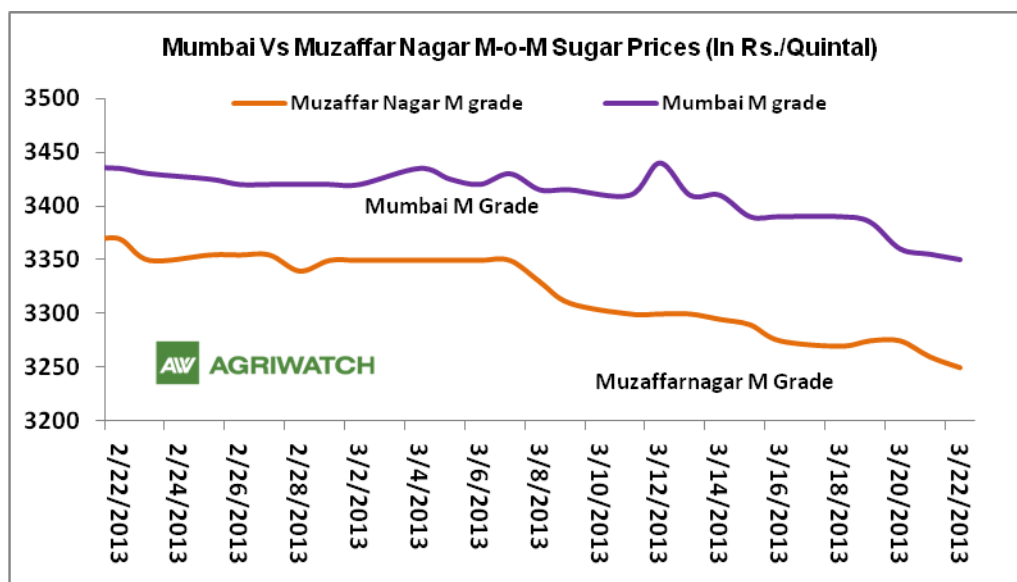


Sugar Price Trend and Outlook:

Sugar prices continue its downtrend owing to weak demand and higher sugar quota for next six month by government. However, government gives some respite to millers by removing any monthly sugar sales restrictions. Now mills can sell the allocated sugar quota any time within six months that would help them to reduce their losses.

NFCSF sees 25 million tons of sugar production in India this year compared to last year which was 26.3 million tons.



Domestic Sugar Price Outlook:

Sugar prices continued its weakness in the market due to higher sugar quota for next 6 months, weak demand, falling international sugar prices and continuous raw sugar imports from Brazil. We expect prices should continue its weak tone in the coming days until any change in policy by government in the meeting which is going to held next week.

News Highlights:

- Government has released 104 lac tons of non levy sugar quota for 6 months starting from April to September 2013. However, there would be no conversion of unsold non-levy quota into levy quota during the period of current release, i.e. April to September, 2013. Government has also released, during this month, 3.69 lakh MT of levy sugar for meeting requirements of Public Distribution System for the months of April – May, 2013.
- Meeting on sugar decontrol has again postponed till 4th April 2013, according to media sources.
- Maharashtra likely to produce 4 million tons of sugar in 2013-14 owing to lack of rainfall in the region, according to Maharashtra state government officials. However, there is sufficient water in southern Maharashtra region like Kolhapur, Satara for sugarcane planting, according to our initial reports. However, sugarcane acreage likely to decrease in Maharashtra which has also verified by recent government sowing figures which is only 6% less compared to last year. Also, there is higher ratoon crop of sugarcane this year which is going to be harvest in the next year which gives comparatively lesser yield as well as recovery than plant cane crop.
- ED&F Man sees 23.5 million tons of sugar production for 2013-14 marketing year. It also sees Indian sugar import to 1.4 million tons in 2012-13 with 1.1 million tons of sugar already landed in India till date.

