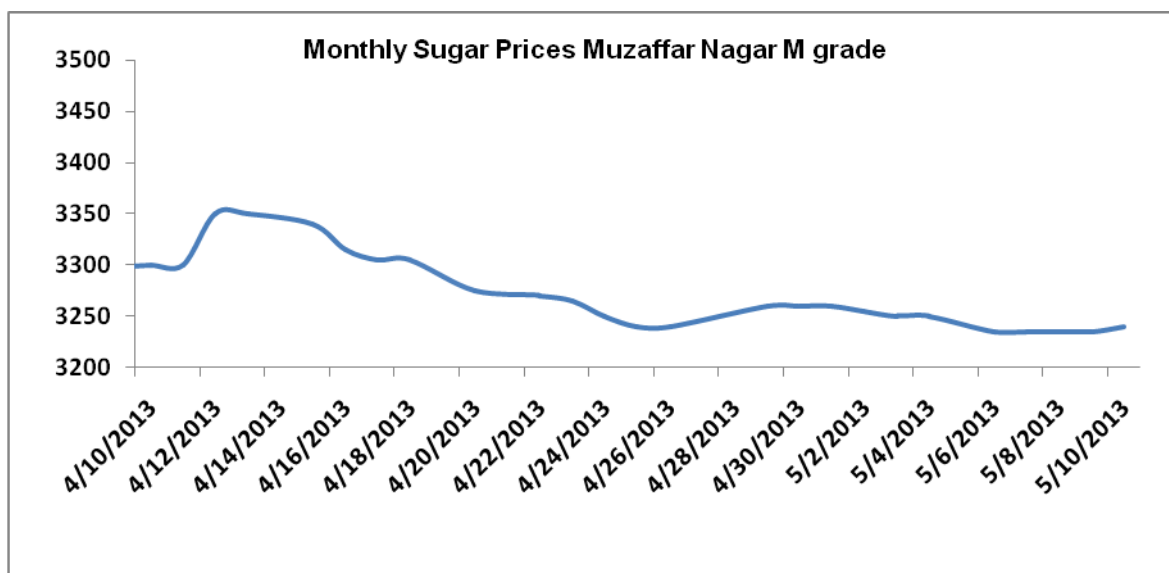


Sugar Price Trend and Outlook:

Sugar markets witnessed mixed tone during the week ended 17th May 2013 owing to increasing sugar supply offsetting by moderate sugar demand from bulk buyers. Reportedly, big giants like LDC and Cargill start purchasing sugar at consuming centers.

**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:

- Government ruled out any possibility of hike in sugar import duty this year as reported. Earlier in the week, Rumors were hovering in the market for increase in sugar (both raw and white) import duty from 10 to 30 percent
- Recently, Cargill made some active buying of sugar from Delhi market as reported.
- Sugar exports deals has been done which bound to Saudi Arabia as reported.
- Vashi sugar market likely to re-open in the coming week as reported. It is notable that vashi sugar market closed from last couple of weeks over the protest of LBT.
- UP sugar production stood at 7.47 million tons for 2012-13 that is 0.5 million tons below the target set by state government. Lower than expected sugar production is due to lower recovery of sugar from cane.
- Sugarcane has been planted in 40.3 lakh hectare as compared to 45.54 lakh hectare at this time last year. Less area is reported mainly in Karnataka, Maharashtra, Tamil Nadu and Uttar Pradesh.

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

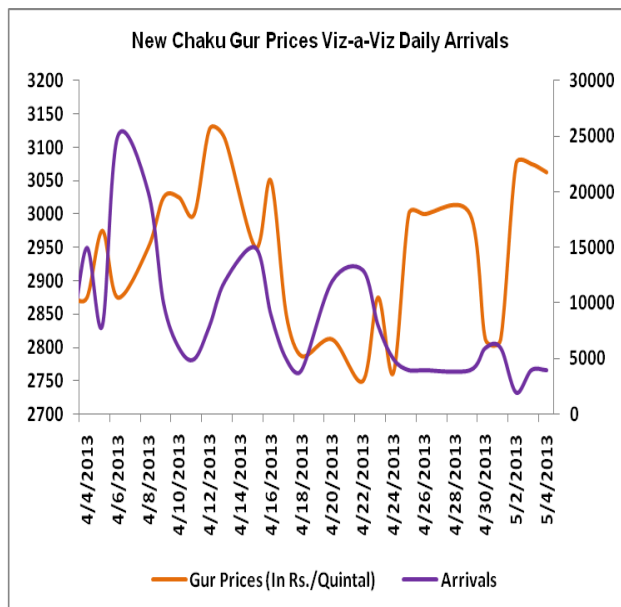
Gur Market Scenario and Outlook

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.

