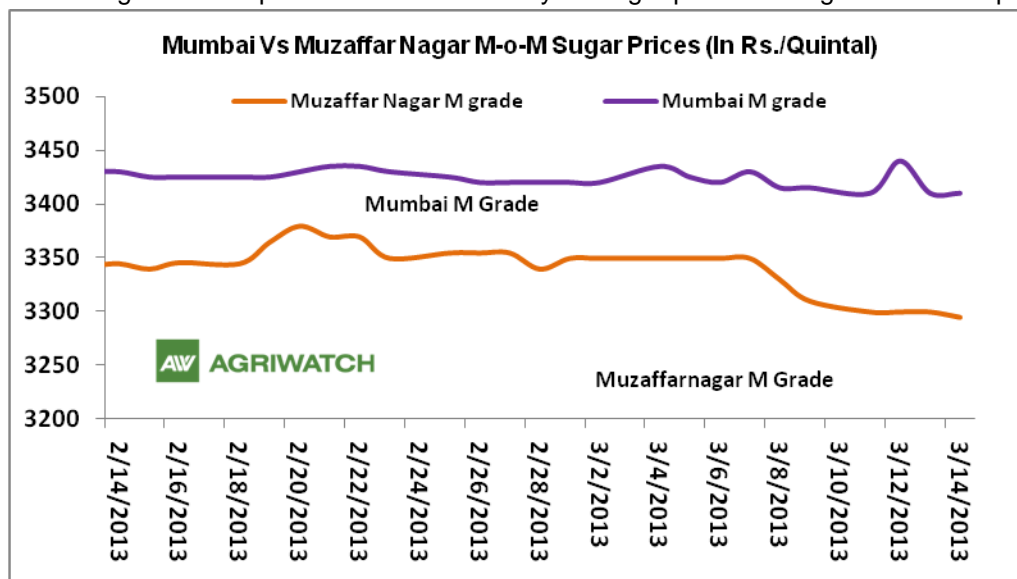


### Sugar Price Trend and Outlook:

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

India has produce 21.05 million tons of sugar from the period between 1st Oct to 15th March 2013. Latest sugar production figures are 1 percent below than last year sugar production figures at same period.



### Domestic Sugar Price Outlook:

Prices of sugar are moving in a range with weak tone due to ample sugar stocks available in the market. In addition to it, weak demand from stockists and delay in sugar decontrol announcement by government dampen the prices.

### News Highlights:

- ISMA increases its sugar production estimate figures for 2012-13 to 24.6 million tons from 24.3 million tons.
- Maharashtra sugar millers have crushed 633.27 lac tons of cane and produce 71.12 lac tons of sugar with an average recovery of 11.23%. Last year, sugar mills produced 71.15 lac tons of sugar at same period. Out of total 168 sugar mills, 54 mills have already closed their cane crushing operations as reported.
- Dull demand and delay in sugar decontrol process led the prices of sugar decline in both spot as well as in NCDEX platform.
- GMO meeting which is going to held on 14th of this month has been postponed to 20th March 2013. It is notable that government likely to take any decision on sugar decontrol.
- Sugar production might decrease to 24 million tons in 2013-14 owing to lower cane acreage in Maharashtra, according to a statement made by Mr. Sharad pawar.
- After getting initial cues, Till January end, UP sugarcane growers have planted sugarcane in 60000 hectares up from 58000 hectares sowed at same period last year.
- As far as Karnataka is concerned, it has produced 3.02 million tons of sugar with an average recovery of 10.41%. Last year, mills produced 3% less sugar production compared to this year. However, sowing is not encouraging in Karnataka owing to lack of rainfall.
- Indian white sugar premium stood at \$35 per ton. However, still there is no export parity for Indian sugar exporters compared to Brazil and Thailand.

