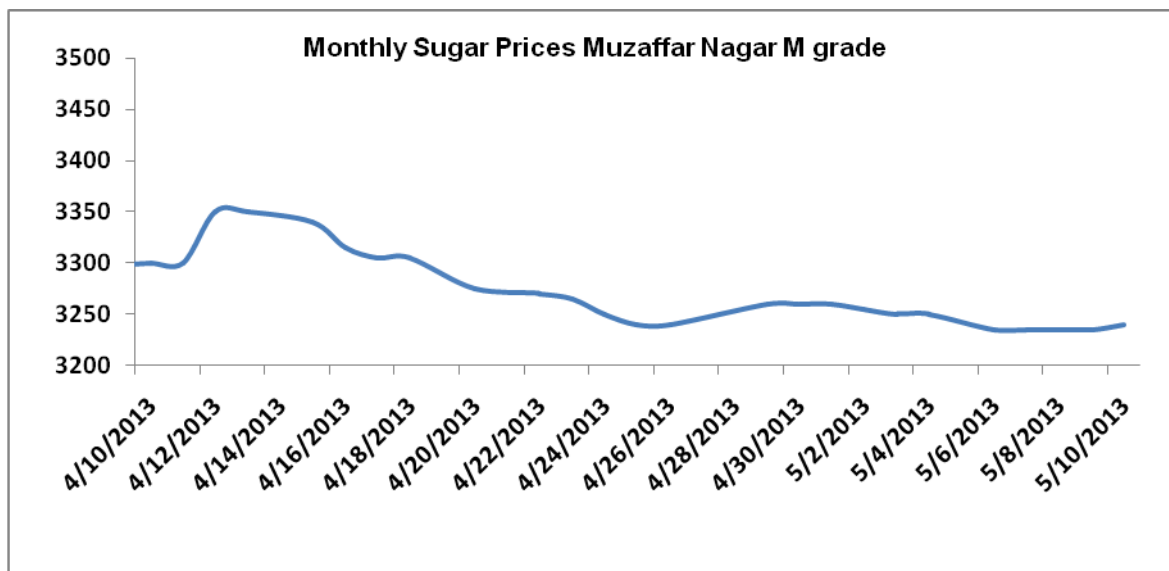


Sugar Price Trend and Outlook:

Sugar prices have moved in a range with up's and down's in various cash markets during the week ended 10th May 2013. Increasing summer demand and continuous sugar selling by millers offset the impact presently.



Domestic Sugar Price Outlook:

We expect prices of sugar likely to shoot up in the coming week. Traders selling sugar at higher rates and increasing summer sugar demand led the prices upwards.

News Highlights:

- Around 2 rakes business has been done of sugar from Maharashtra bound to Delhi at Rs 3150 per quintal as reported.
- India likely to become sugar exporter for 2013-14 marketing year starting from October 2013 due to sugar decontrol and higher sugar surplus which could drag the sugar prices down in domestic markets in Nov-March 2013-14 period. In opposite, prices of sugar in International markets likely to move up owing to higher cane diversion for making ethanol. Presently, International sugar prices tumbled down for the time being.
- Sellers from Pakistan are offering sugar at \$475 per ton to sugar buyers based in Punjab as reported. It is notable that Indian buyers find parity to import sugar from Pakistan at present quotes.
- UP sugar production likely to test 7.6 million tons in this crushing year 2012-13. Presently only 3 sugar mills are running their cane crushing operations in UP.
- UP sugar mills crushed 811.65 lac tons of sugarcane and produce 74.59 lac tons of sugar with an average recovery of 9.19%. It is notable that mills had crushed 768.59 lac tons of cane and produce 69.73 lac tons of sugar with an average recovery of 9.07%.
- Indian millers produce 24.52 million tons sugar between 1st Oct 2012 to 30th April 2013. Out of total sugar production, Maharashtra state alone contributes 8 million tons of sugar production as reported.

