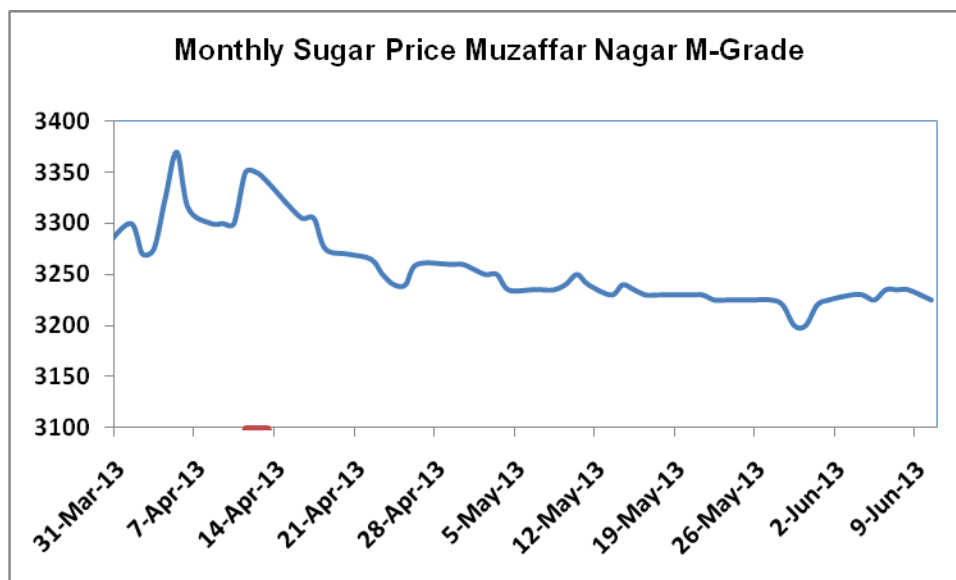


**Sugar Price Trend and Outlook:**

Sugar markets witnessed mixed tone during the week ended 10<sup>th</sup> June 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:**

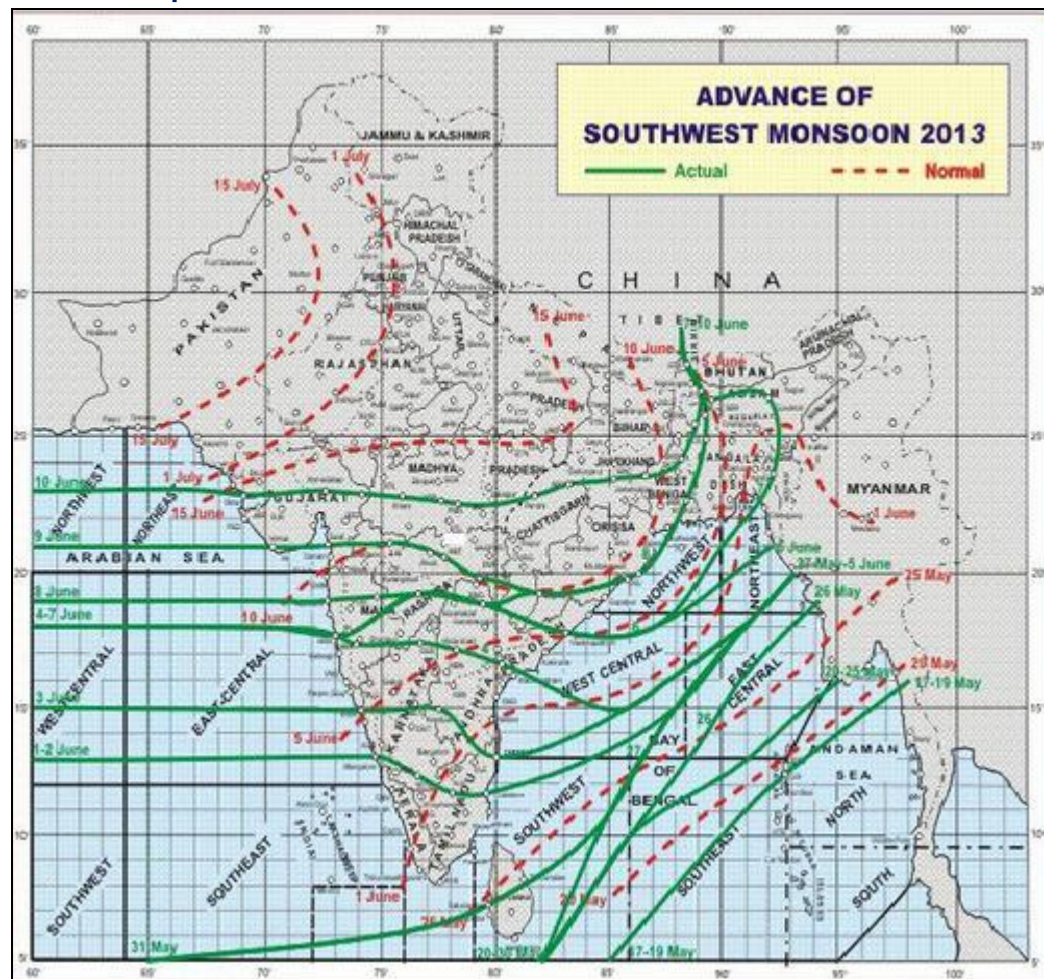
- Uttar Pradesh government today decide to procure sugar for PDS from co-operative sugars factories of UP rather than from Private mills. It is notable that monthly requirement of UP for PDS is about 33000 tons as reported.
- Monsoon likely to hit Maharashtra by June 10, 2013 which would help sugarcane crop. It is notable that Maharashtra is suffering from severe drought condition this year as reported.
- CCI has ordered to probe in making cartel in the sugar industry for quoting prices in the tenders for supply of ethanol to oil marketing companies. CCI probe the hands of three oil marketing companies and 17 sugar mills.
- Sugar prices likely to move up in the coming days as states have to buy sugar for PDS from open market.

