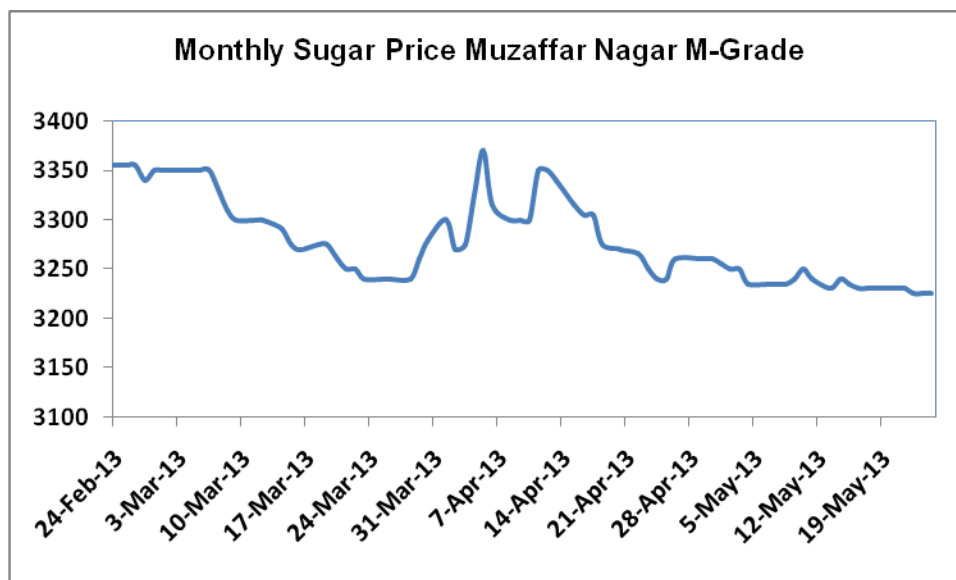


Sugar Price Trend and Outlook:

Sugar markets witnessed mixed tone during the week ended 27th May 2013 owing to increasing sugar supply offsetting by moderate sugar demand from bulk buyers.



Domestic Sugar Price Outlook:

Sugar prices presently moving in a range with weak tone. However, expected bulk sugar buying from beverage and ice cream industry likely to improve the demand of domestic sugar in the coming weeks.

News Highlights:

- Sugar stock is going to dry up in ration shops in 15 states as many states not take any steps on the guidelines issued by Central government to procure sugar from Open markets. Some states already start procuring sugar from mills as reported. It is notable that Centre has abolished the levy sugar quota mechanism made for PDS. Central government decide to give Rs. 18.50 per kg to state government which would procure sugar from mills at Rs. 32 per kg as reported. States have the obligation to provide sugar at Rs 13.5 per kg for Public distribution.
- Indian processors likely to increase raw sugar import quantity keeping in view decreasing international sugar prices. It is notable that around 1.5 million tons raw sugar has already been imported till date.
- India has import around 1 lac tons of white sugar from Pakistan this year till date as reported. However, there is no deals made by Indian traders from Pakistan as they are quoting higher prices at present.
- Indian distilleries are now getting Rs 35 per liter of fuel ethanol taken by Oil companies for 5% blending obligation starting from June 1, 2013.
- Sugarcane sowing in UP has almost over and cane reached to its germination stage in some parts of cane belts of UP where sowing starts early.
- It is notable that UP cane acreage up by 7-8% compared to last year as reported.
- State government starts procuring sugar from Chattisgarh sugar mill as reported. Millers are now stop tendering sugar for open sale.

- Government ruled out any possibility of hike in sugar import duty this year as reported.
- 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.

Raw Sugar Import Opportunity:

