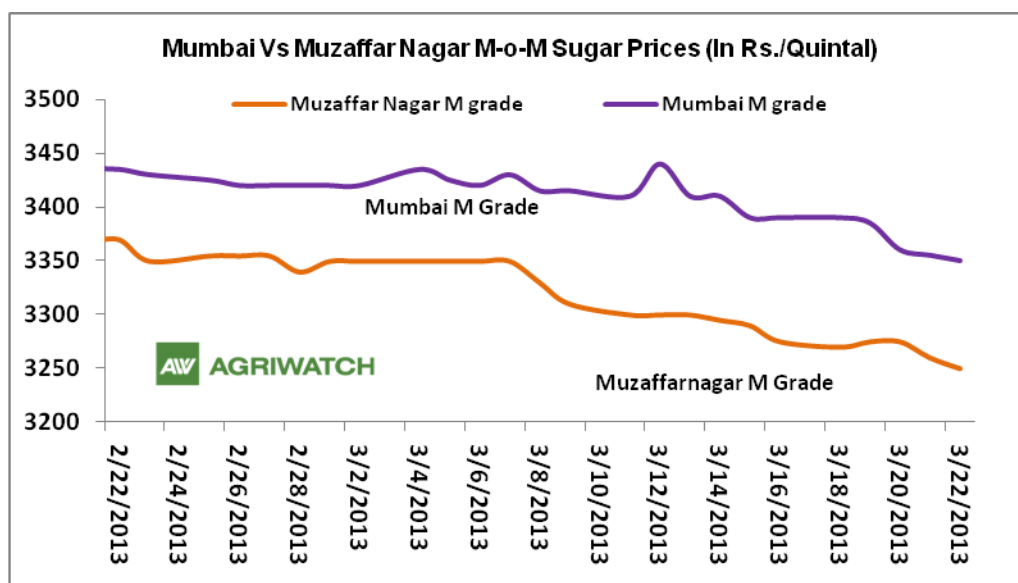


### Sugar Price Trend and Outlook:

Prices continue its southward movement due to weak demand and consistent sugar supply from mills. Also, recent postponement of abolishment of levy sugar quota mechanism depress the market.

Maharashtra sugarcane sowing completed in 5.53 lac hectares till 25<sup>th</sup> Feb 2013 as reported. Out of total planting, farmers have sowed sugarcane in 1.26 lac hectares adsali and 1.08 lac hectares in pre seasonal, 1.45 lac hectares in suru and 1.73 lac hectares of ratoon crop. It is notable that sugarcane has been sowed in 9.62 lac hectares in Maharashtra last year.



### 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:

- CCEA postpone its decision to abolish levy sugar quota mechanism. This delay would increase the pressure on sugar prices in the coming days as expected.
- Meanwhile, domestic sugar refiners losing sugar import parity from Brazil and Thailand as increasing international sugar prices and decreasing domestic prices will close the sugar import gallery soon.
- Sugar vessel line up waiting to load at ports rose up by 1.7% compared to prior week at Brazilian ports. It is notable that India would get around 79850 tons of sugar from Brazil which is waiting at ports presently. Presently in total around 1.36 million tons of sugar are waiting at various ports to load.
- Domestic millers are presently selling sugar below cost of production presently. However, upcoming holi festive demand likely to give some boost to the sugar prices in the coming days.
- Ice cream makers and bulk buyers are watching the sugar market closely and presently inactive due to daily dampening the sugar prices. However, demand of sugar from bulk buyers likely to increase after holi considering drastic increase in temperature.
- Water shortage problem deepening in Maharashtra that would definitely decrease the sugarcane acreage for the coming marketing season.

### Raw Sugar Import Opportunity:

Indian sugar refiners are losing opportunity to import raw sugar from Brazil as decreasing sugar prices in domestic markets take the prices to disparity in case of sugar imports.