### Sugarcane Sowing Update:

Indian Farmers has sowed sugarcane in 41.24 lac hectares till 31<sup>st</sup> May 11, 2013. Last year, farmers sow sugarcane in 45.98 lac hectares at same period.

States like Maharashtra, Karnataka, AP and TN are lagging behind last year sugarcane sowing.

### Monsoon Update:



As per the satellite image, southwest monsoon hit Maharashtra and parts of Gujarat region and likely to reach North India in the coming week as expected. It is notable that recent showers in Maharashtra, Karnataka and Gujarat region give some boost to crops like Sugarcane that is in tillering phase which needs moderate rainfall at this stage.

**Raw Sugar Import Opportunity:**

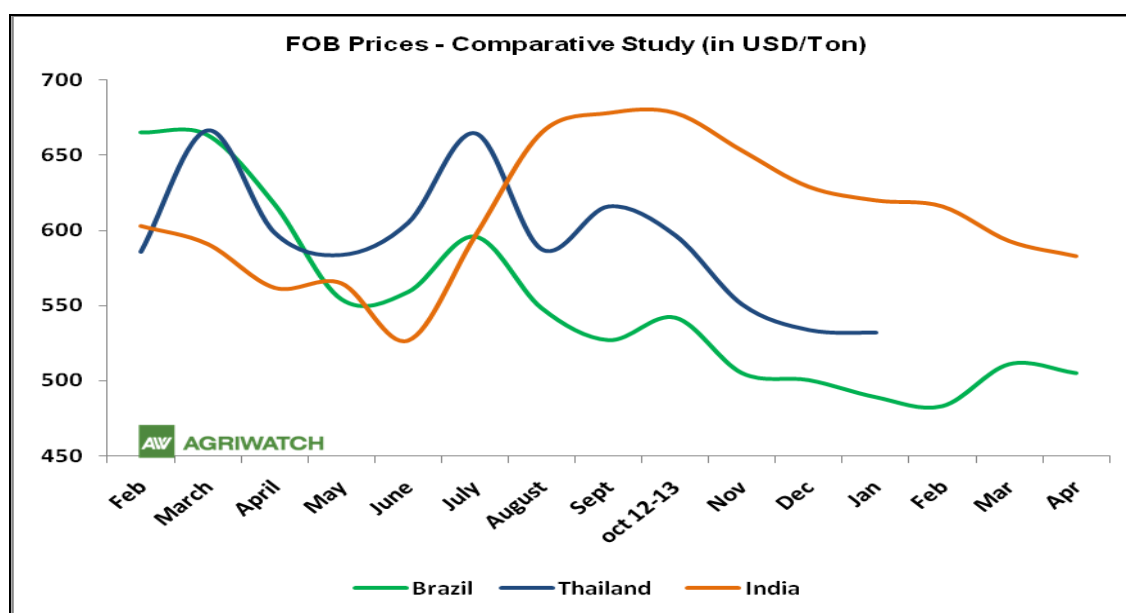
Indian sugar refiners again got opportunity to import raw sugar from Thailand and Brazil as higher degree of decrease in sugar prices in international markets compared to domestic markets take the prices to parity in case of sugar imports.