Raw Sugar Import Opportunity:

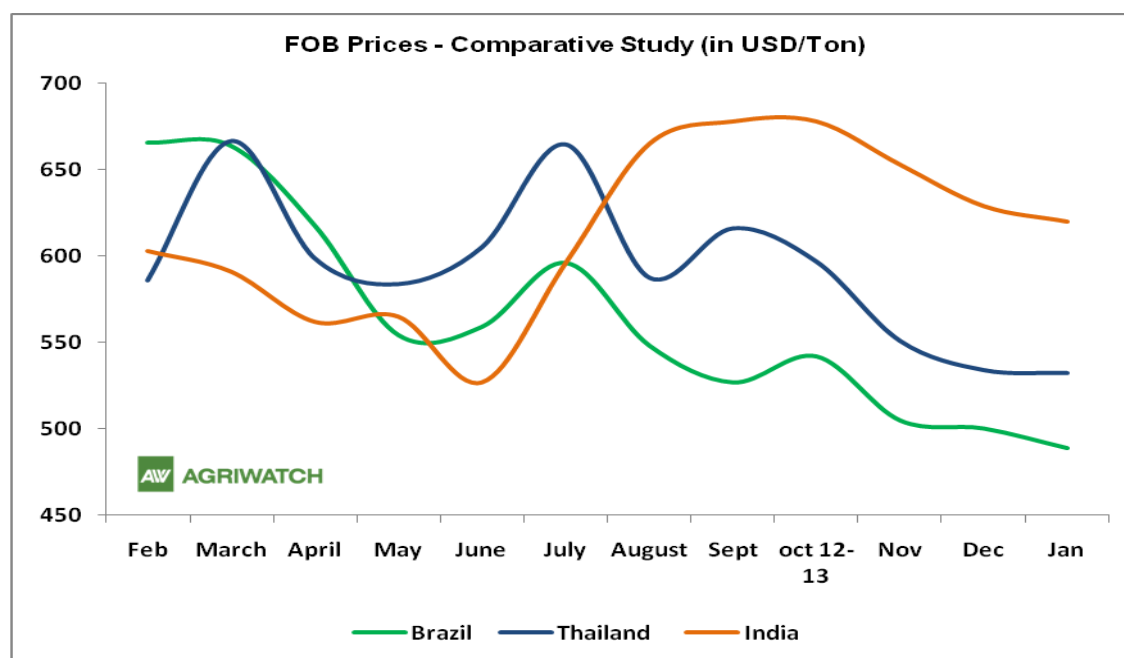
Indian sugar refiners are losing opportunity to import raw sugar from Brazil as decreasing sugar prices in domestic markets take the prices to disparity in case of sugar imports.

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 \$575.72 per ton at Kolhapur.

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 1 th April 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	504.96	-	

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)

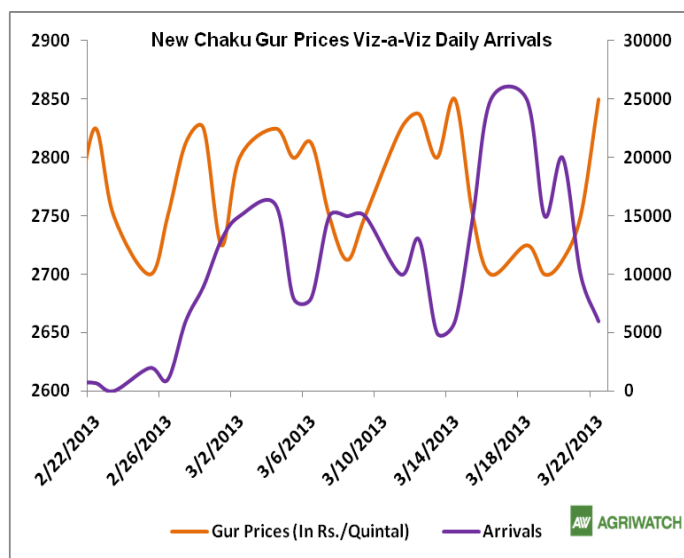
Commodity	Centre	Prices (Rs/Qtl)		Change
		29-Mar-13	22-Mar-13	
Sugar	Delhi - Grade M	3260	3280	-20
	Delhi - Grade S	3210	3260	-50
	Delhi - Grade L	3270	3300	-30
	UP- Khatauli Grade M	3240	3250	-10
	UP- Ramala Grade M	3200	3200	Unch
	UP- Dhampur Grade M Ex-Mill	3190	3195	-5
	UP- Dhampur Grade S Ex-Mill	3170	3175	-5
	UP- Dhampur Grade L Ex-Mill	3240	3245	-5
	Mumbai –Grade M	3291	3351	-60
	Mumbai –Grade S	3112	3152	-40
	Kolhapur – Grade M	3000	3050	-50
	Kolhapur – Grade S	2900	2950	-50
	Vijayawada – Grade M	3480	3430	50
	Vijayawada- Grade S	3380	3430	-50
	Nagpur – Grade S	3220	3280	-60
	Kolkata – Grade M	-	3250	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	-	-	-
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3115	3115	Unch
	Chennai - Grade S	2960	2910	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 764000 bags of gur (40kg each) stored in cold storages till 25th March 2013 which are 436000 bags (40kg each) lower compared to last year same period. Out of total 764000 bags of gur, around 405000 bags of Chaku gur, 134000 bags of Rascut, and 162000 bags of Papdi, stored in the cold storages as reported.



