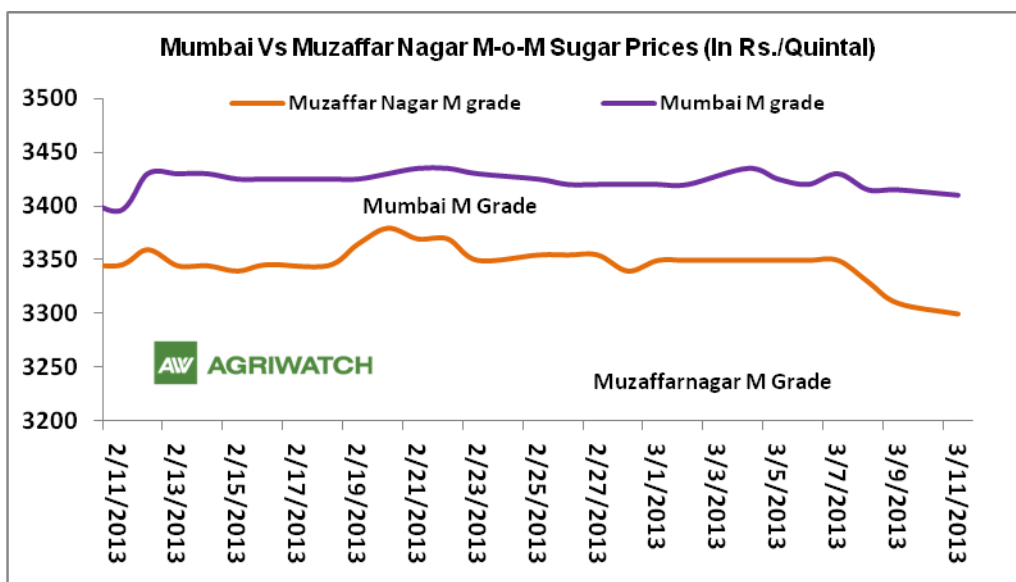


### Sugar Price Trend and Outlook:

Prices of sugar continued its weak tone owing to lack of domestic demand and consistent pressure of arrivals by mills in the open market.

Meanwhile, coming week is pretty crucial for sugar industry as government likely to take any decision on sugar decontrol and hike in sugar excise duty.



### 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:

- Sugarcane acreage likely to go up in UP as farmers getting better realization in sugarcane crop compared to other competitive crops like Rice. UP sugarcane acreage likely to go up by 10% for 2013-14 marketing year compared to 2012-13.
- With around 1 million tons of sugar imports by giant Shree Renuka Sugars, it now can play safe game by hedge its position by taking long positions in NCDEX platform and sell sugar locally as expected.
- Maharashtra sugar production likely to fall next year owing to lack of rainfall and farms left with ratoon crop which would give less recovery than plant crop in Maharashtra.
- Dalmia sugar is going to invest Rs 210 crore to double the cane crushing capacity to 5000 TCD in Kolhapur district by December end, according to news sources.

