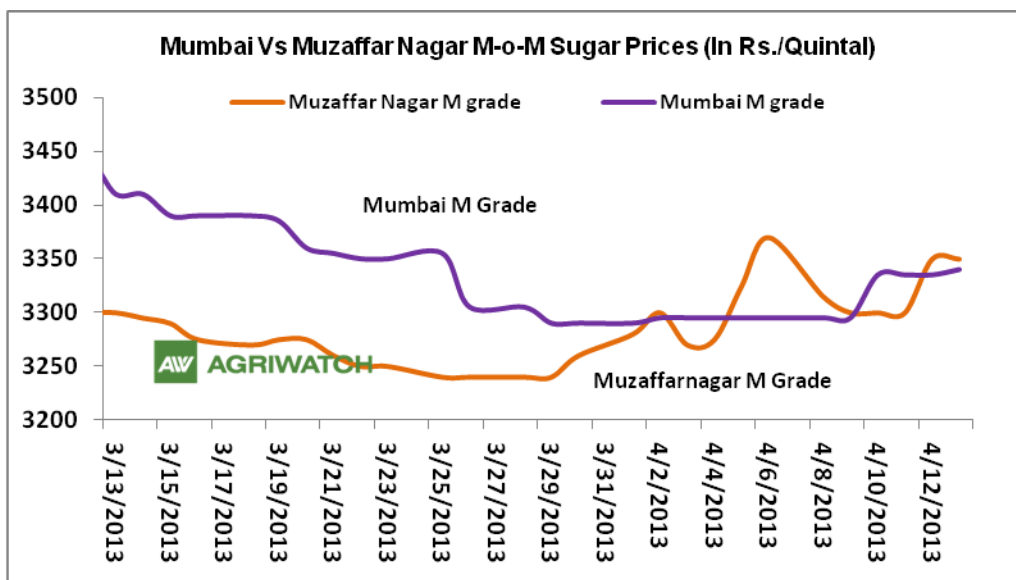


### Sugar Price Trend and Outlook:

Sugar prices improved during the week ended 13<sup>th</sup> April 2013. Increase in domestic sugar demand by bulk buyers support the prices.



### 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.

### News Highlights:

- Oil Companies agreed to hike 30% in ethanol prices which is mandatory for blending in petrol. This decision likely to increase the profitability of sugar mills.
- Around 10 sugar mills announced closing of cane crushing operations for this crushing season due to lower cane availability.
- Consuming sugar states are now buying sugar from sugar sourcing states like Maharashtra and UP considering upcoming Marriage season and summer demand.
- Around 12-13 rakes are schedule to reach delhi soon as various traders of Delhi struck deals from Maharashtra located mills this week. Some Suppliers/Millers names are Vishwanath – 3 rakes @ Rs 3255-3270-3280, Gangakhed sugar mills – 2 rakes @ Rs 3250. It is notable that Delhi traders are getting parity from Maharashtra instead of UP at current sugar prices at sourcing and destination centers.

### Raw Sugar Import Opportunity:

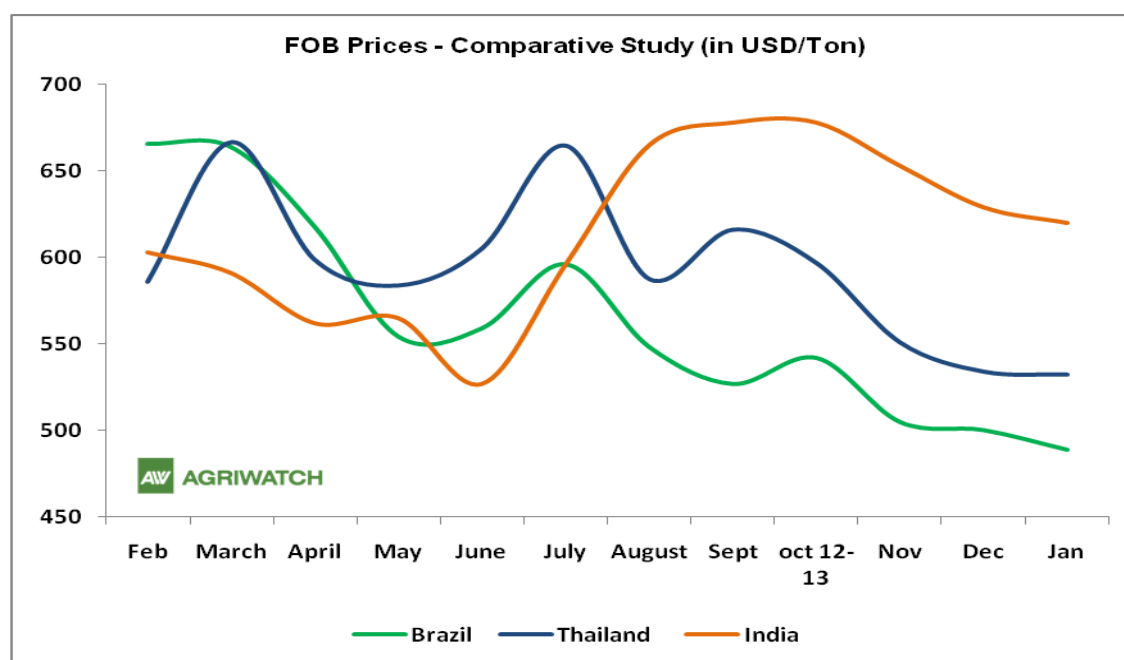
Indian sugar refiners again got opportunity to import raw sugar from Thailand and Brazil as higher degree of decrease in sugar prices in international markets compared to domestic markets take the prices to parity in case of sugar imports.