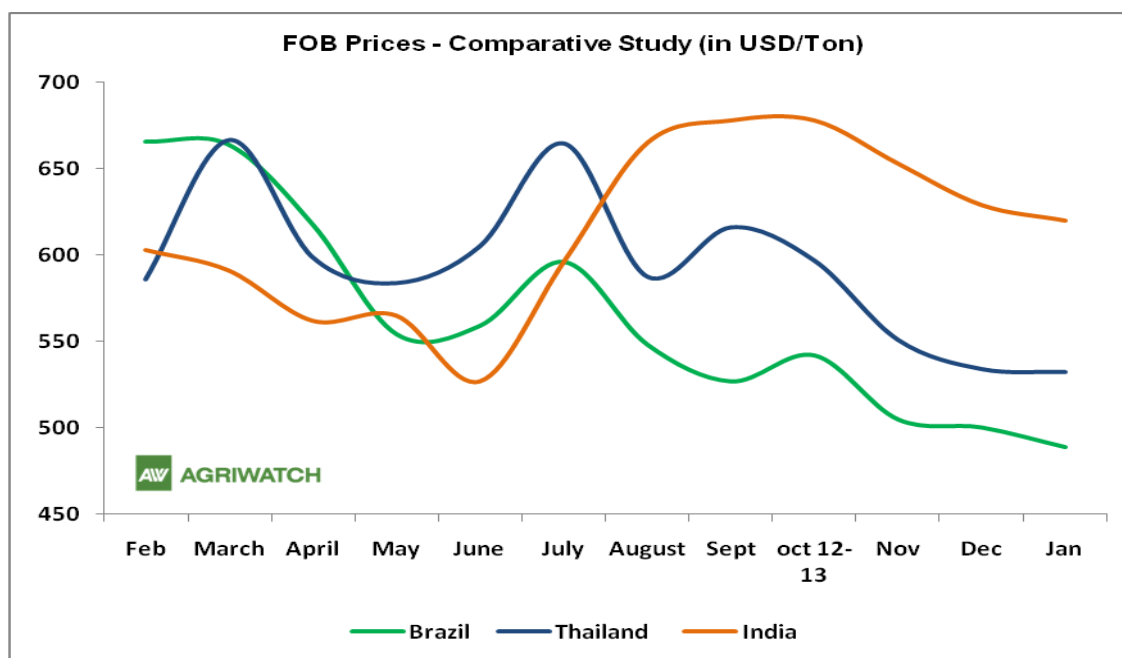
Indian indicative raw sugar CIF prices from Brazil quoted at \$512.13 per ton (including 10% import duty) and Indian domestic refined sugar prices quoted at \$576.46 per ton Kolhapur.

Meanwhile, domestic sugar refiners losing sugar import parity from Brazil and Thailand as increasing international sugar prices and decreasing domestic prices will close the sugar import gallery soon.

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.54.21) till 25 <sup>th</sup> March 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	512.13	509.52	

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)

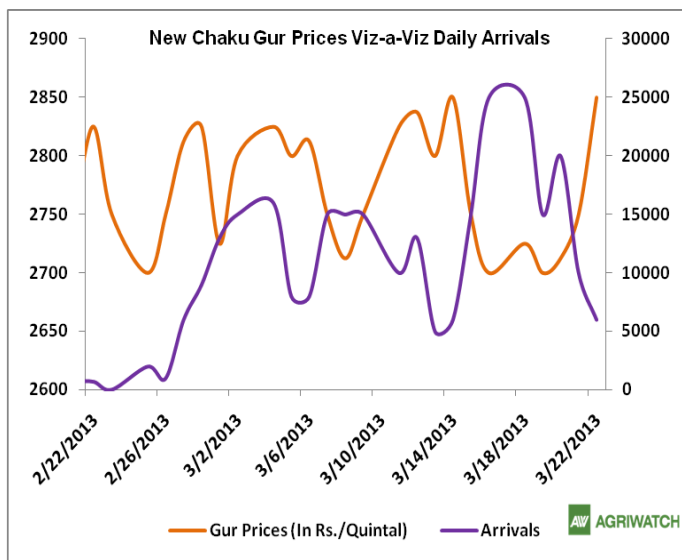
Commodity	Centre	Prices (Rs/Qtl)		Change
		22-Mar-13	15-Mar-13	
Sugar	Delhi - Grade M	3280	3340	-60
	Delhi - Grade S	3260	3285	-25
	Delhi - Grade L	3300	3350	-50
	UP- Khatauli Grade M	3250	3290	-40
	UP- Ramala Grade M	3200	3260	-60
	UP- Dhampur Grade M Ex-Mill	3195	3200	-5
	UP- Dhampur Grade S Ex-Mill	3175	3180	-5
	UP- Dhampur Grade L Ex-Mill	3245	3250	-5
	Mumbai –Grade M	3351	3391	-40
	Mumbai –Grade S	3152	3176	-24
	Kolhapur – Grade M	3050	3085	-35
	Kolhapur – Grade S	2950	3015	-65
	Vijayawada – Grade M	3430	3550	-120
	Vijayawada- Grade S	3430	3450	-20
	Nagpur – Grade S	3280	3300	-20
	Kolkata – Grade M	3250	-	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	-	-	-
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3115	3300	-185
	Chennai - Grade S	2910	2925	-15