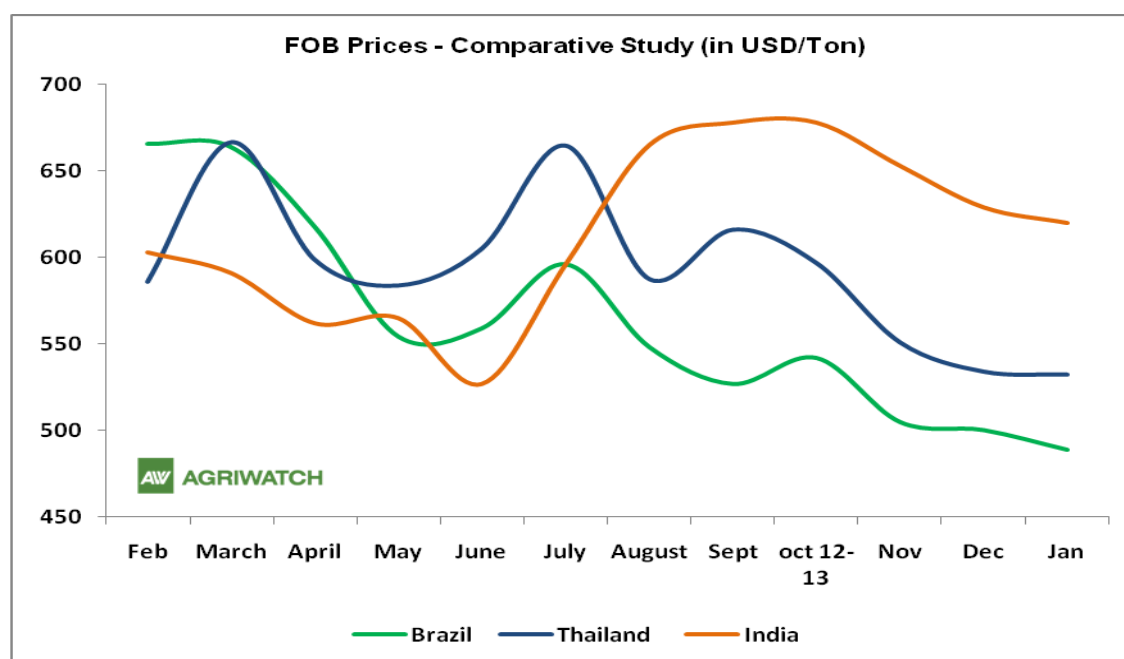
**Raw Sugar Import Opportunity:**

Indian indicative raw sugar CIF prices from Brazil quoted at \$528.95 per ton (including 10% import duty) and Indian domestic refined sugar prices quoted at \$601.25 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.54.47) till 8 <sup>th</sup> March 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	528.95	-	

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)

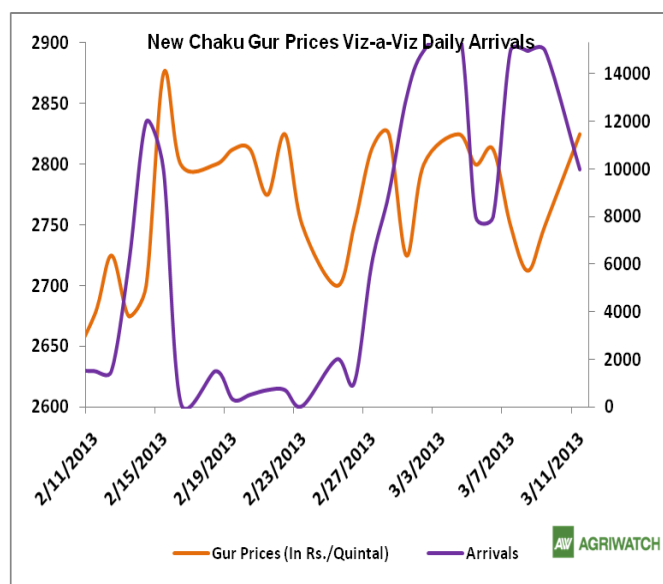
	08-Mar-13	01-Mar-13	Change
Delhi M-30	3360	3400	-40
Delhi S-30	3300	3360	-60
Muzaffar Nagar M	3330	3350	-20
Mumbai M-30	3416	3421	-5
Mumbai S-30	3206	3230	-24
Kolhapur M-30	3125	3130	-5
Kolhapur S-30	3050	3060	-10
Kolkata M Variety	3300	3500	-200
Chennai S	2975	3025	-50
Vijayawada M-30	3560	3600	-40

### Gur Market Scenario and Outlook

Gur prices are moving in a range presently owing to consistent arrivals and demand in cash market.

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

Total around 445480 bags of gur (40kg each) stored in cold storages till 11th March 2013 which are 584566 bags (40kg each) lower compared to last year same period. Out of total 445480 bags of gur, around 240000 bags of Chaku gur, 67724 bags of Rascut, 113686 bags of Papdi, stored in the cold storages as reported.