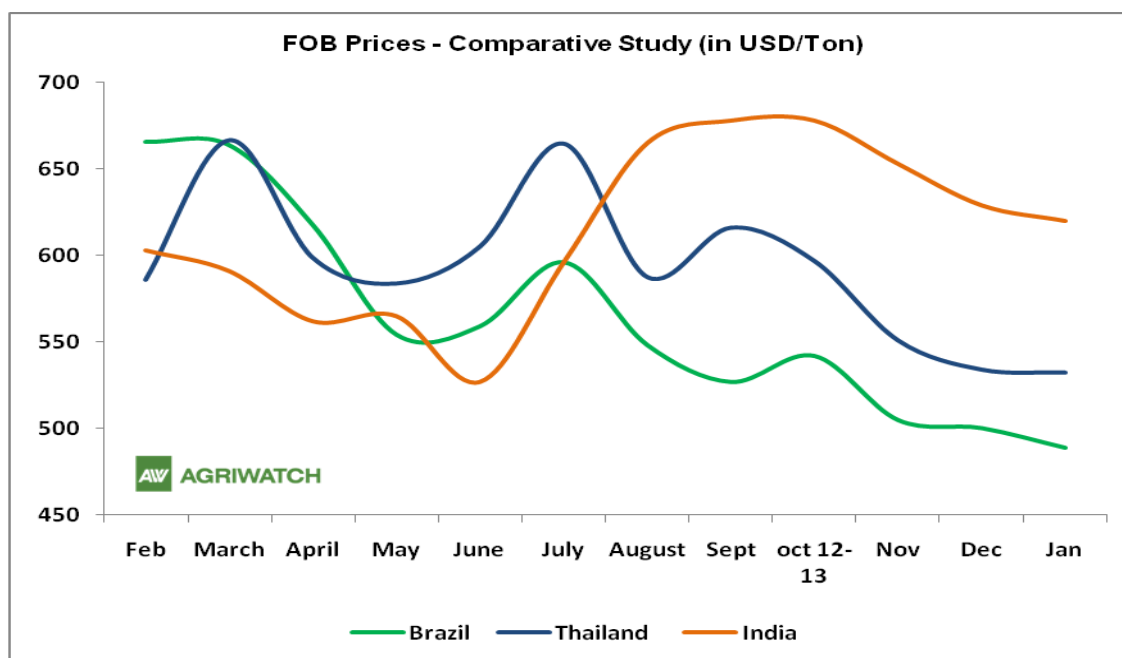
### Raw Sugar Import Opportunity:

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)

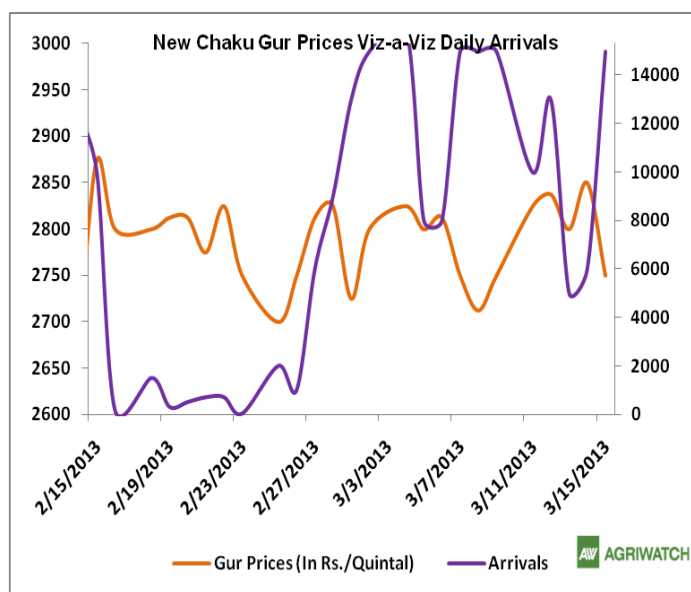
Commodity	Centre	Prices (Rs/Qtl)		Change
		15-Mar-13	08-Mar-13	
Sugar	Delhi - Grade M	3340	3360	-20
	Delhi - Grade S	3285	3300	-15
	Delhi - Grade L	3350	3370	-20
	UP- Khatauli Grade M	3290	3330	-40
	UP- Ramala Grade M	3260	3270	-10
	UP- Dhampur Grade M Ex-Mill	3200	3220	-20
	UP- Dhampur Grade S Ex-Mill	3180	3200	-20
	UP- Dhampur Grade L Ex-Mill	3250	3270	-20
	Mumbai –Grade M	3391	3416	-25
	Mumbai –Grade S	3176	3206	-30
	Kolhapur – Grade M	3085	3125	-40
	Kolhapur – Grade S	3015	3050	-35
	Vijayawada – Grade M	3550	3560	-10
	Vijayawada- Grade S	3450	3460	-10
	Nagpur – Grade S	3300	3411	-111
	Kolkata – Grade M	-	3300	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	-	3227	-
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3300	3215	85
	Chennai - Grade S	2925	2975	-50