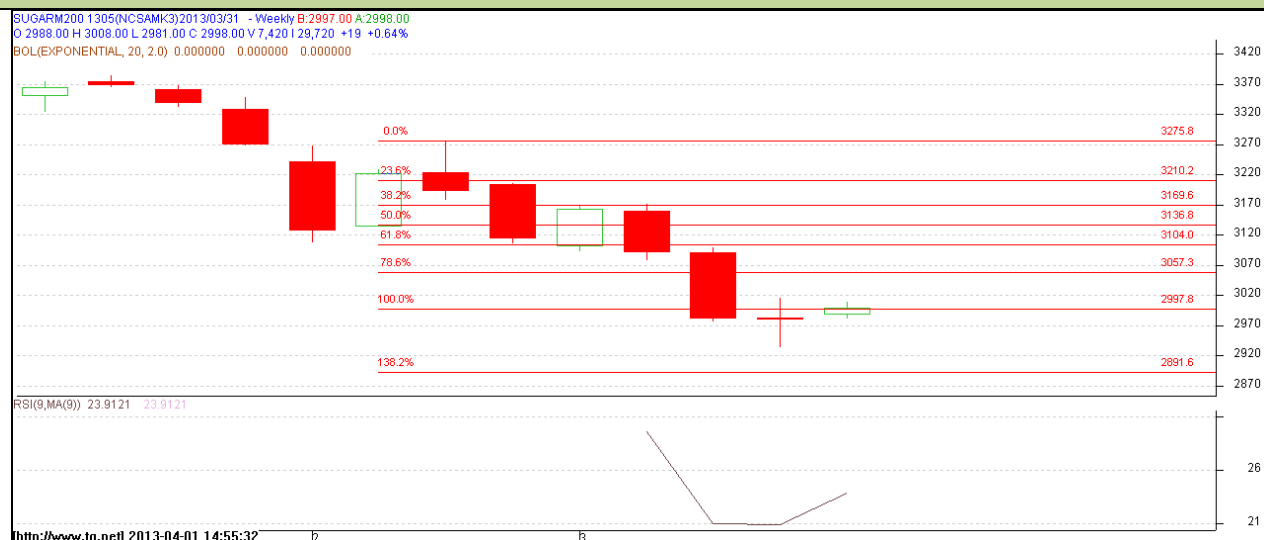
Gur prices are likely to move in a range with firm tone in the coming week owing to lower gur stock.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	29-Mar-13	22-Mar-13	
Muzaffar Nagar	New Chaku	2760	2850	-90
	Arrivals	12000	6000	6000
	Khurpa	2588	2525	63
	Laddoo	2713	2688	25
Bangalore	Achhu	2563	2575	-12
	Mudde	3150	3100	50
Belgaum	Mudde	-	3300	-
Belthangadi	yellow (Average)	-	3000	-
Bijapur	Achhu	-	3200	-
Gulbarga	Other (Average)	-	3100	-
Mahalingapura	Penti (Average)	-	3200	-
Mandya	Achhu (Medium)	-	2900	-
	Kurikatu (Medium)	-	3000	-
	Other (Medium)	-	3150	-
	Yellow (Medium)	-	2800	-
Shimoga	Achhu (Average)	-	2400	-

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 shows that prices not sustain at lower levels.
- However, RSI is hovering at oversold region.
- Increase in prices has supported by OI which indicates long buildup.