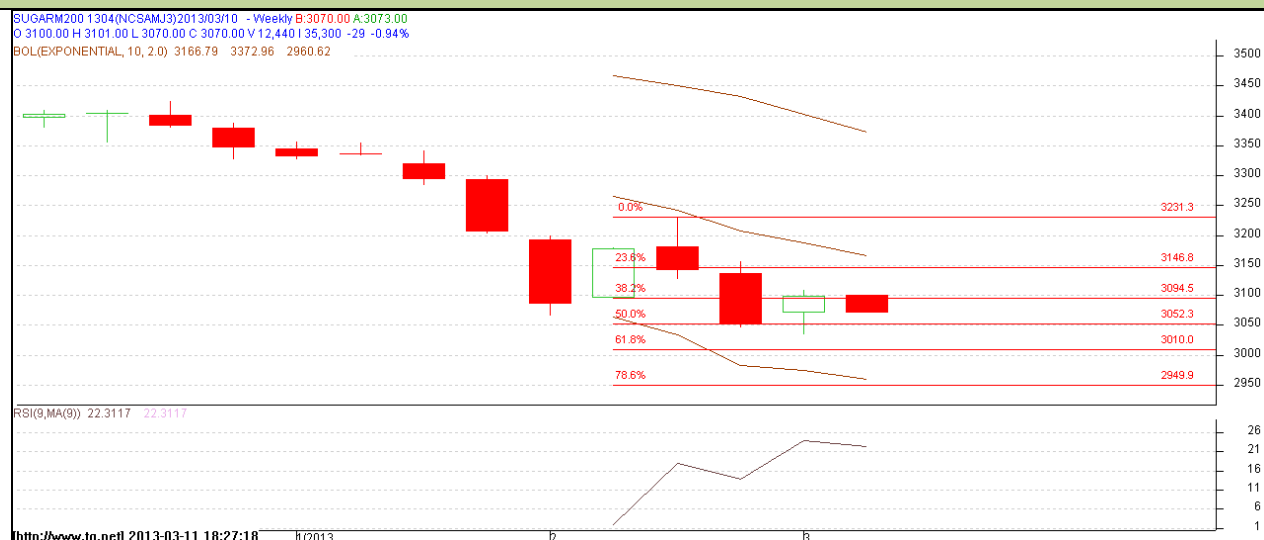
Gur prices are likely to move in a range with firm tone in the coming week owing to lower gur stock.

<b>Gur Spot Prices (Rs/Qtl)</b>				
<b>Markets</b>	<b>Variety</b>	<b>08-Mar-13</b>	<b>01-Mar-13</b>	<b>Change</b>
Muzaffar Nagar	New Chaku	2713	2725	-12
	Chaku – Sukha	15000	13000	2000
	Khurpa	2600	2550	50
	Laddoo	2700	2700	Unch
Bangalore	Achhu	2900	2900	Unch
	Mudde	3000	3000	Unch
Belgaum	Mudde	3000	3000	Unch
Belthangadi	yellow (Average)	3300	3300	Unch
Bijapur	Achhu	2880	2750	130
Gulbarga	Other (Average)	2981	2800	181
Mahalingapura	Penti (Average)	3060	2980	80
Mandya	Achhu (Medium)	2600	2600	Unch
	Kurikatu (Medium)	2450	2350	100
	Other (Medium)	2500	2450	50
	Yellow (Medium)	2600	2550	50
Shimoga	Achhu (Average)	3200	2775	425

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.
- Decrease in prices with volume and OI support clearly indicates consolidation.
- Also, RSI Negative diversion likely to take the prices upwards in the coming week.

#### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	April	2950	3009	3070	3145	3230
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	April	Buy	Above 3050	3090	3110	3030

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	1325	1350	-
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1320	1340	1350	1310

### International Scenario

International sugar prices continuously improving due to diversion of cane by Brazilian millers for making ethanol over sugar owing to better ethanol prices compared to sugar in International markets.

