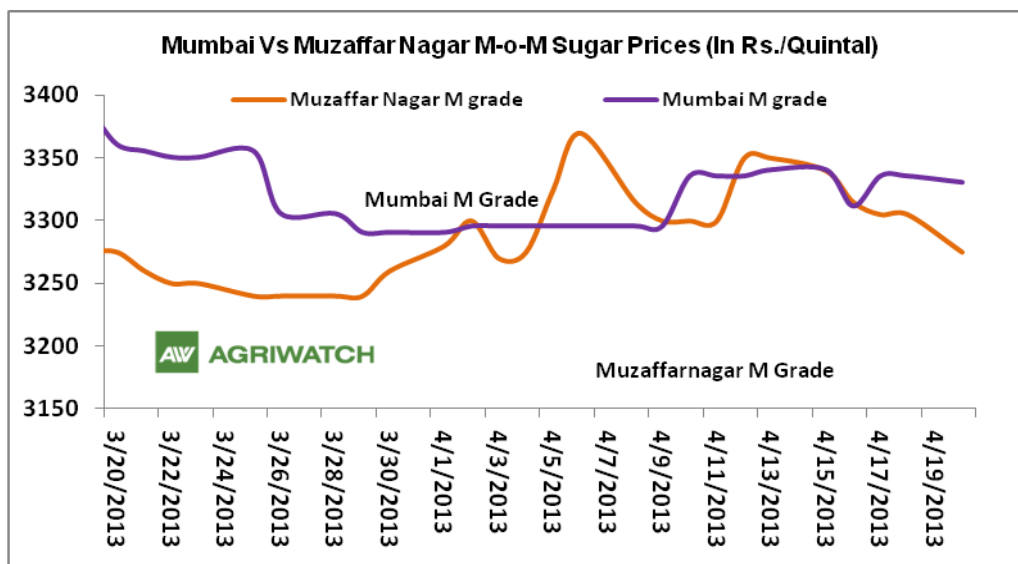


### Sugar Price Trend and Outlook:

Sugar prices declined during the week ended 22<sup>nd</sup> April 2013. Higher selling by sugar mills in the open market led the prices of sugar decline.



### Domestic Sugar Price Outlook:

Sugar prices are ruling in a downward trend. Major influencing factors are sugar selling by millers in the open market, sugar imports, and overall weak international sentiments due to global sugar surplus. Short term Price Outlook: Prices of sugar might continue its downtrend for short term with increasing supply by millers. Medium term Price Outlook: With increasing heat waves in the country, summer demand of sugar would pick up in May. In addition to it, closing of cane crushing operations and partial decontrol of sugar by government would turn the price sentiments up in the coming months as expected.

### News Highlights:

- Millers which are presently selling sugar below cost of production definately try to make some profit in the coming months by playing with sugar stocks left with them (Millers got freedom to sell sugar in the open market without any monthly restrictions).
- A rake business loaded with Sugar has been reported from Sangli towards Delhi at FOR Rs. 3190 per quintal. It is notable that Delhi traders are getting parity from Maharashtra instead of UP at current sugar prices at sourcing and destination centers.
- Around 10-12% decline in sugarcane acreage in Solapur district Maharashtra compared to last year owing to lower rainfall in the region. Some other areas like Satara and Kolhapur also affected with this drought like conditions. Millers are expecting rainfall in June to July period, if early rainfall occurred than it would help the cane yield for 2013-14 season.
- India sugar output reached 24.11 million tons till 15th April 2013 after crushing 240 million tons of cane with an average recovery of 10.11%. Present sugar production figures are down from 24.57 million tons of sugar produced at same period last year.
- Uttar Pradesh mills have crushed 793 lac tons of cane and produce 7.2 million tons of sugar with an average recovery of 9.19% till 15th April 2013.

