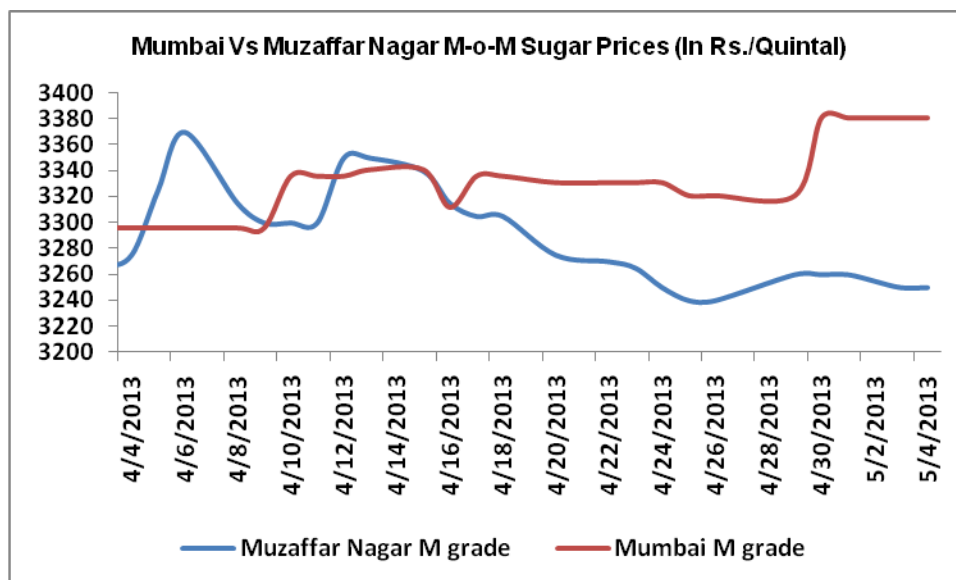


Sugar Price Trend and Outlook:

Sugar prices declined during the week ended 06th May 2013. Higher selling by sugar mills in the open market led the prices of sugar decline.



Domestic Sugar Price Outlook:

Millers continuous sugar selling led the prices downwards. However, notably retail sugar demand also shoot up considering summer season. Big stockists are now building up sugar stocks as prices still hovering near to lowest levels. We expect prices to move in a range presently.

News Highlights:

- Indian millers produce 24.52 million tons sugar between 1st Oct 2012 to 30th April 2013 period. Out of total sugar production, Maharashtra state alone contributes 8 million tons of sugar production as reported.
- Sugar stockists are seems to be intended to stock sugar at consuming centers in expectations of higher prices in the coming months.
- Reportedly, Cargill and LDC build up sugar stocks in Maharashtra region from last couple of weeks.
- Mumbai Vashi sugar market closed from last few days amid strike by merchants and transporters over the issue of local body taxes.
- Punjab is selling sugar from Pakistan and offering sugar at Rs 3300 per quintal for M grade as reported.
- Sugarcane sowing has picked up pace in various cane growing areas of UP as wheat harvesting likely to windup in 7-10 days.

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 \$498.55 per ton (including 10% import duty) and Indian domestic refined sugar FOB prices quoted at \$602.86 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 4 th May 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	504.69	498.55	

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
		03-May-13	26-Apr-13	
Sugar	Delhi - Grade M	3290	3290	Unch
	Delhi - Grade S	3210	3180	30
	Delhi - Grade L	3310	3320	-10
	UP- Khatauli Grade M	3250	3240	10
	UP- Ramala Grade M	3230	3260	-30
	UP- Dhampur Grade M Ex-Mill	3120	3325	-205
	UP- Dhampur Grade S Ex-Mill	3100	3205	-105
	UP- Dhampur Grade L Ex-Mill	3170	3275	-105
	Mumbai –Grade M	-	3321	-
	Mumbai –Grade S	-	3126	-
	Kolhapur – Grade M	3025	3000	25
	Kolhapur – Grade S	2925	2925	Unch
	Vijayawada – Grade M	3520	3550	-30
	Vijayawada- Grade S	3420	3450	-30
	Nagpur – Grade S	-	3250	-
	Kolkata – Grade M	3370	-	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3015	3165	-150
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3000	3150	-150
	Chennai - Grade S	3050	3050	Unch