### 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.



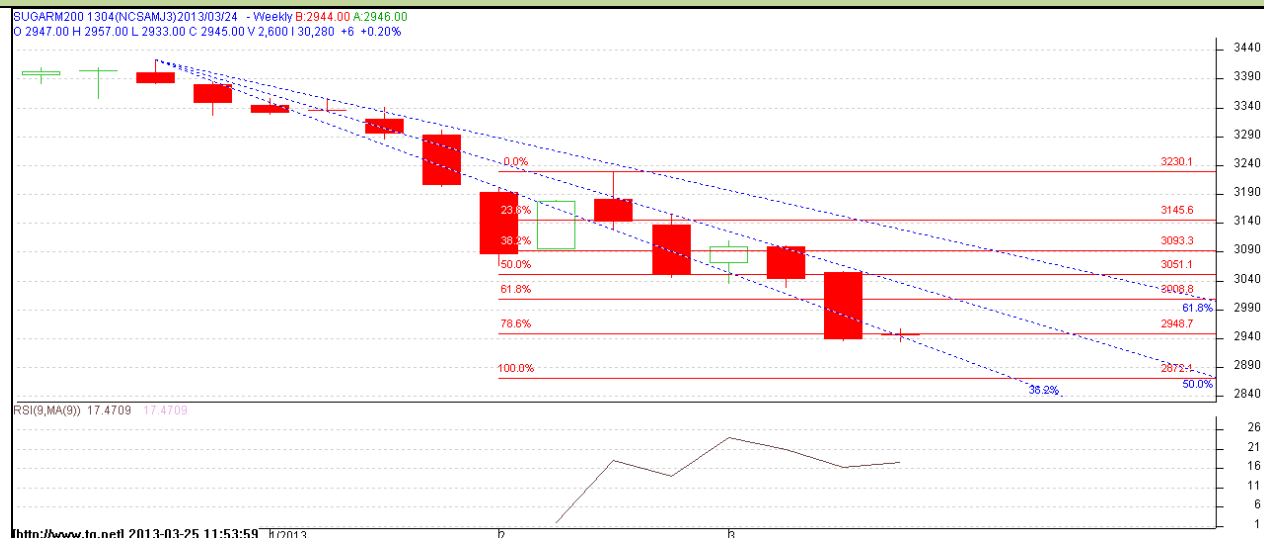
Gur prices are likely to move in a range with firm tone in the coming week owing to lower gur stock.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	22-Mar-13	15-Mar-13	
Muzaffar Nagar	New Chaku	2850	2750	100
	Arrivals	6000	15000	-9000
	Khurpa	2525	2588	-63
	Laddoo	2688	2675	13
Bangalore	Achhu	2575	2550	25
	Mudde	3100	3050	50
Belgaum	Mudde	3300	3500	-200
Belthangadi	yellow (Average)	3000	3000	Unch
Bijapur	Achhu	3200	3200	Unch
Gulbarga	Other (Average)	3100	3100	Unch
Mahalingapura	Penti (Average)	3200	3100	100
Mandya	Achhu (Medium)	2900	2885	15
	Kurikatu (Medium)	3000	3000	Unch
	Other (Medium)	3150	3150	Unch
	Yellow (Medium)	2800	2750	50
Shimoga	Achhu (Average)	2400	2400	Unch

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.
- 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.

