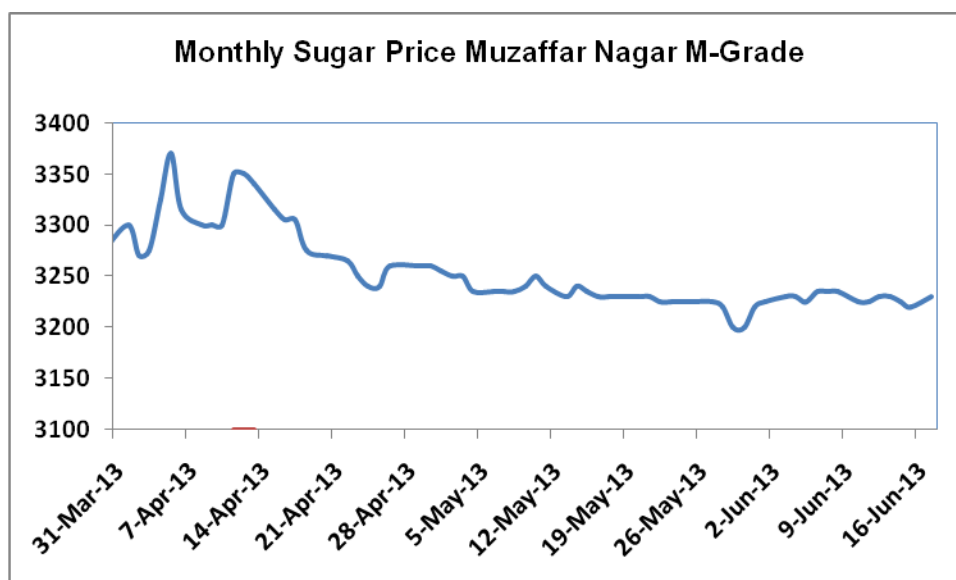


### Sugar Price Trend and Outlook:

Sugar prices presently moving in a range and trying to find a direction. Decision on hike in sugar import duty would be pretty crucial at the moment which would give the direction to the sugar prices.



### Domestic Sugar Price Outlook:

Sugar prices likely to move in a range with firm tone in the coming week. Expected sugar summer demand would drive the prices upwards. However, any change in sugar policies by government like hike in sugar import duty would change the direction of the sugar prices in future.

### News Highlights:

- 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.
- Sugarcane sowing figures reach 42.09 lac hectares till 14<sup>th</sup> June 2013.
- Sugar vessels line up waiting to be loaded sugar at various Brazilian ports have rose by 1.1 percent to 1.62 million tons compared to previous week. It is notable that ships carrying around 90000 tons of sugar are bound to reach India, according to news sources.
- MP state government purchase sugar from Maharashtra mills at Rs 3275 delivered price which mills have to deliver it in 3 months as reported.
- West Bengal State government purchase around 3 lac tons of sugar from Renuka Sugars at Rs 3230 without duty as reported.
- Maharashtra state government likely to purchase sugar via open tender which will open on 22<sup>nd</sup> June 2013.
- Market are waiting for any decision on hike of sugar import duty both on raws and whites which would decide the future of the sugar prices further.

### Sugarcane Sowing Update:

Sugarcane sowing figures reach 42.09 lac hectares till 14<sup>th</sup> June 2013. Last year same period sowing data has not available till reported.

### Monsoon Update:



As per the above image, southwest monsoon hit almost all the major sugarcane growing states and registered about 20% excess rains compared to last year at the same period. Recent monsoon rainfall gives boost to the sugarcane crop which is at tillering phase in most of the growing states.