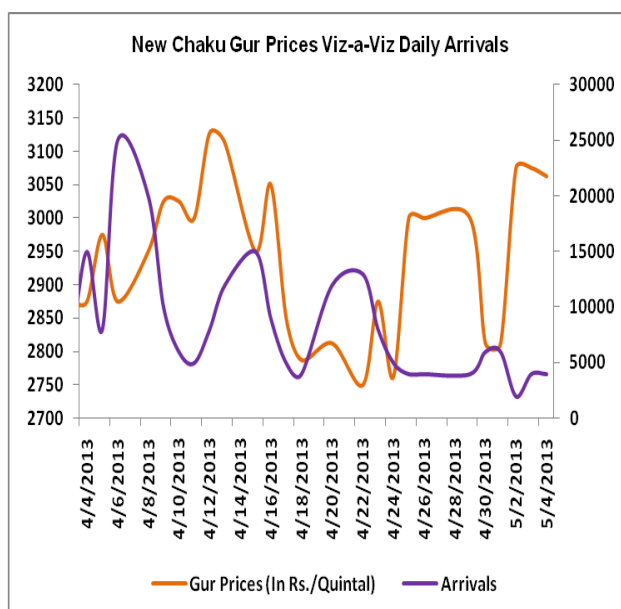
Gur Market Scenario and Outlook

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 1171000 bags of gur (40kg each) stored in cold storages till 29th April 2013 lower from 1418000 bags of gur at last year same period (40kg each). Out of total 1171000 bags of gur, around 698000 bags of Chaku gur, 132000 bags of Rascut, and 177000 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	03-May-13	26-Apr-13	
Muzaffar Nagar	New Chaku	3075	3000	75
	Arrivals	4000	4000	Unch
	Khurpa	2925	2828	97
	Laddoo	3075	2950	125
Bangalore	Achhu	2813	2750	63
	Mudde	3150	3050	100
Belgaum	Mudde	-	3800	-
Belthangadi	yellow (Average)	3000	3000	Unch
Bijapur	Achhu	3200	3200	Unch
Gulbarga	Other (Average)	3000	3000	Unch
Mahalingapura	Penti (Average)	3500	3300	200
Mandya	Achhu (Medium)	2900	3100	-200
	Kurikatu (Medium)	2900	3000	-100
	Other (Medium)	3080	3040	40
	Yellow (Medium)	3000	3100	-100
Shimoga	Achhu (Average)	2500	2600	-100

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.

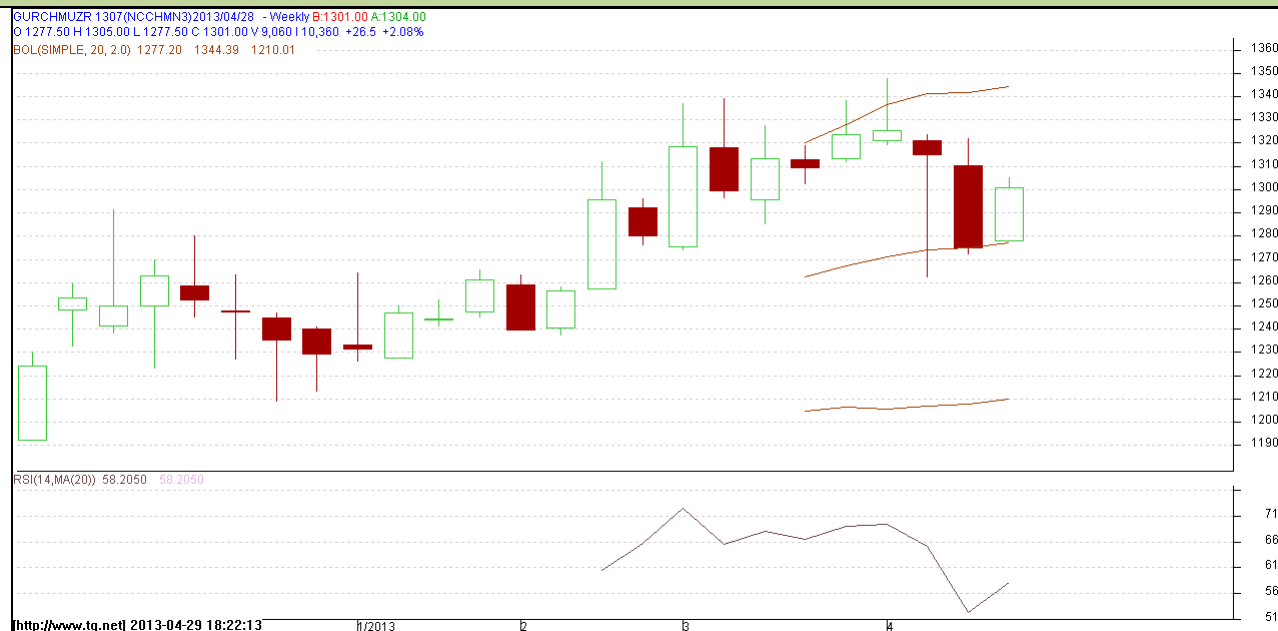
Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	May	-	2860	2919	2965	3000
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Sell	Near 2930	2890	2870	2956