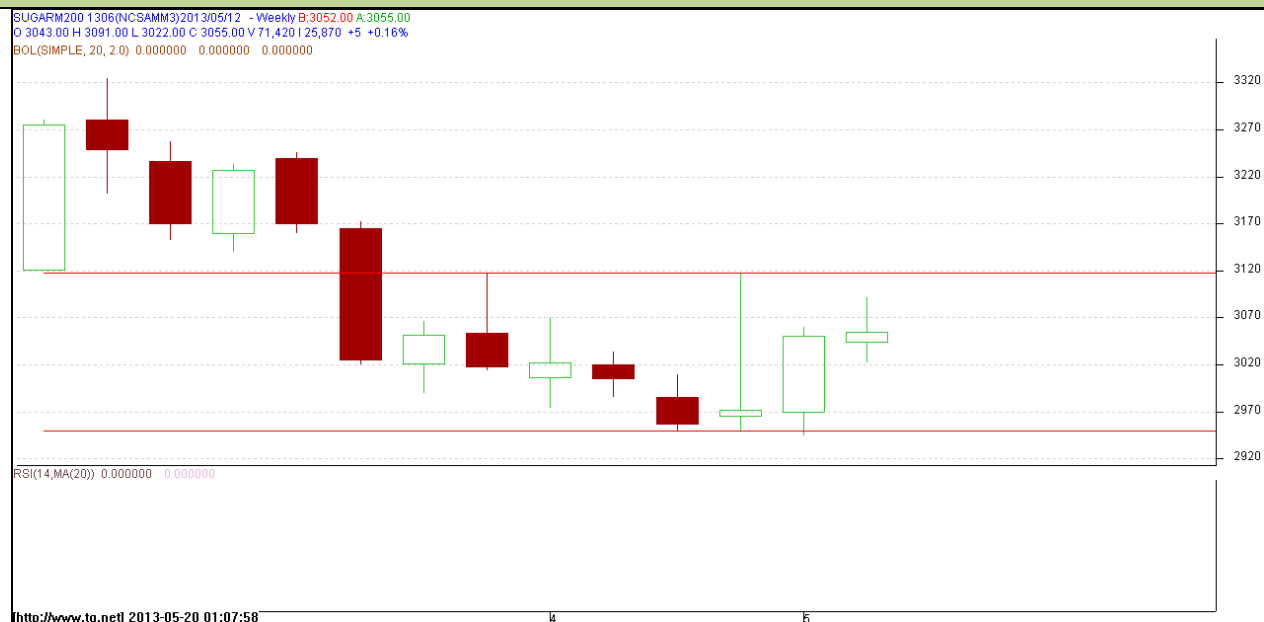


Markets	Variety	17-May-13	10-May-13	
Muzaffar Nagar	Chaku	3238	3125	113
	Chaku (Arrival)	4000	2500	1500
	Khurpa	2813	2925	-112
	Laddu	3038	3063	-25
	Rascut	2850	2813	37
Maharashtra	Latur(Lal Variety)	3075	3075	Unch
	Kolhapur	-	-	-
Bangalore	Achhu	3000	3000	Unch
	Mudde	3200	3200	Unch
Belgaum	Mudde	3000	3100	-100
Belthangadi	Yellow (Average)	3500	3400	100
Bijapur	Achhu	3100	3000	100
Gulbarga	Other (Average)	2900	3000	-100
Mahalingapura	Penti (Average)	3110	3080	30
Mandya	Achhu (Medium)	2900	2900	Unch
	Kurikatu (Medium)	2450	2500	-50
	Other (Medium)	2450	2500	-50
	Yellow (Medium)	2800	2850	-50
Shimoga	Achhu (Average)	3650	3500	150

Commodity: Sugar
Contract: June

Exchange: NCDEX
Expiry: June 20, 2013

SUGAR (Weekly June Contract Chart)