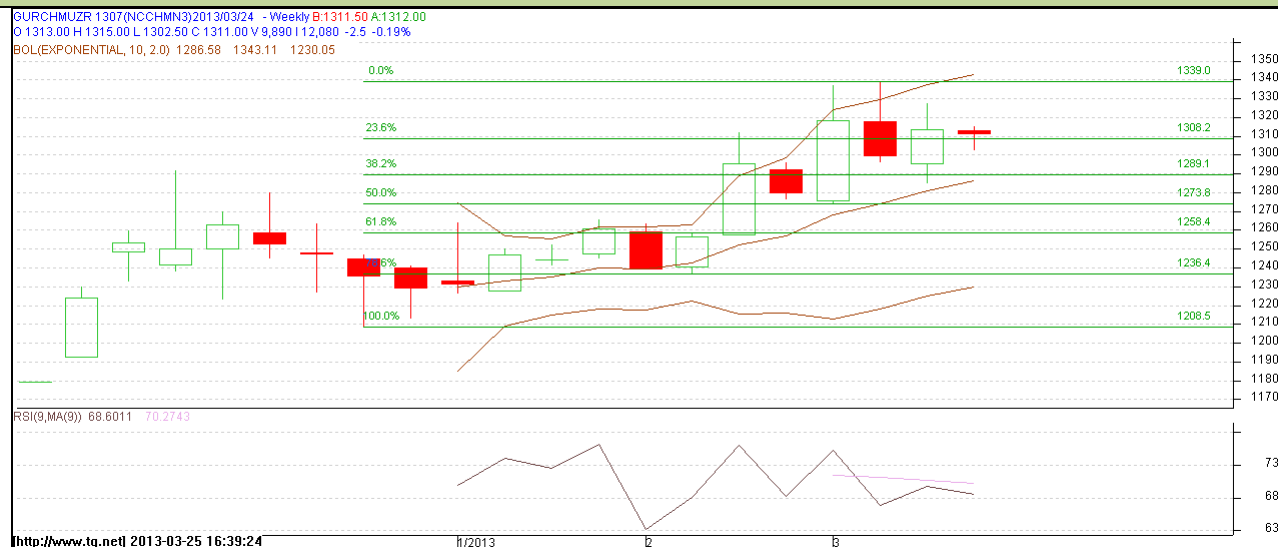
#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	April	2735	2872	2939	3009	3051
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	April	<b>Sell</b>	Below 2950	2900	2875	2975

Commodity: Gur  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2013

### GUR (March Weekly Chart)



### 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 been supported by OI which indicates fresh selling occurred in the gur market.

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1260	1276	1313.5	1339	1350
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	<b>Sell</b>	Below 1313	1290	1280	1323

### International Scenario

International sugar prices declined this week due to higher supply pressure from Brazil. Also, less port congestion at Brazilian ports due to cancellation of soy shipments from Chinese also gives smooth movement of sugar vessels.

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:

- Thai raw sugar premium trading at 85 points over ICE raw sugar futures May contract. However, it was 100 points last week.
- Brazil Center South region likely to produce 36.2 million tons of sugar in 2013-14 up from 34.1 million tons produced last year.
- Brazil no longer get any problem while loading sugar loading at ports as cancellation of soy exports by Chinese soy importers would lead to decrease in port congestion. It is notable that Brazil is going to produce near to 40 million tons of sugar in the coming marketing year starting from April 2013.
- Chinese sugar imports fell in February 2013 to 80556 tons down from 244983 tons in January 2013.
- Iraq has issued third tender to import 50000 tons of white sugar in 2013. Iraq has the options to buy the mentioned tender from Thailand and India as only these countries can provide this amount of sugar at cheaper rates.

International Sugar Prices (Weekly)				
	Contract Month	21-Mar-2013	14-Mar-2013	Change
ICE Sugar #11 (US Cent/lb)	May-13	18.21	18.84	-0.63
	Jul-13	18.27	18.8	-0.53
	Oct-13	18.68	19.07	-0.39
LIFFE Sugar (US \$/MT)	May-13	528.4	537.2	-8.8
	Aug-13	510.9	521.3	-10.4
	Oct-13	506.1	515.4	-9.3

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



### Technical Commentary:

- Sugar prices are continuously moving in a primary downtrend.
- Last candlestick suggests bullishness.
- Decrease in prices has not supported by OI which indicates consolidation in the market.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'13	528.4	520



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



### Technical Commentary:

- ICE raw sugar futures are trading in a downward channel.
- Increase in prices has not supported by volume and OI that indicates market is weak.
- Last candlestick depicts bearishness in the market.
- Market participants should make profit booking at 17.70 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	18.21	17.70

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