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	1292.5	1327.5	1337.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Near 1280	1305	1313	1274

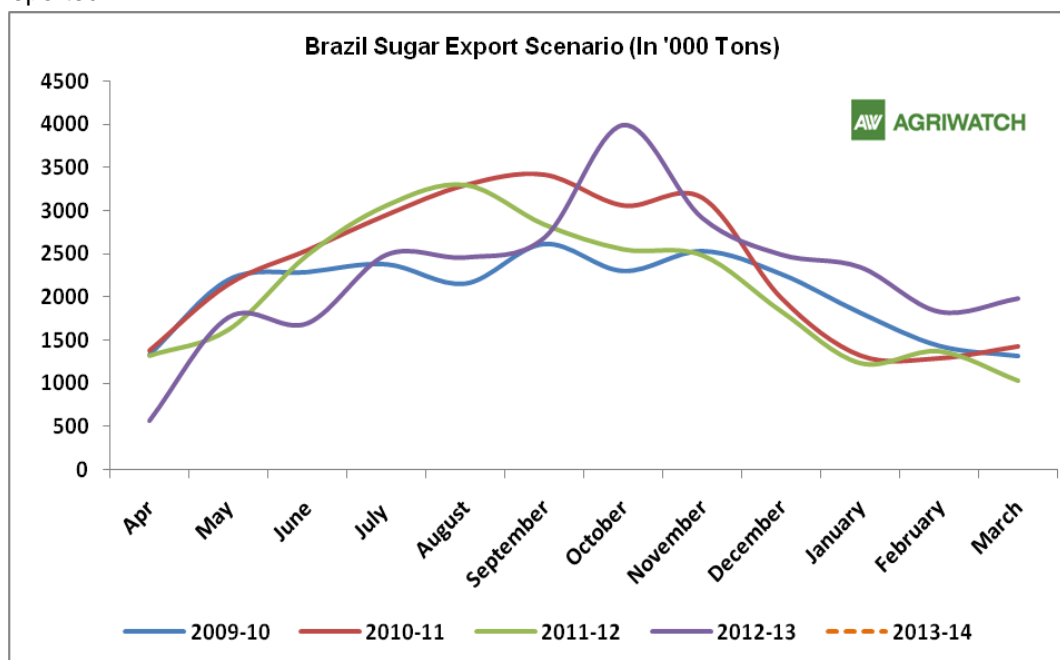
International Scenario

International sugar prices are moving range bound to firm tone this week. End of Thailand crushing season, Brazilian millers prefer ethanol production over sugar due to lucrative gasoline prices led the prices of sugar up in ICE as well as LIFFE exchanges.

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:

- Brazil has exported 1.722 million tons of sugar in April 2013-14 season which is up from 0.558 million tons exported last year same period. Higher sugar production than consumption and smooth movement of sugar at ports led the sugar exports increase from Brazilian ports. It is notable that Brazil has exported in total 27.20 million tons of sugar last year till March 2012-13 as reported.



- Brazil sugar millers are diverting the sugar/ethanol ratio this year to 35:65 from 41:59 after record high prices of gasoline. In addition to it, lowering taxes on ethanol also encourage the millers to go for more ethanol production than sugar.
- China's plan to cut sugar imports by stockpiling the sweetener is backfiring as government purchases from local producers help keep domestic prices high, prompting traders to ship even more to the Asian nation.
- Global sugar supplies will be 8.5 million tonnes higher than demand in 2012/13, a third year of surpluses, according to the International Sugar Organization.
- 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.

International Sugar Prices (Weekly)				
	Contract Month	02-May-13	25-Apr-13	Change
ICE Sugar #11 (US Cent/lb)	May-13	17.60	17.41	0.19
	Jul-13	17.97	17.38	0.59
	Oct-13	18.85	17.75	1.1
LIFFE Sugar (US \$/MT)	Aug-13	501.20	498.60	2.6
	Oct-13	497.2	490.8	6.4
	Dec-13	502.5	497	5.5

LIFFE Future Market Sugar Scenario (Aug Contract):



Technical Commentary:

- Sugar prices are continuously moving in a primary downtrend.
- Last candlestick suggests bearishness.
- Prices are likely to test \$490 level which also lying over 50% fibonnaci projection level.
- Decrease in prices has supported by volume which indicates short buildup occur in the market.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'13	501.20	492

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	17.97	17.20

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