Indian indicative raw sugar CIF prices from Brazil quoted at \$470.04 per ton (including 10% import duty) and Indian domestic refined sugar FOB prices quoted at \$542.27 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 10 <sup>th</sup> June 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	470.04	-	

As far as India's sugar imports are concerned, we are expecting around 1.5 million tons of sugar imports in 2012-13.



**Spot Sugar Prices Scenario (Weekly)**

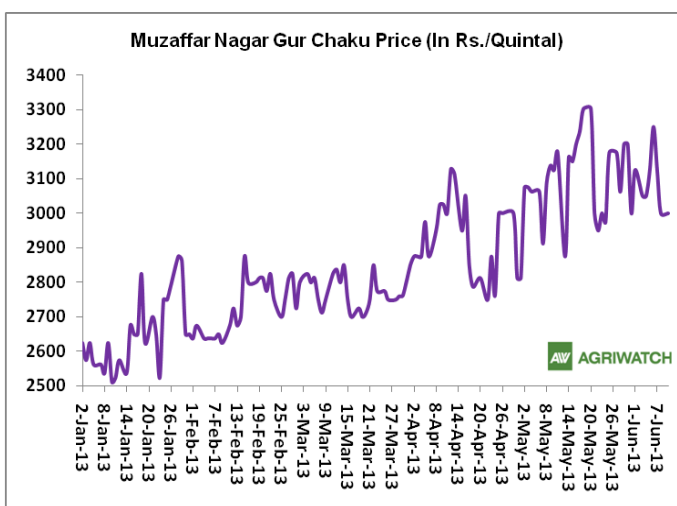
Commodity	Centre	Prices (Rs/Qtl)		Change
		07-June-13	31-May-13	
Sugar	Delhi - Grade M	3255	3250	5
	Delhi - Grade S	3195	3200	-5
	Delhi - Grade L	3300	3300	Unch
	UP- Khatauli Grade M	3235	3220	15
	UP- Ramala Grade M	3190	3190	Unch
	UP- Dhampur Grade M Ex-Mill	3100	3200	-100
	UP- Dhampur Grade S Ex-Mill	3080	3080	Unch
	UP- Dhampur Grade L Ex-Mill	3150	3150	Unch
	Mumbai –Grade M	3252	3252	Unch
	Mumbai –Grade S	3106	3106	Unch
	Kolhapur – Grade M	3050	3000	50
	Kolhapur – Grade S	2950	2925	25
	Vijayawada – Grade M	3580	3530	50
	Vijayawada- Grade S	3440	3420	20
	Nagpur – Grade S	3240	3210	30
	Kolkata – Grade M	3390	3295	95
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3200	-100
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3100	3200	-100
	Chennai - Grade S	3100	3075	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 1231000 bags of gur (40kg each) stored in cold storages till 10th June 2013 lower from 1364000 bags of gur at last year same period (40kg each). Out of total 1231000 bags of gur, around 751000 bags of Chaku gur, 133000 bags of Rascut, and 196000 bags of Papdi, stored in the cold storages as reported.



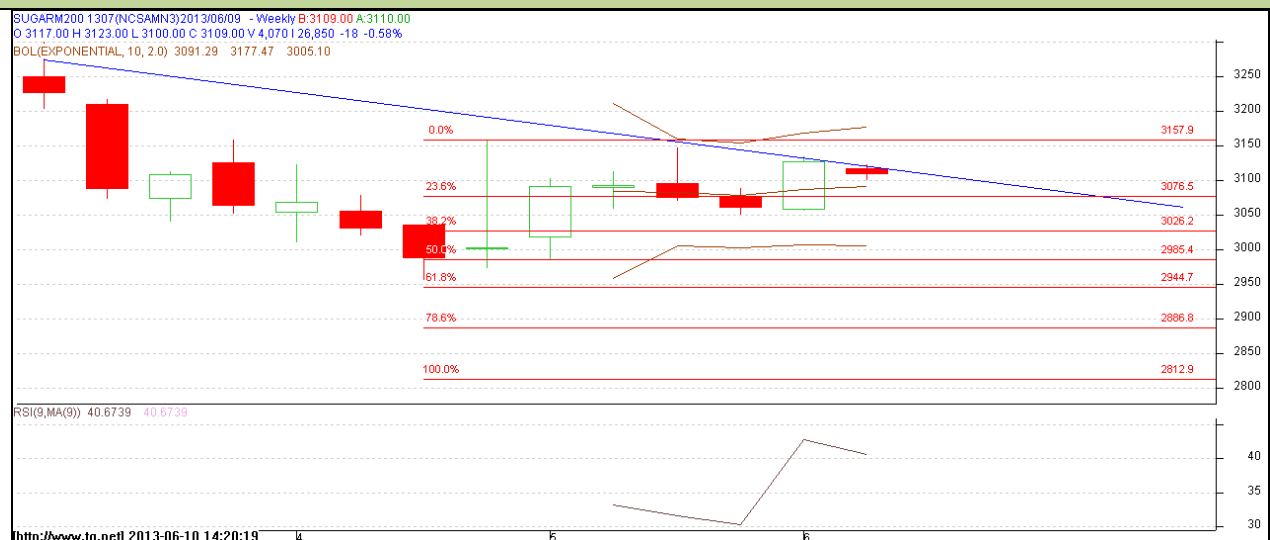
It is notable that arrivals of fresh gur has come to an end due to non-availability of sugarcane in the region. Gur demand likely to increase in July month when the monsoon rainfall started.