**Raw Sugar Import Opportunity:**

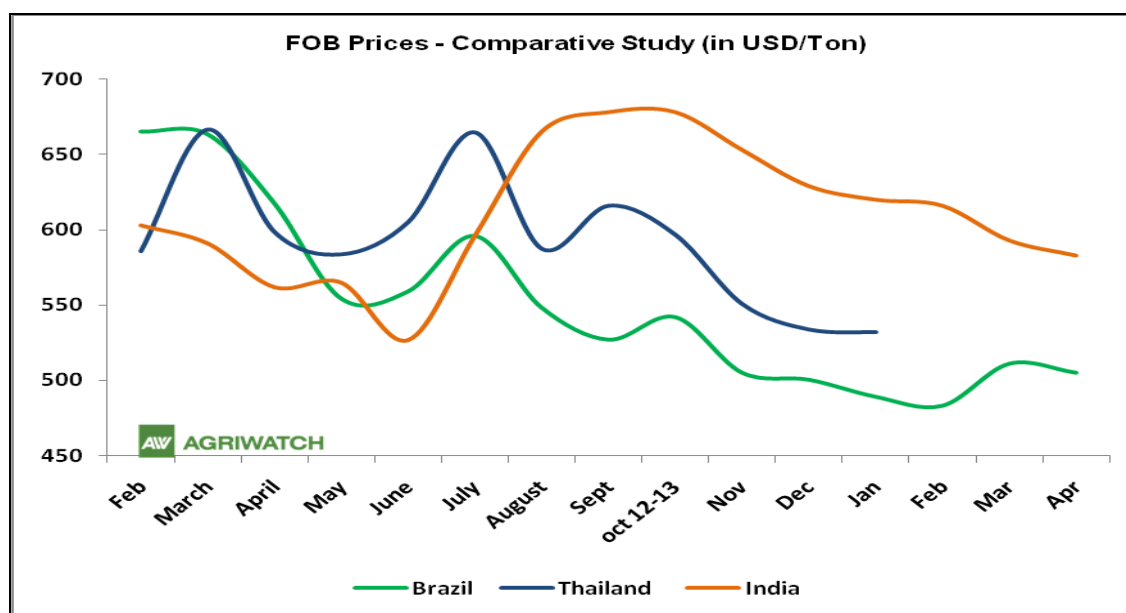
Indian sugar refiners again got opportunity to import raw sugar from Thailand and Brazil as higher degree of decrease in sugar prices in international markets compared to domestic markets take the prices to parity in case of sugar imports.

Indian indicative raw sugar CIF prices from Brazil quoted at \$462.94 per ton (including 10% import duty) and Indian domestic refined sugar FOB prices quoted at \$542.04 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.58.76) till 17 <sup>th</sup> June 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	462.94	-	

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
		14-Jun-13	7-Jun-13	
Sugar	Delhi - Grade M	3260	3255	5
	Delhi - Grade S	3210	3195	15
	Delhi - Grade L	3300	3300	Unch
	UP- Khatauli Grade M	3225	3235	-10
	UP- Ramala Grade M	3170	3190	-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	3272	3252	20
	Mumbai –Grade S	3102	3106	-4
	Kolhapur – Grade M	3050	3050	Unch
	Kolhapur – Grade S	2950	2950	Unch
	Vijayawada – Grade M	3600	3580	20
	Vijayawada- Grade S	3450	3440	10
	Nagpur – Grade S	3340	3240	100
	Kolkata – Grade M	3240	3390	-150
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3100	3100	Unch
	Chennai - Grade S	3075	3100	-25

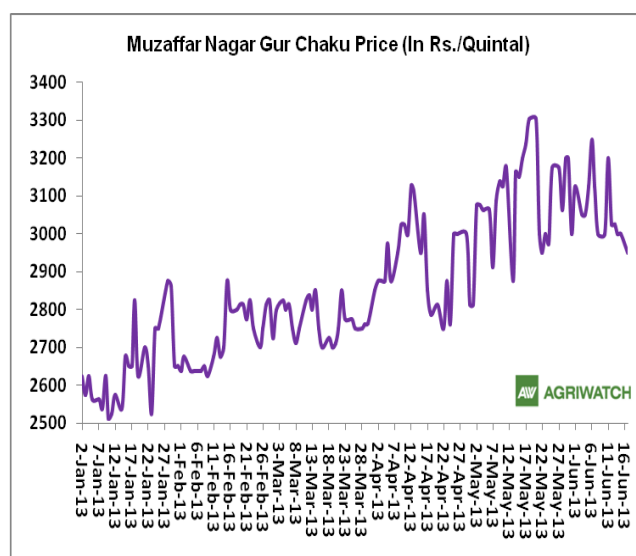
### Gur Market Scenario and Outlook

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 1224000 bags of gur (40kg each) stored in cold storages till 17th June 2013 lower from 1317000 bags of gur at last year same period (40kg each). Out of total 1224000 bags of gur, around 750000 bags of Chaku gur, 131000 bags of Rascut, and 196000 bags of Papdi, stored in the cold storages as reported.

This week only 7000 bags has been lifted as reported. Last year at same period around 47000 bags has been lifted.