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
		10-May-13	03-May-13	
Sugar	Delhi - Grade M	3280	3290	-10
	Delhi - Grade S	3210	3210	Unch
	Delhi - Grade L	3320	3310	10
	UP- Khatauli Grade M	3240	3250	-10
	UP- Ramala Grade M	3200	3230	-30
	UP- Dhampur Grade M Ex-Mill	3120	3120	Unch
	UP- Dhampur Grade S Ex-Mill	3100	3100	Unch
	UP- Dhampur Grade L Ex-Mill	3170	3170	Unch
	Mumbai –Grade M	Closed	-	-
	Mumbai –Grade S	Closed	-	-
	Kolhapur – Grade M	3050	3025	25
	Kolhapur – Grade S	2950	2925	25
	Vijayawada – Grade M	3500	3520	-20
	Vijayawada- Grade S	3400	3420	-20
	Nagpur – Grade S	Closed	-	-
	Kolkata – Grade M	3320	3370	-50
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	-	3015	-
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	-	3000	-
	Chennai - Grade S	3060	3050	10

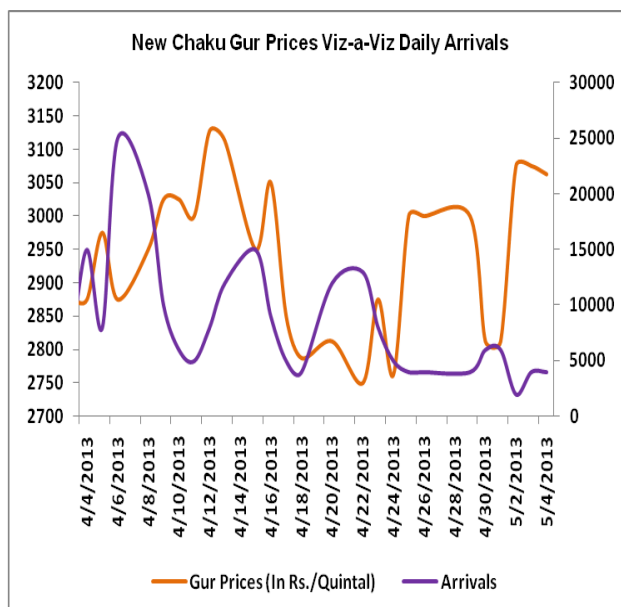
Gur Market Scenario and Outlook

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.