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 has crushed 81.87 million tons of cane and produce 8.19 million tons of sugar till 10th March 2013. Present sugar production figures is slightly higher compared to last year same period sugar production figures.
- Pakistan government gives a freight subsidy of Rs 175 per quintal for the export of 1.2 million tons of sugar, according to news sources.
- ABARES has forecast 4.3 million tons of raw sugar production by Australian mills in 2012-13 which is 0.2 million tons lower than its previous forecast.
- Speculation over delay in sugar exports from Brazil thanks to port congestion takes the sugar prices up in International markets. Presently, grains and oilseed is loading at Brazilian ports which delay the sugar export operations.
- Brazil exported 1.827 million tons of sugar, raw value, in February down from 2.346 million tons in January and up from 1.368 million tons sugar exported last year same period. Extended period of crushing thanks to dry weather conditions help millers to produce record sugar production and allow them to ship exported surplus. In addition to it, Brazil has exported only 25.22 million tons of sugar this year till February which was 24.09 million tons, raw value, last year same period.

International Sugar Prices (Weekly)				
	Contract Month	07-Mar-2013	28-Feb-2013	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	18.77	18.38	0.39
	May-13	18.63	18.39	0.24
	Jul-13	18.98	18.46	0.52
LIFFE Sugar (US \$/MT)	Mar-13	532.6	519.7	12.9
	May-13	516.2	510.8	5.4
	Aug-13	509.7	507.2	2.5

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

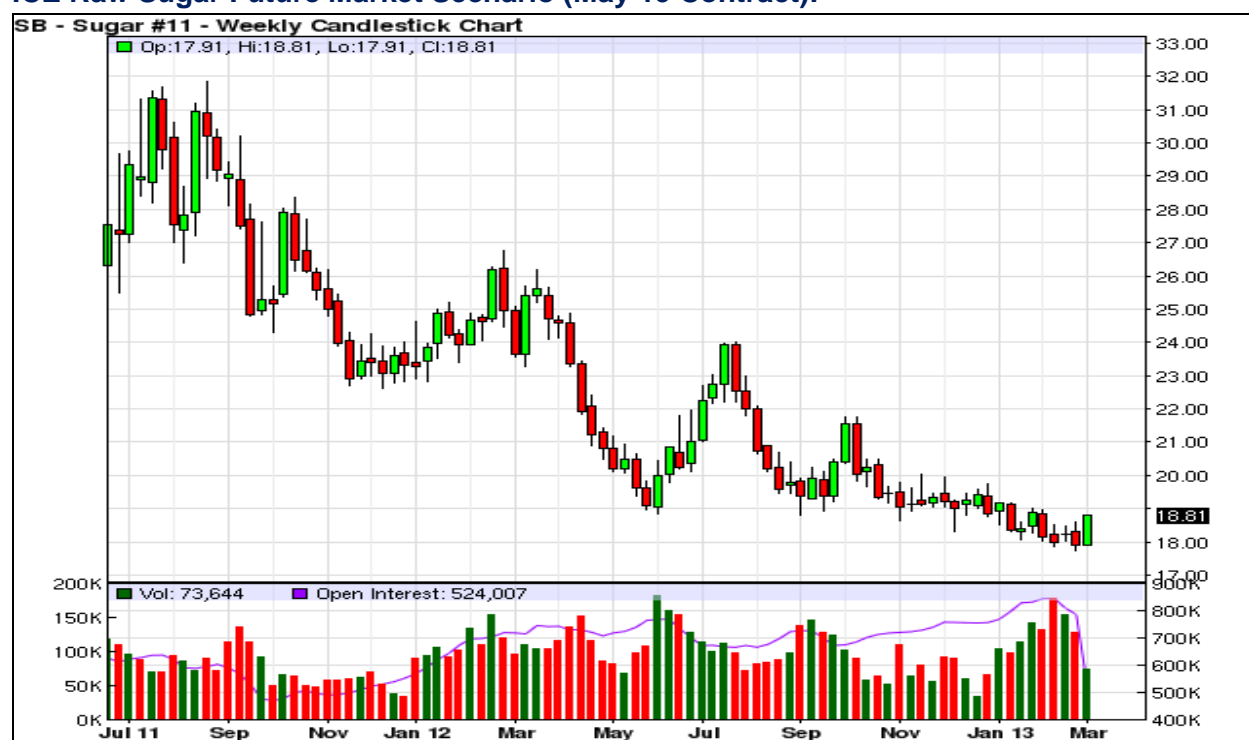


## Technical Commentary:

- 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	516.2	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	18.63	18.97

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