Indian indicative raw sugar CIF prices from Thailand quoted at \$508.44 per ton (including 10% import duty) and Indian domestic refined sugar FOB prices quoted at \$592.29 per ton Kolhapur based.

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.54.56) till 15 <sup>th</sup> April 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	509.65	508.44	

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)**

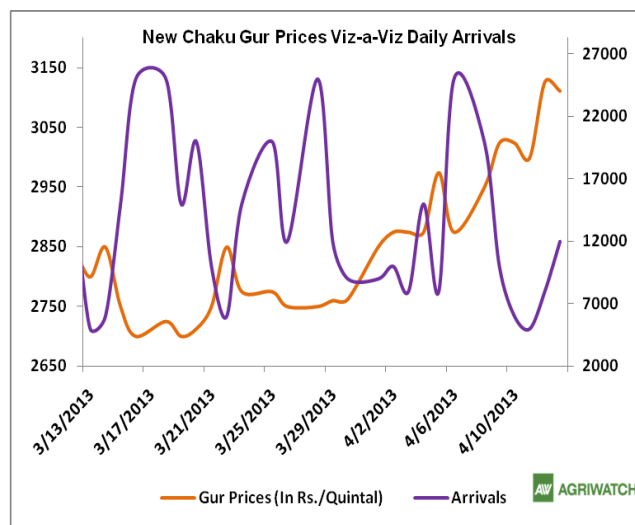
Commodity	Centre	Prices (Rs/Qtl)		Change
		12-Apr-13	5-Apr-13	
Sugar	Delhi - Grade M	3370	3340	30
	Delhi - Grade S	3280	3330	-50
	Delhi - Grade L	3385	3385	Unch
	UP- Khatauli Grade M	3350	3325	25
	UP- Ramala Grade M	3280	3230	50
	UP- Dhampur Grade M Ex-Mill	3250	3200	50
	UP- Dhampur Grade S Ex-Mill	3230	3180	50
	UP- Dhampur Grade L Ex-Mill	3300	3250	50
	Mumbai –Grade M	3336	3296	40
	Mumbai –Grade S	3136	3116	20
	Kolhapur – Grade M	3100	3050	50
	Kolhapur – Grade S	3000	2950	50
	Vijayawada – Grade M	3550	3550	Unch
	Vijayawada- Grade S	3450	3450	Unch
	Nagpur – Grade S	3350	-	-
	Kolkata – Grade M	-	3280	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	-	-	-
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	-	-	-
	Chennai - Grade S	3050	3125	-75

**Gur Market Scenario and Outlook**

Gur prices are moving in a range with firm tone 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 1570000 bags of gur (40kg each) stored in cold storages till 15<sup>th</sup> April 2013 lower from 1396000 bags of gur at last year same period (40kg each). Out of total 1057000 bags of gur, around 932000 bags of Chaku gur, 118000 bags of Rascut, and 194000 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>12-Apr-13</b>	<b>5-Apr-13</b>	<b>Change</b>
Muzaffar Nagar	New Chaku	3128	2975	153
	<b>Arrivals</b>	8000	8000	Unch
	Khurpa	2920	2725	195
	Laddoo	3150	2925	225
Bangalore	Achhu	2850	2650	200
	Mudde	3200	3200	Unch
Belgaum	Mudde	-	-	-
Belthangadi	yellow (Average)	3400	2650	750
Bijapur	Achhu	3600	3200	400
Gulbarga	Other (Average)	3000	3000	Unch
Mahalingapura	Penti (Average)	3000	3100	-100
Mandya	Achhu (Medium)	3000	3300	-300
	Kurikatu (Medium)	2975	3000	-25
	Other (Medium)	2970	3000	-30
	Yellow (Medium)	2900	3100	-200
Shimoga	Achhu (Average)	2450	2925	-475

Commodity: Sugar  
Contract: May

Exchange: NCDEX  
Expiry: May 20, 2013

### SUGAR (Weekly May Contract Chart)



#### Technical Commentary:

- Sugar prices are moving in a downtrend as chart depicts.
- Last candlestick shows that prices not sustain at higher levels.
- However, RSI is hovering at oversold region.
- Decrease in prices has supported by OI which indicates short buildup.