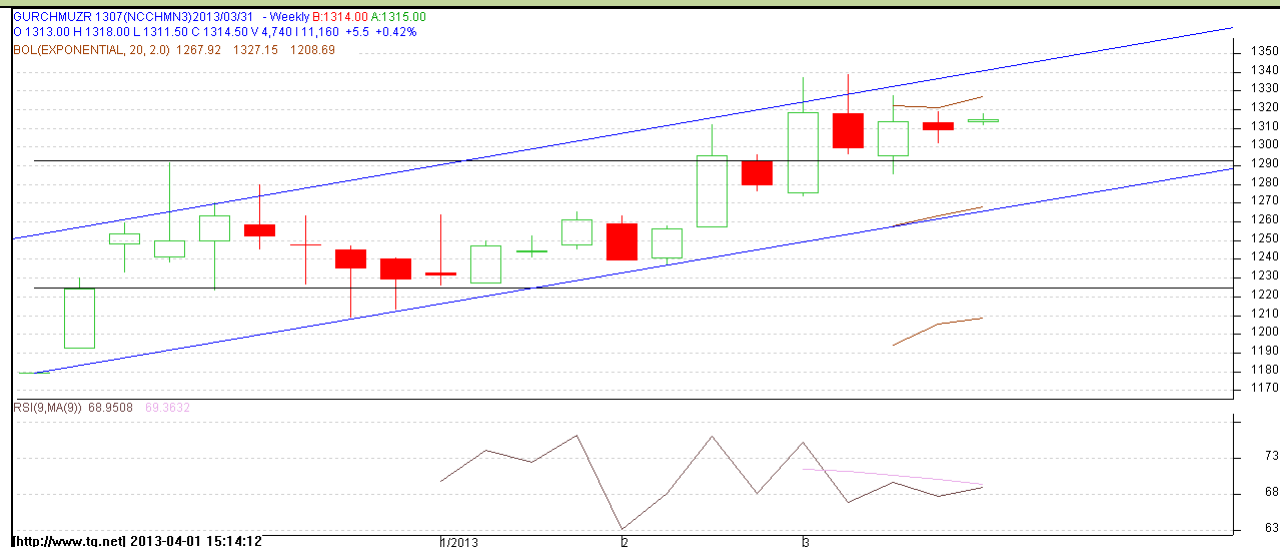
Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	April	2891	2933	2979	3104	3135
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	April	Buy	Above 3000	3050	3075	2975

Commodity: Gur
Contract: July

Exchange: NCDEX
Expiry: July 20, 2013

GUR (March Weekly Chart)



Technical Commentary:

- Gur prices are moving in a moving in a range presently.
- RSI is hovering near to overbought region.
- Last candlestick shows that prices not sustain at lower levels.
- 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	1276	1290	1309	1339	1350
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1313	1330	1338	1302

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:

- ICE raw sugar future prices is going to test its 2.6 years low and presently trading at 17.66 cents per pound due to consistent supply of sugar from Brazil.
- Brazilian sugar waiting at ports to load for exports reduced to 1.04 million tons this week compared to 1.36 million tons last week.
- Thai raw sugar premium trading at 85 points over ICE raw sugar futures May contract. However, it was 100 points last week.
- Kyrgyzstan imports reached 57890 tons of sugar in 2012 season. Out of total sugar imports, Kyrgyzstan imported around 44929 tons of sugar from Belarus

International Sugar Prices (Weekly)				
	Contract Month	28-Mar-13	21-Mar-13	Change
ICE Sugar #11 (US Cent/lb)	May-13	17.66	18.27	-0.61
	Jul-13	17.7	18.68	-0.98
	Oct-13	18.15	19.56	-1.41
LIFFE Sugar (US \$/MT)	May-13	503.3	510.9	-7.6
	Aug-13	494.2	506.1	-11.9
	Oct-13	494.3	513.1	-18.8

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	503.3	480

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	17.66	17.00

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