### Raw Sugar Import Opportunity:

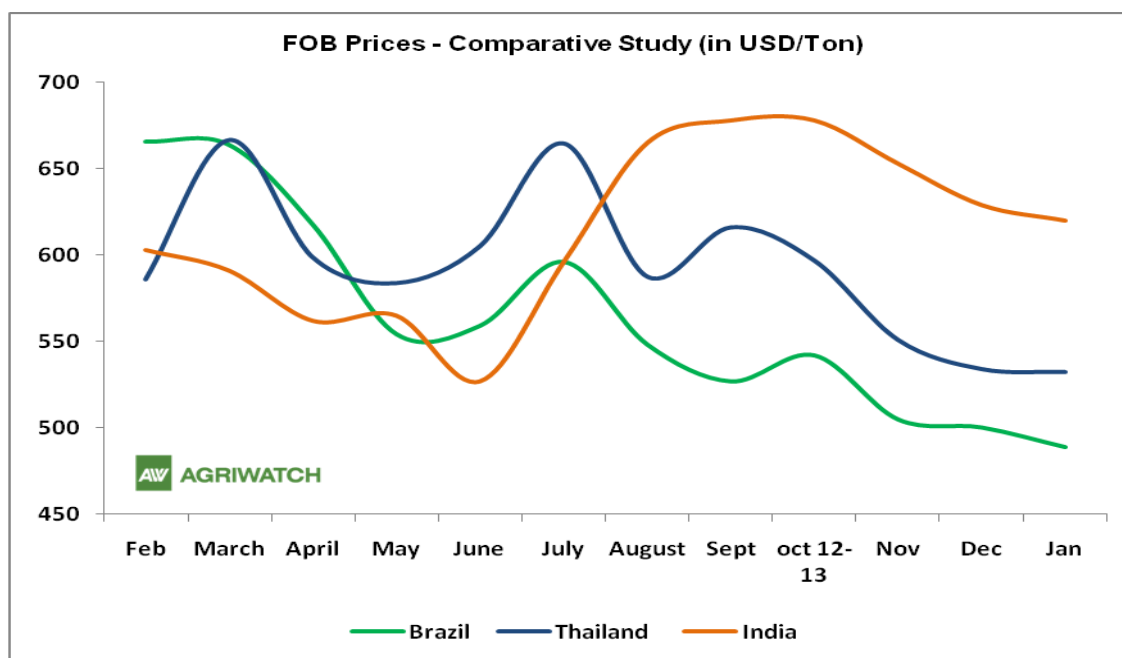
Indian sugar refiners again got opportunity to import raw sugar from Thailand and Brazil as higher degree of decrease in sugar prices in international markets compared to domestic markets take the prices to parity in case of sugar imports.

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)**

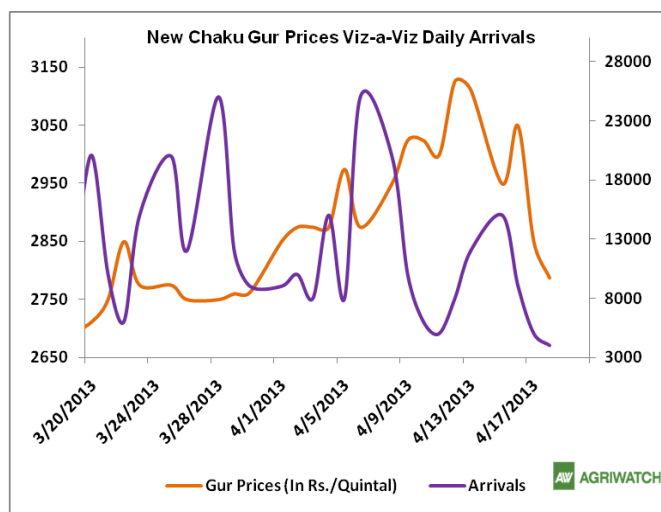
Commodity	Centre	Prices (Rs/Qtl)		Change
		26-Apr-13	20-Apr-13	
Sugar	Delhi - Grade M	3290	3310	-20
	Delhi - Grade S	3180	3250	-70
	Delhi - Grade L	3320	3330	-10
	UP- Khatauli Grade M	3240	3275	-35
	UP- Ramala Grade M	3260	3250	10
	UP- Dhampur Grade M Ex-Mill	3325	3225	100
	UP- Dhampur Grade S Ex-Mill	3205	3205	Unch
	UP- Dhampur Grade L Ex-Mill	3275	3275	Unch
	Mumbai –Grade M	3321	3331	-10
	Mumbai –Grade S	3126	3186	-60
	Kolhapur – Grade M	3000	3025	-25
	Kolhapur – Grade S	2925	2925	Unch
	Vijayawada – Grade M	3550	3550	Unch
	Vijayawada- Grade S	3450	3450	Unch
	Nagpur – Grade S	3250	3250	Unch
	Kolkata – Grade M	-	-	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3165	-	-
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3150	-	-
	Chennai - Grade S	3050	3025	25