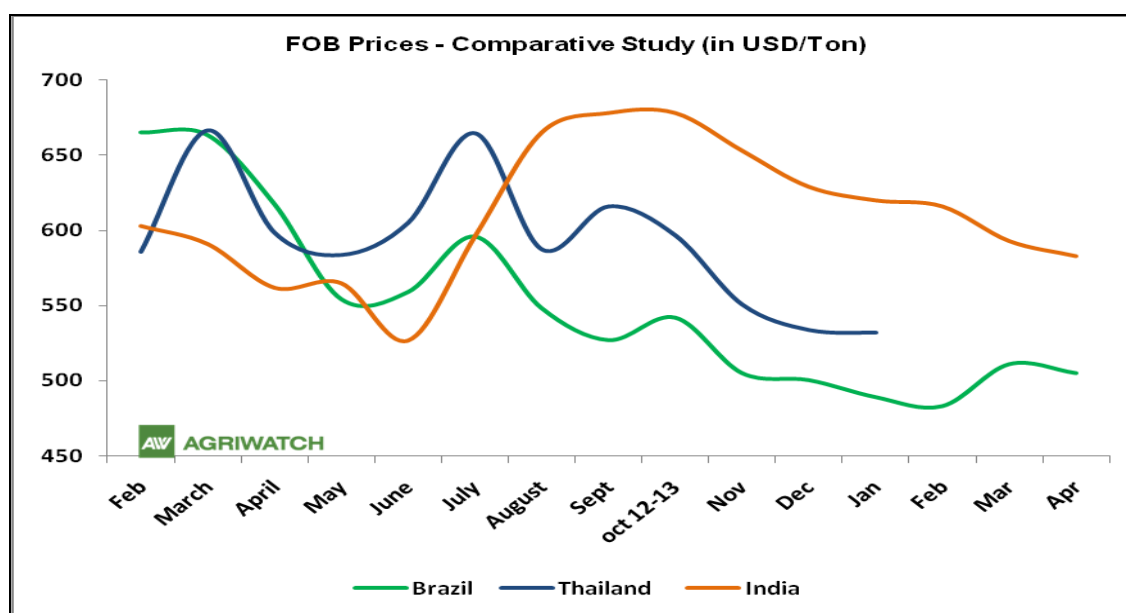
Indian sugar refiners again got opportunity to import raw sugar from Thailand and Brazil as higher degree of decrease in sugar prices in international markets compared to domestic markets take the prices to parity in case of sugar imports.

Indian indicative raw sugar CIF prices from Brazil quoted at \$479.55 per ton (including 10% import duty) and Indian domestic refined sugar FOB prices quoted at \$576.81 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.54.88) till 17 th May 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	479.59	-	

As far as India's sugar imports are concerned, we are expecting around 1.5 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
		24-May-13	17-May-13	
Sugar	Delhi - Grade M	3280	3290	-10
	Delhi - Grade S	3200	3210	-10
	Delhi - Grade L	3300	3310	-10
	UP- Khatauli Grade M	3225	3230	-5
	UP- Ramala Grade M	3190	3170	20
	UP- Dhampur Grade M Ex-Mill	3100	3100	Unch
	UP- Dhampur Grade S Ex-Mill	3080	3080	Unch
	UP- Dhampur Grade L Ex-Mill	3150	3150	Unch
	Mumbai –Grade M	3361	Closed	-
	Mumbai –Grade S	3161	Closed	-
	Kolhapur – Grade M	3050	3050	Unch
	Kolhapur – Grade S	2950	2950	Unch
	Vijayawada – Grade M	3500	3500	Unch
	Vijayawada- Grade S	3400	3400	Unch
	Nagpur – Grade S	3250	3250	Unch
	Kolkata – Grade M	3420	3320	100
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3200	-	-
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3200	-	-
	Chennai - Grade S	3075	3100	-25

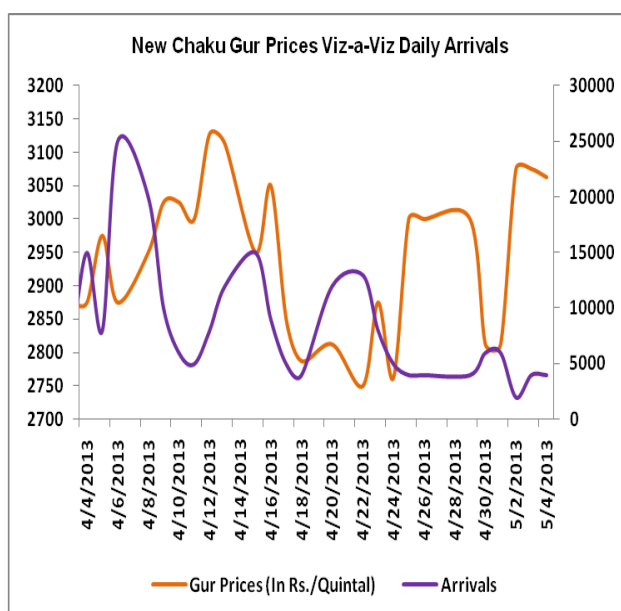
Gur Market Scenario and Outlook

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 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.