### 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.



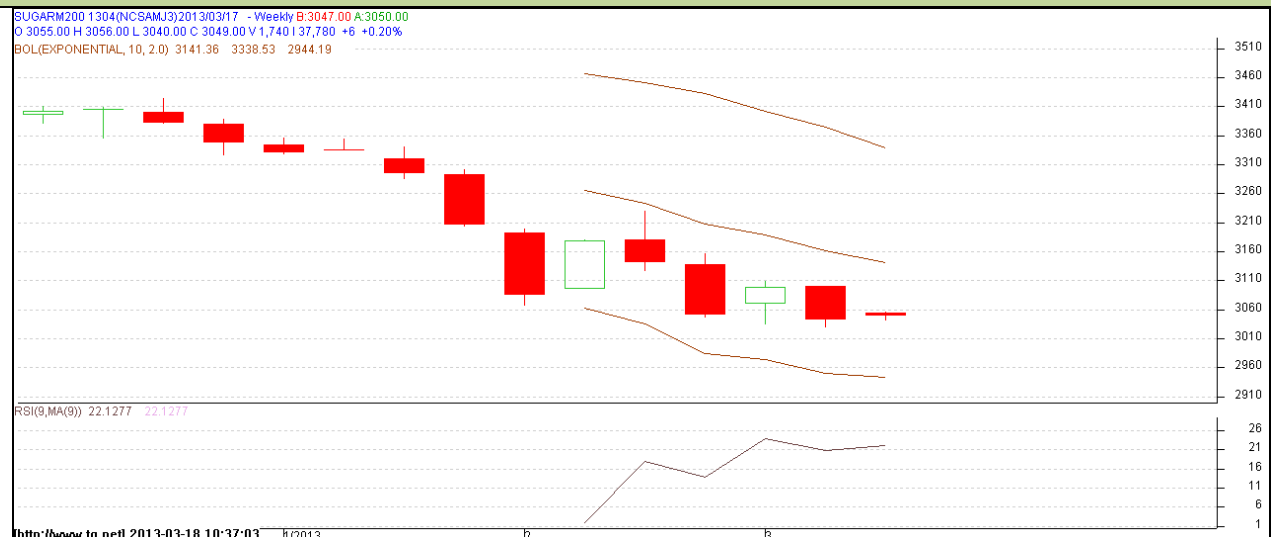
Gur prices are likely to move in a range with firm tone in the coming week owing to lower gur stock.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	15-Mar-13	08-Mar-13	
Muzaffar Nagar	New Chaku	2750	2713	37
	Chaku – Sukha	15000	15000	Unch
	Khurpa	2588	2600	-12
	Laddoo	2675	2700	-25
Bangalore	Achhu	2550	2513	37
	Mudde	3050	3025	25
Belgaum	Mudde	3500	3500	Unch
Belthangadi	yellow (Average)	3000	2900	100
Bijapur	Achhu	3200	3000	200
Gulbarga	Other (Average)	3100	3000	100
Mahalingapura	Penti (Average)	3100	3300	-200
Mandya	Achhu (Medium)	2885	2880	5
	Kurikatu (Medium)	3000	2981	19
	Other (Medium)	3150	3060	90
	Yellow (Medium)	2750	2600	150
Shimoga	Achhu (Average)	2400	2450	-50