**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 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.



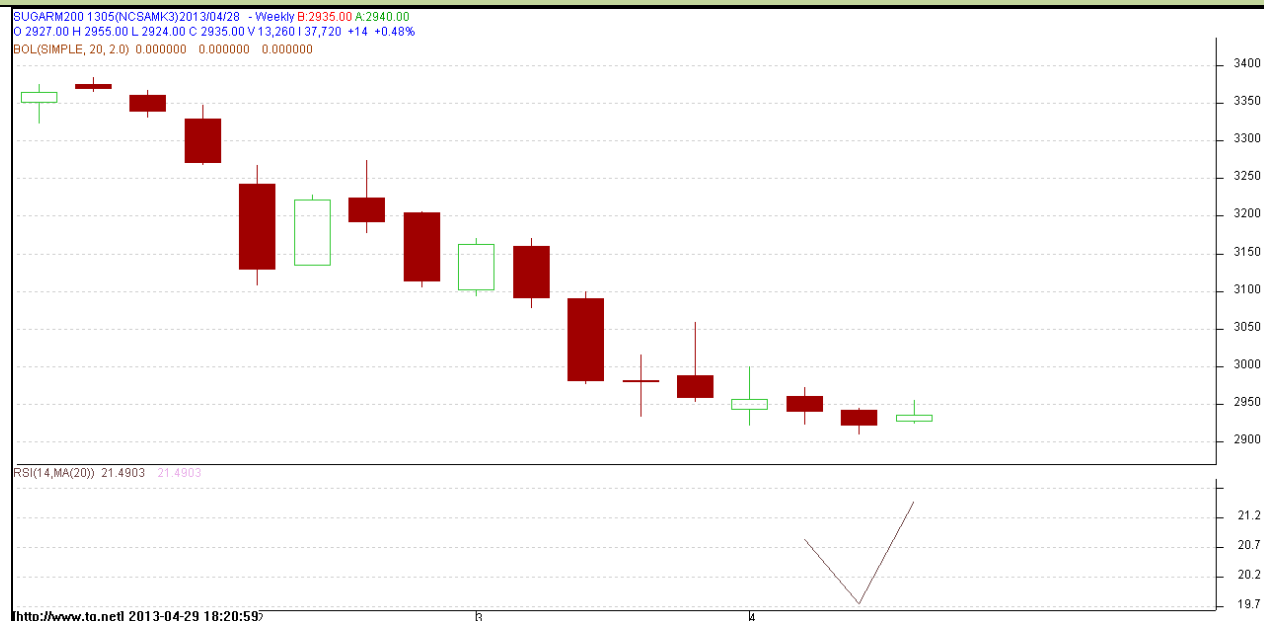
Gur prices are likely to move in a range with firm tone in the coming week owing to lower gur stock.

<b>Gur Spot Prices (Rs/Qtl)</b>				
<b>Markets</b>	<b>Variety</b>	<b>26-Apr-13</b>	<b>20-Apr-13</b>	
Muzaffar Nagar	New Chaku	3000	2813	<b>187</b>
	<b>Arrivals</b>	4000	12000	<b>-8000</b>
	Khurpa	2828	2675	<b>153</b>
	Laddoo	2950	2625	<b>325</b>
Bangalore	Achhu	2750	2675	<b>75</b>
	Mudde	3050	3075	<b>-25</b>
Belgaum	Mudde	3800	-	-
Belthangadi	yellow (Average)	3000	3000	<b>Unch</b>
Bijapur	Achhu	3200	3200	<b>Unch</b>
Gulbarga	Other (Average)	3000	3100	<b>-100</b>
Mahalingapura	Penti (Average)	3300	3100	<b>200</b>
Mandya	Achhu (Medium)	3100	3000	<b>100</b>
	Kurikatu (Medium)	3000	3000	<b>Unch</b>
	Other (Medium)	3040	-	-
	Yellow (Medium)	3100	3000	<b>100</b>
Shimoga	Achhu (Average)	2600	2600	<b>Unch</b>

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.
- However, RSI is hovering at oversold region.
- Prices might get support at Rs 2921 which is its immediate support level, breach of the mentioned level would take the prices down to Rs 2860.