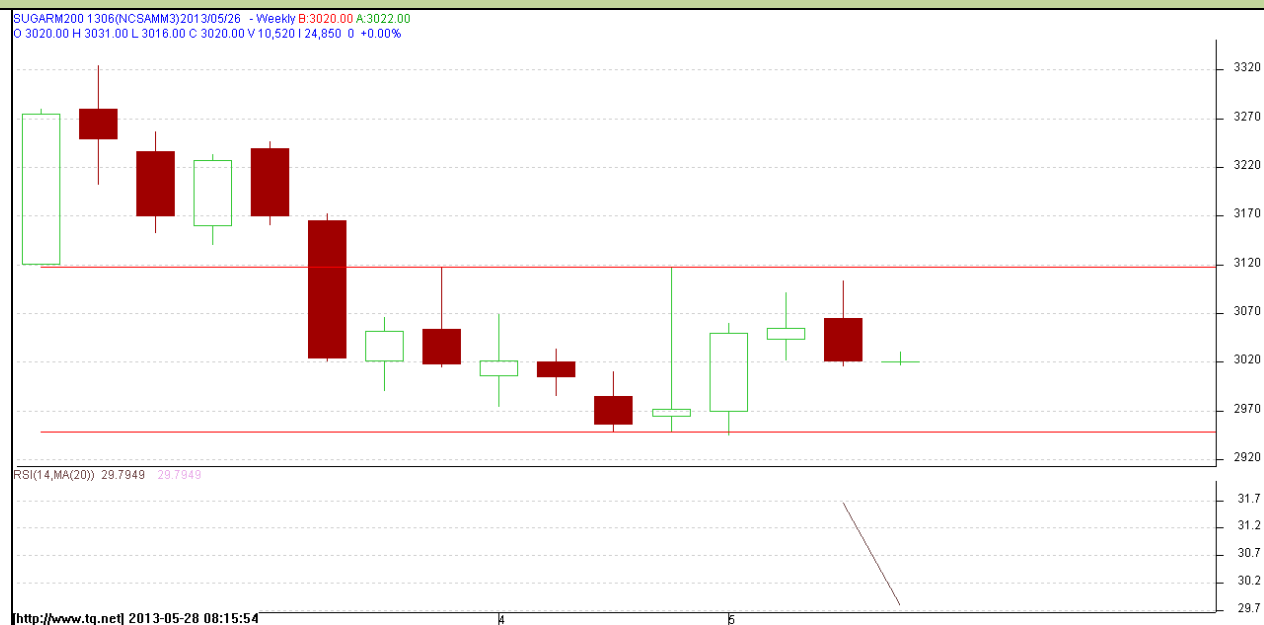


Gur Spot Price Scenario (Weekly)				
Markets	Variety	24-May-13	17-May-13	
Muzaffar Nagar	Chaku	2975	3238	-25
	Chaku (Arrival)	1500	4000	1000
	Khurpa	2825	2813	-125
	Laddu	3075	3038	75
	Rascut	2825	2850	Unch
Maharashtra	Latur(Lal Variety)	3175	3075	25
	Kolhapur	-	-	-
Bangalore	Achhu	3100	3000	Unch
	Mudde	3200	3200	Unch
Belgaum	Mudde	3000	3000	-
Belthangadi	Yellow (Average)	3500	3500	100
Bijapur	Achhu	3100	3100	-50
Gulbarga	Other (Average)	3000	2900	50
Mahalingapura	Penti (Average)	3140	3110	Unch
Mandya	Achhu (Medium)	2850	2900	Unch
	Kurikatu (Medium)	2500	2450	50
	Other (Medium)	2500	2450	Unch
	Yellow (Medium)	2800	2800	Unch
Shimoga	Achhu (Average)	3650	3650	-25

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.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	June	-	2949	3020	3118	3247
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	June	Buy	Near 3000	3050	3070	2970

Commodity: Gur
Contract: July

Exchange: NCDEX
Expiry: July 20, 2013

GUR (July Weekly Chart)

GURCHMUZR 1307(NCCHMN3)2013/05/26 - Weekly B:1267.00 A:1268.50
O 1263.00 H 1269.50 L 1262.00 C 1267.50 V 5,640 I 11,530 +1 +0.08%



Technical Commentary:

- Gur prices are hovering in a range as chart depicts.
- Breach of Rs. 1262 level would take the prices down to Rs.1252 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 1251	1270	1380	1240

**International Scenario**

Sugar prices in ICE as well as LIFFE fall 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:

- Kingsman cuts global sugar surplus by 12% to 4.9 million tons down from previous estimate of 5.6 million tons. It is notable that Brazil higher cane diversion for making ethanol led the sugar output decline by 3.1 percent from previous estimate of 34.4 million tons.
- Iraq has issued international sugar tender to buy 50000 tons of white sugar from any countries apart from Thailand and India.
- China has imported 3.6 lac tons of sugar, raw value, in April 2013 which is up from 3.1 lac tons imported at same period last year.
- Thailand sugar production crossed 10 million tons mark as reported.

International Sugar Prices (Weekly)				
	Contract Month	23-May-13	16-May-13	Change
ICE Sugar #11 (US Cent/lb)	Jul-13	16.76	16.83	-0.07
	Oct-13	17.10	17.17	-0.07
	Mar-14	18.09	18.11	-0.02
LIFFE Sugar (US \$/MT)	Aug-13	474.9	476.2	-1.3
	Oct-13	471.7	476.9	-5.2
	Dec-13	480	483.3	-3.3

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 \$460 level which also lying over 100% fibonnaci projection level.
- Decrease in prices has supported by OI which indicates short buildup in the market.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'13	474.9	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 16.65 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	16.76	16.65

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
© 2012 Indian Agribusiness Systems Pvt Ltd.