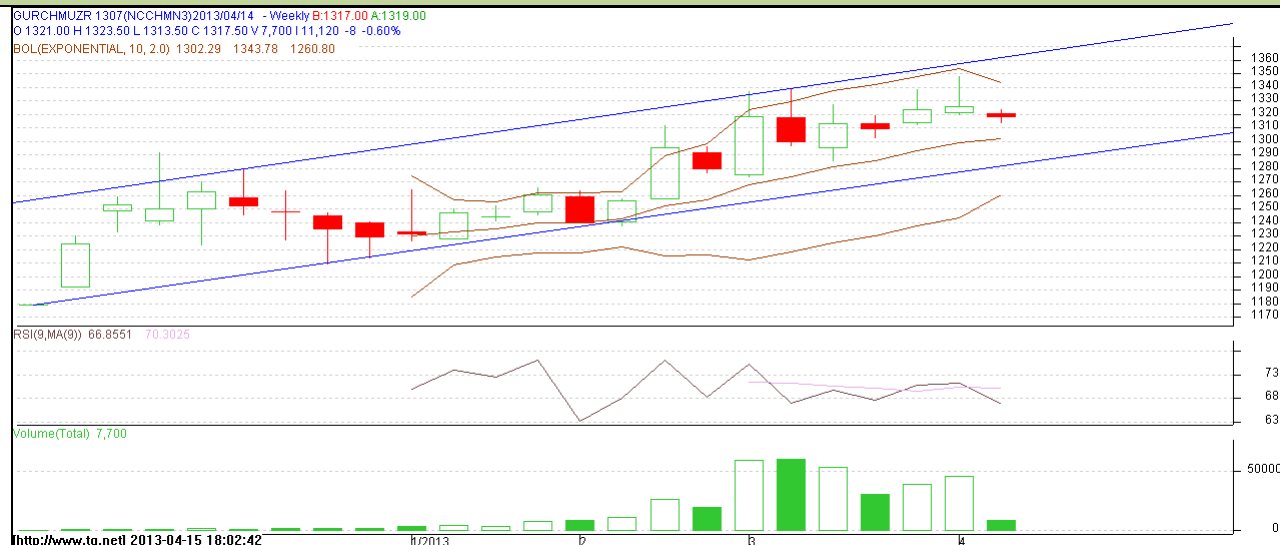
#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	May	2890	2910	2956	2997	3056
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	<b>Sell</b>	Below 2970	2930	2910	2990

Commodity: Gur  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2013

### GUR (July Weekly Chart)



#### Technical Commentary:

- Gur prices are moving in an upward channel as chart depicts.
- Last candlestick shows that prices are bullish.
- Increase in prices has supported by OI which indicates fresh buying in the gur market.
- However, RSI is hovering near to overbought region.

**Strategy:** Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1303	1313	1325.5	1350	-
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1313	1337	1348	1303

**International Scenario**

International sugar prices are moving range bound this week owing to rainfall in cane growing areas in Brazil which offset the impact due to higher sugar production over expectation by Thai mills.

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:**

- Brazil cane belt got rainfall recently which likely to delay cane harvesting. However, production of cane in Brazil is bumper for 2013-14 marketing year.
- Thailand is likely to produce 9.7 million tons of sugar in 2012-13, according to OCSB. It is notable that Thai mills would wind up its cane crushing operations next week.
- Sugar prices tumble down in International sugar markets due to start of new sugarcane harvesting in Brazil for 2013-14 season.
- Thailand made 9.5 million tons of sugar in 2012-13 season that is higher than previous expectations. Out of total sugar production made by Thai mills, 6.5 million tons are raws and rest are whites.
- Thai raw sugar premium stood at 100 points over May ICE raw sugar future contract.
- Thai raw sugar is in demand presently due to increase in freight from Brazil to Asian countries by \$5 per ton which led the buyers of Asia like Indonesia and China had divert their buying concentration towards Thailand from Brazil.

International Sugar Prices (Weekly)				
	Contract Month	11-Apr-13	4-Apr-13	Change
ICE Sugar #11 (US Cent/lb)	May-13	17.84	17.67	0.17
	Jul-13	17.79	17.69	0.1
	Oct-13	18.17	18.06	0.11
LIFFE Sugar (US \$/MT)	May-13	497.6	504.4	-6.8
	Aug-13	495.7	489.9	5.8
	Oct-13	503.4	490.6	12.8

### 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 not supported by Volume which indicates weak strength of bull participants in the market.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'13	497.6	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 17.56 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	17.84	17.56

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