Gur Spot Price Scenario (Weekly)				
Markets	Variety	07-June-13	31-May-13	
<b>Muzaffar Nagar</b>	Chaku	3125	3000	125
	Chaku (Arrival)	100	200	-100
	Khurpa	2950	2950	Unch
	Laddu	3000	3000	Unch
	Rascut	2800	2800	Unch
<b>Maharashtra</b>	Latur(Lal Variety)	3100	3100	Unch
	Kolhapur	-	-	-
<b>Bangalore</b>	Achhu	2900	2900	Unch
	Mudde	3000	3000	Unch
<b>Belgaum</b>	Mudde	2800	3000	-200
<b>Belthangadi</b>	Yellow (Average)	2750	2700	50
<b>Bijapur</b>	Achhu	3100	3000	100
<b>Gulbarga</b>	Other (Average)	3000	2950	50
<b>Mahalingapura</b>	Penti (Average)	3100	3160	-60
<b>Mandya</b>	Achhu (Medium)	2850	2800	50
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2550	2500	50
	Yellow (Medium)	2800	2800	Unch
<b>Shimoga</b>	Achhu (Average)	3500	3625	-125

Commodity: Sugar  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2013

### SUGAR (Weekly July Contract Chart)



#### Technical Commentary:

- Sugar prices are showing some upward strength as chart depicts.
- Prices are hovering in range between Rs 3050 to Rs 3125, breach of the mentioned level either side would give the sugar prices a new direction.
- Last candlestick depicts bullishness in the prices.
- Increase in prices has supported by OI which indicates fresh buying occurred in the market.

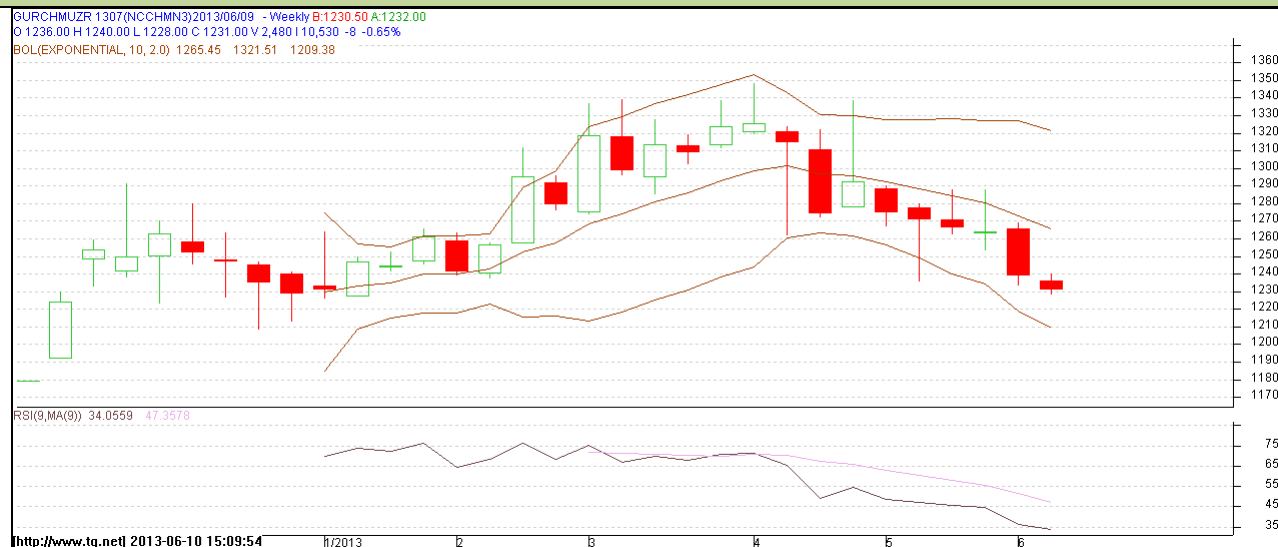
#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	July	2985	3050	3127	3167	3225
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	July	<b>Sell</b>	Near 3120	3090	3075	3136