Commodity: Sugar  
Contract: April

Exchange: NCDEX  
Expiry: April 20, 2013

### SUGAR (Weekly March Contract Chart)



#### Technical Commentary:

- Sugar prices are moving in a downtrend as chart depicts.
- Prices breach the crucial level i.e. 3050 which also lying over 50% retracement level.
- Last candlestick depicts bearishness in the prices.
- However, RSI is hovering at oversold region.
- Decrease in prices has supported by OI which indicates short buildup.

#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	April	2950	3009	3043	3145	3230
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	April	<b>Sell</b>	Above 3050	3020	3010	3066

**Commodity: Gur**  
**Contract: July**

**Exchange: NCDEX**  
**Expiry: July 20, 2013**

### GUR (March Weekly Chart)

GURCHMUZR 1307(NCCHMN3)2013/03/17 - Weekly B:1291.50 A:1292.00  
 O:1295.00 H:1296.50 L:1288.00 C:1292.00 V:3,600 I:12,110 -7 -0.54%



### Technical Commentary:

- Gur prices are moving in an upward channel and still moving in an uptrend.
- However, prices got a downward correction as the chart depicts.
- Prices might test Rs 1276 level which is a crucial level, breach of the level would take the prices down to Rs 1260.
- RSI is hovering near to overbought region.
- Decrease in prices has supported by OI which indicates fresh selling occurred in the gur market.

### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1237	1260	1299	1315	1339
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1280	1300	1310	1270

### International Scenario

International sugar prices continuously improving thanks to delay in sugar exports from Brazil and anticipated ethanol tax cuts. In addition to it, lower sugar production estimates coming from China and Australia support the prices in ICE as well as in LIFFE this week.

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:

- Thai raw sugar premium (Hi-pol) fetched 100 points over ICE May raw sugar futures.
- Brazilian raw sugar premium fetched 120 points over ICE May raw sugar futures up from 90 points last week.
- Thailand sugar production likely to reach 9.0-9.2 million tons which is around 0.2-0.4 million tons lower compared to last forecast. It is notable that Thailand mills cane crushing operations likely to wind up in mid of April that is 2-3 weeks early than normal.
- Chinese mills produced 2.45 million tons of sugar in February 2013 that is down from 3.25 million tons of sugar produced at last year same period, according China sugar association.
- ABARES reduce its sugar production forecast of Australia by 0.2 million tons to 4.3 million tons for 2012-13.

International Sugar Prices (Weekly)				
	Contract Month	14-Mar-2013	07-Mar-2013	Change
ICE Sugar #11 (US Cent/lb)	Mar-13	18.84	18.77	0.07
	May-13	18.8	18.63	0.17
	Jul-13	19.07	18.98	0.09
LIFFE Sugar (US \$/MT)	Mar-13	537.2	532.6	4.6
	May-13	521.3	516.2	5.1
	Aug-13	515.4	509.7	5.7

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



### Technical Commentary:

- Sugar prices are continuously moving in a primary downtrend.
- Also, it is moving in an upward channel as chart depicts.
- Last candlestick suggests bullishness.
- Increase in prices has supported by OI which indicates long buildup occur in the market.
- Breach of 14 day SMA also indicates bullishness in the prices.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'13	537.2	553



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

- ICE raw sugar futures are trading in a downward channel but presently getting upward correction.
- Increase in prices has not supported by volume and OI that indicates market is weak.
- Last candlestick depicts indecision in the market.
- Market participants should make profit booking at 19 cents/lbs level

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'13	18.8	19

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