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	14-Jun-13	7-Jun-13	
<b>Muzaffar Nagar</b>	Chaku	3000	3125	<b>-125</b>
	Chaku (Arrival)	-	100	-
	Khurpa	2700	2950	<b>-250</b>
	Laddu	2900	3000	<b>-100</b>
	Rascut	2750	2800	<b>-50</b>
<b>Maharashtra</b>	Latur(Lal Variety)	3200	3100	<b>100</b>
	Kolhapur	-	-	-
<b>Bangalore</b>	Achhu	3000	2900	<b>100</b>
	Mudde	3200	3000	<b>200</b>
<b>Belgaum</b>	Mudde	2800	2800	<b>Unch</b>
<b>Belthangadi</b>	Yellow (Average)	-	2750	-
<b>Bijapur</b>	Achhu	3300	3100	<b>200</b>
<b>Gulbarga</b>	Other (Average)	3000	3000	<b>Unch</b>
<b>Mahalingapura</b>	Penti (Average)	3210	3100	<b>110</b>
<b>Mandya</b>	Achhu (Medium)	2850	2850	<b>Unch</b>
	Kurikatu (Medium)	2500	2500	<b>Unch</b>
	Other (Medium)	2500	2550	<b>-50</b>
	Yellow (Medium)	2800	2800	<b>Unch</b>
<b>Shimoga</b>	Achhu (Average)	-	3500	-

**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.
- Decrease in prices has not supported by volume and OI.
- RSI is hovering at neutral region.

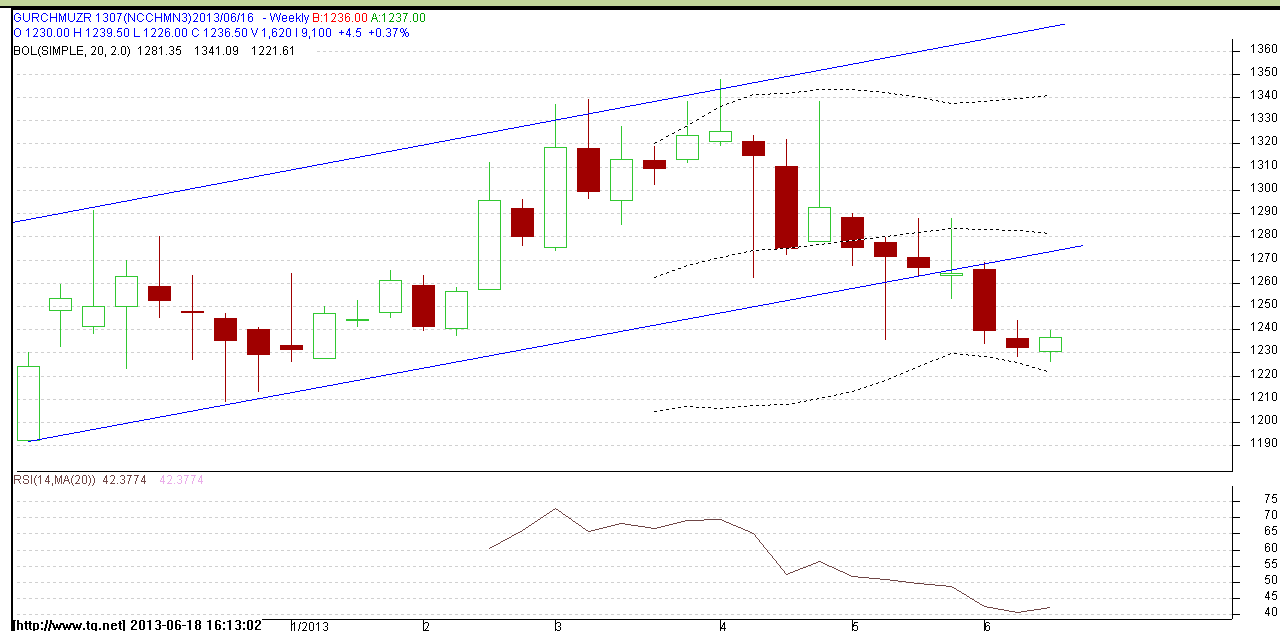
### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	July	3033	3063	3100	3167	3225
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	July	Buy	Near 3100	3140	3160	3180

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 between oversold and neutral region.

#### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1200	1219	1232	1253.5	1272
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Near 1232	1242	1247	1226

### 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:

- Fresh buying occurred in International sugar future exchanges at lower levels over higher percentage of cane diversion for making ethanol.
- USDA predicts India's sugar production could drop down to 23.2 million tons in 2013-14 marketing year. Decreasing sugar production estimate from states like Maharashtra and Karnataka become the major factor for this decline.
- Russia has imported 2.84 lac tons of raw sugar in the first four months of 2013 which is up from 1.08 lac tons in the same period last year.

International Sugar Prices (Weekly)				
	Contract Month	13-Jun-2013	6-Jun-13	Change
ICE Sugar #11 (US Cent/lb)	Jul-13	16.24	16.48	-0.24
	Oct-13	16.53	16.75	-0.22
	Mar-14	17.49	17.65	-0.16
LIFFE Sugar (US \$/MT)	Aug-13	473.3	482.5	-9.2
	Oct-13	463.5	470	-6.5
	Dec-13	468.9	474	-5.1

### 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.
- Buy from support level.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'13	473.3	490

**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 16.10 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	16.24	16.10

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