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.
- Last candlestick depicts bearishness in the prices.
- Decrease in prices has not supported by volume and OI.
- However, RSI is hovering near to oversold region.

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1200	1219	1239	1253.5	1272
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	<b>Sell</b>	Near 1240	1226	1219	1248



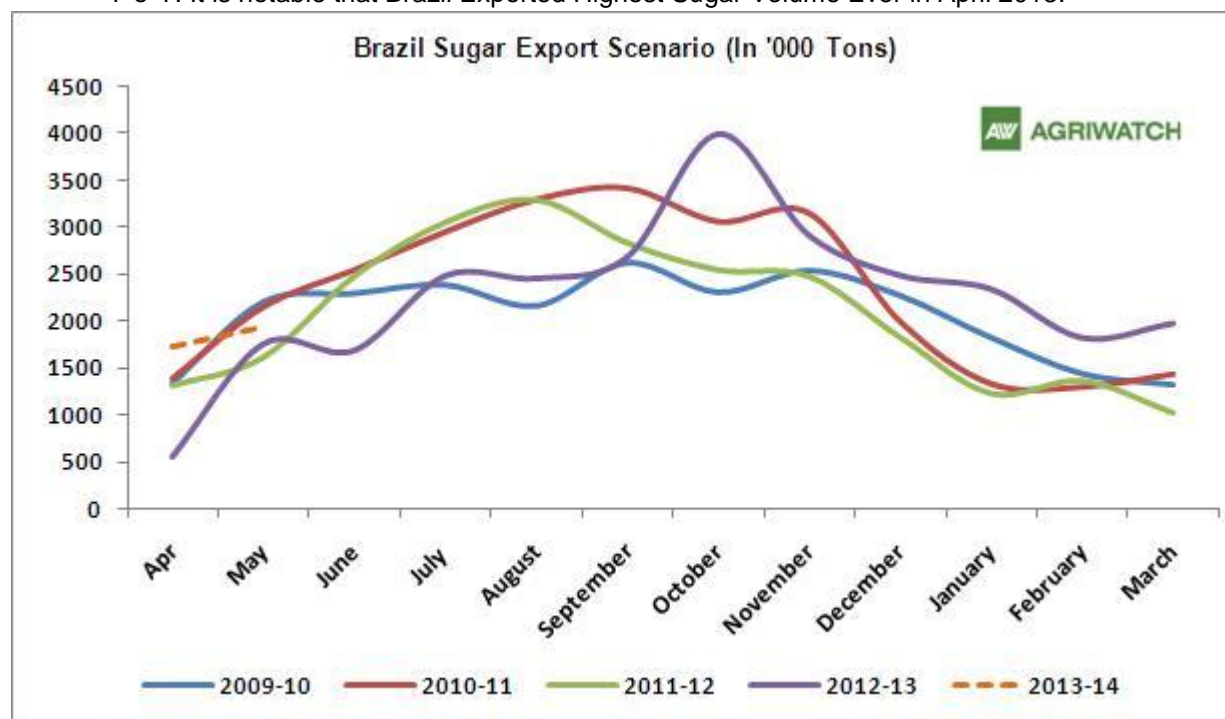
### International Scenario

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:

- Nepal cabinet has decided to import 30000 tons of sugar at a reduced customs duty of 1%.
- Brazil has exported 1.94 million tons of sugar, raw value, in May 2013 which is only 10% higher Y-o-Y. It is notable that Brazil Exported Highest Sugar Volume Ever in April 2013.



International Sugar Prices (Weekly)				
	Contract Month	06-june-13	30-May-13	Change
ICE Sugar #11 (US Cent/lb)	Jul-13	16.48	16.65	-0.17
	Oct-13	16.75	16.93	-0.18
	Mar-14	17.65	17.87	-0.22
LIFFE Sugar (US \$/MT)	Aug-13	482.5	478	4.5
	Oct-13	470	470	Unch
	Dec-13	474	477	-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	482.5	470

**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	16.48	16.17

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