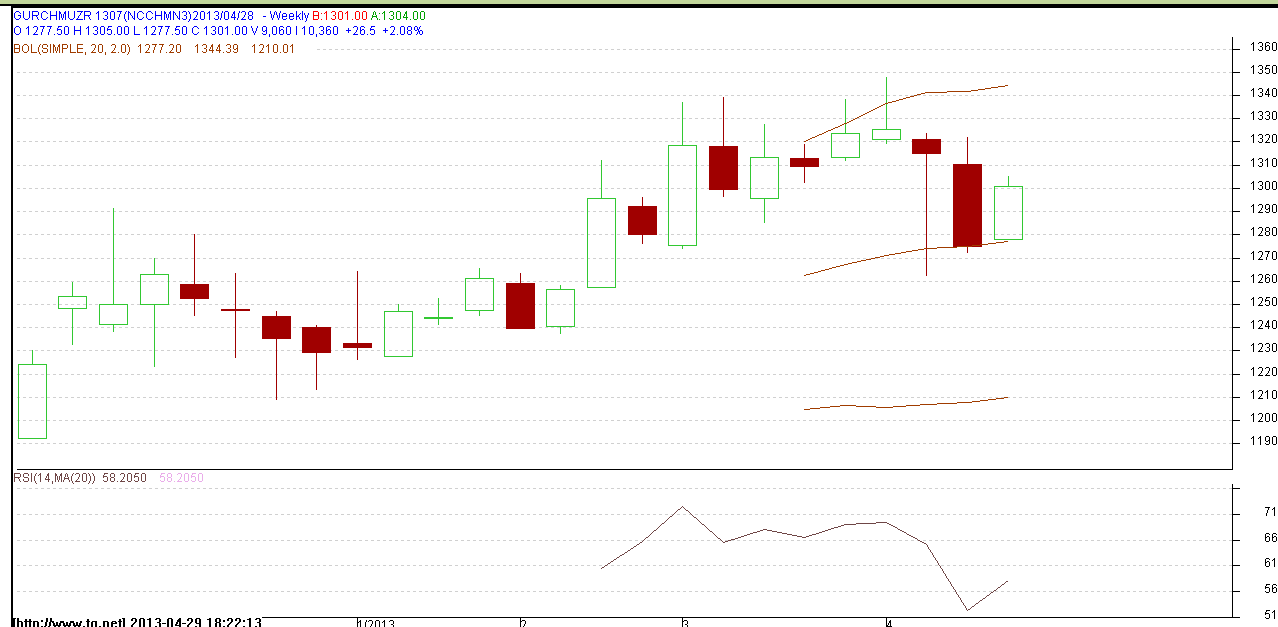
#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	May	-	2860	2921	2965	3000
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	<b>Sell</b>	Near 2940	2890	2865	2965

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 not sustained at lower levels.
- 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	1260	1274	1274.5	1327.5	1337.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Near 1280	1305	1313	1297

## International Scenario

International sugar prices are moving range bound to firm tone 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:

- Thailand cane crushing reached 99.38 million tons till 22nd April that is 3.2% up compared to last year same period. Meanwhile, cane crushing for this season almost came to an end as millers are crushing very less cane presently.
- Iraq is willing to import 50000 tons of white sugar via international tender. Tender deadline is Apr 22nd and offers must remain valid till 26th Apr 2013. However, Iraq has mentioned that it would buy sugar from any sourcing countries except India and Thailand, according to news agencies.
- Russia, Belarus and Kazakhstan has increase the sugar import duty tariff to \$205 from \$140 per ton. The hike in sugar import duty would valid from 1st May 2013. These three countries has increase the import duty after considering increase in sugar prices in International arena.
- China produced 2.70 million tons of sugar in March 2013 which is up by 19% compared to 2.27 million tons sugar produced last year same period.
- 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.