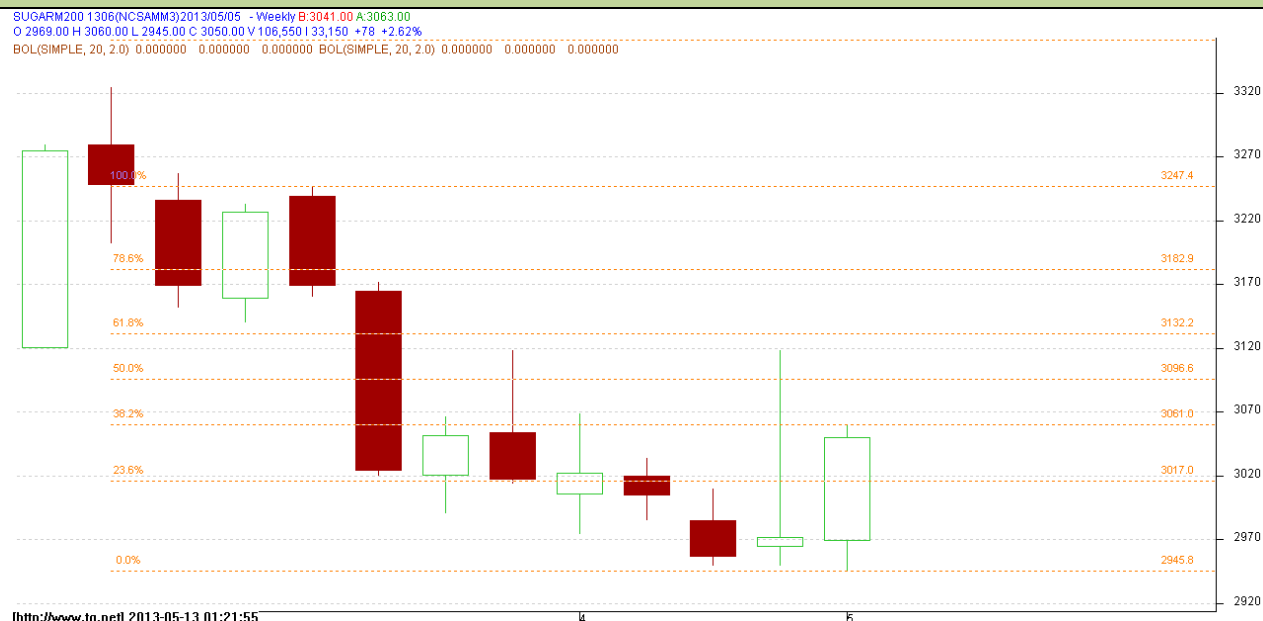


Gur Spot Prices (Rs/Qtl)				
Markets	Variety	10-May-13	03-May-13	
Muzaffar Nagar	New Chaku	3125	3075	50
	Arrivals	2500	4000	-1500
	Khurpa	2925	2925	Unch
	Laddoo	3063	3075	-12
Bangalore	Achhu	2813	2813	Unch
	Mudde	3075	3150	-75
Belgaum	Mudde	-	-	-
Belthangadi	yellow (Average)	3000	3000	Unch
Bijapur	Achhu	3200	3200	Unch
Gulbarga	Other (Average)	3100	3000	100
Mahalingapura	Penti (Average)	3400	3500	-100
Mandya	Achhu (Medium)	3000	2900	100
	Kurikatu (Medium)	3000	2900	100
	Other (Medium)	3080	3080	Unch
	Yellow (Medium)	2900	3000	-100
Shimoga	Achhu (Average)	2500	2500	Unch

Commodity: Sugar
Contract: June

Exchange: NCDEX
Expiry: June 20, 2013

SUGAR (Weekly June Contract Chart)



Technical Commentary:

- Sugar prices are showing some upward strength as chart depicts.
- However, RSI is hovering at oversold region.
- Prices might get support at Rs 3003 which is its immediate support level.
- Last candlestick depicts bullishness in the prices.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	June	2945	3003	3050	3182	3247
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	June	Buy	Near 3046	3120	3172	3009



Commodity: Gur
Contract: July

Exchange: NCDEX
Expiry: July 20, 2013

GUR (July Weekly Chart)



Technical Commentary:

- Gur prices are hovering at pretty crucial level as chart depicts.
- Prices close above Rs 1274.5 give indication of some upward correction in the coming week.
- Last candlestick depicts short participants could not sustain at lower levels.
- However, RSI is hovering near to overbought region.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	-	1260	1275	1332	1348.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Near 1273	1295	1315	1261

**International Scenario**

International sugar prices declined sharply last week owing to weather favors Brazil cane crush which led the cane crushing operations smoothly in Brazil.

LIFFE sugar prices tested its contract low last week as reported.

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:

- Cane crushing operations in Brazil smoothens after dry weather favors cane harvesting.
- Indonesian government showed intension to buy raw sugar and issued a tender of 240000 tons of raw sugar.
- Thai state run Thai Cane and Sugar Corporation (TCSC) will open a tender to sell 72000 tons of raw sugar on May 15 from 2013-14 crop.
- Thai raw sugar premium Hipol stood at 110 points over ICE raw sugar futures as reported.

International Sugar Prices (Weekly)				
	Contract Month	09-May-13	02-May-13	Change
ICE Sugar #11 (US Cent/lb)	Jul-13	17.47	17.97	-0.5
	Oct-13	17.84	17.97	-0.13
	Mar-14	18.77	18.85	-0.08
LIFFE Sugar (US \$/MT)	Aug-13	486.2	501.20	-15
	Oct-13	489.6	497.2	-7.6
	Dec-13	498.1	502.5	-4.4

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 \$475 level which also lying over 100% 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	486.2	475

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	17.47	17.20

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