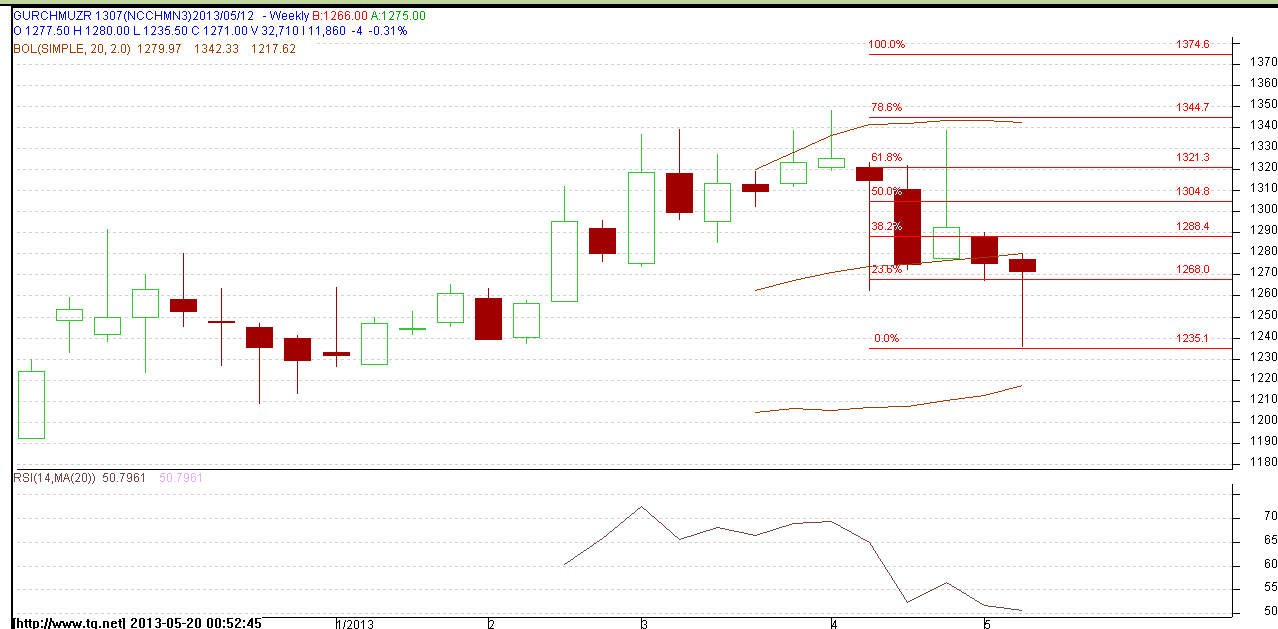


Technical Commentary:

- Sugar prices are showing some upward strength as chart depicts.
- Prices are hovering in range between Rs 2950 to Rs 3118, breach of the mentioned level either side would give the sugar prices a new direction.
- 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	2950	3003	3055	3118	3247
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	June	Buy	Near 3046	3092	3115	3022

Commodity: Gur
Contract: July
Exchange: NCDEX
Expiry: July 20, 2013
GUR (July Weekly Chart)

Technical Commentary:

- Gur prices are hovering in a range as chart depicts.
- Breach of Rs. 1268 level would take the prices down to Rs.1235 level.
- Last candlestick depicts short participants could not sustain at lower levels.
- However, RSI is hovering near to neutral region.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1226	1235.5	1271	1289	1305.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Near 1268	1280	1386	1261

**International Scenario**

Sugar prices in ICE as well as LIFFE fall sharply during last week. Dry weather conditions favors cane harvesting which led the prices decline. In addition to it, higher than expected sugar production in Thailand also depress the prices.

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 sugar production crossed 10 million tons mark as reported.
- China sugar imports likely to decline to 3 million tons in 2013-14 which was 3.7 million tons last year.
- 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.

International Sugar Prices (Weekly)				
	Contract Month	16-May-13	09-May-13	Change
ICE Sugar #11 (US Cent/lb)	Jul-13	16.83	17.47	-0.64
	Oct-13	17.17	17.84	-0.67
	Mar-14	18.11	18.77	-0.66
LIFFE Sugar (US \$/MT)	Aug-13	476.2	486.2	-10
	Oct-13	476.9	489.6	-12.7
	Dec-13	483.3	498.1	-14.8

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	476.2	460

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	16.83	17.20

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