International Sugar Prices (Weekly)				
	Contract Month	25-Apr-13	19-Apr-13	Change
ICE Sugar #11 (US Cent/lb)	May-13	17.41	17.97	-0.56
	Jul-13	17.38	17.88	-0.5
	Oct-13	17.75	18.23	-0.48
LIFFE Sugar (US \$/MT)	Aug-13	498.60	508.8	-10.2
	Oct-13	490.8	499.7	-8.9
	Dec-13	497	505.4	-8.4

**LIFFE Future Market Sugar Scenario (Aug Contract):**

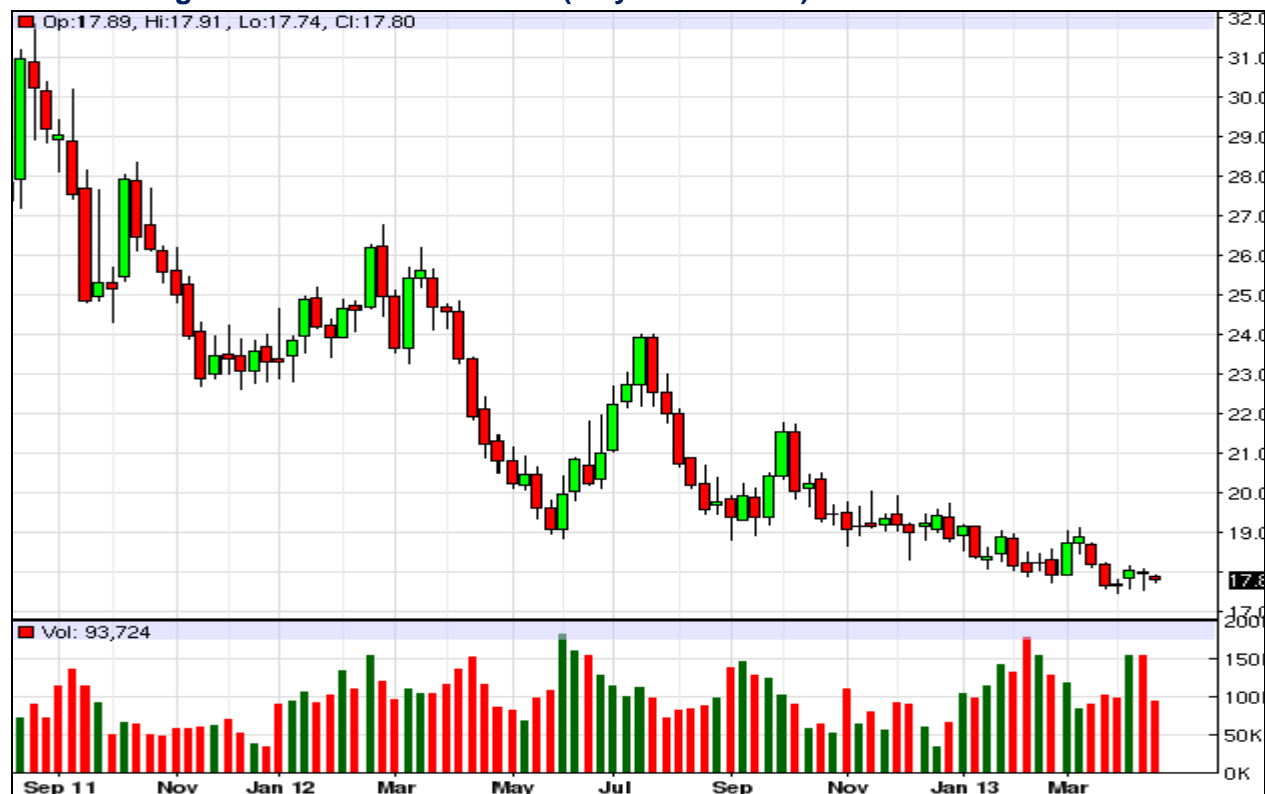


**Technical Commentary:**

- Sugar prices are continuously moving in a primary downtrend.
- Last candlestick suggests bearishness.
- 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)	Aug'13	498.60	490



**ICE Raw Sugar Future Market Scenario (July'13 Contract):**

**Technical Commentary:**

- ICE raw sugar futures are trading in a downward channel.
- Last candlestick depicts bearishness in the market.
- Market participants should make profit booking at 17.20 cents/lbs level.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	July'13	17.41	17.20

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