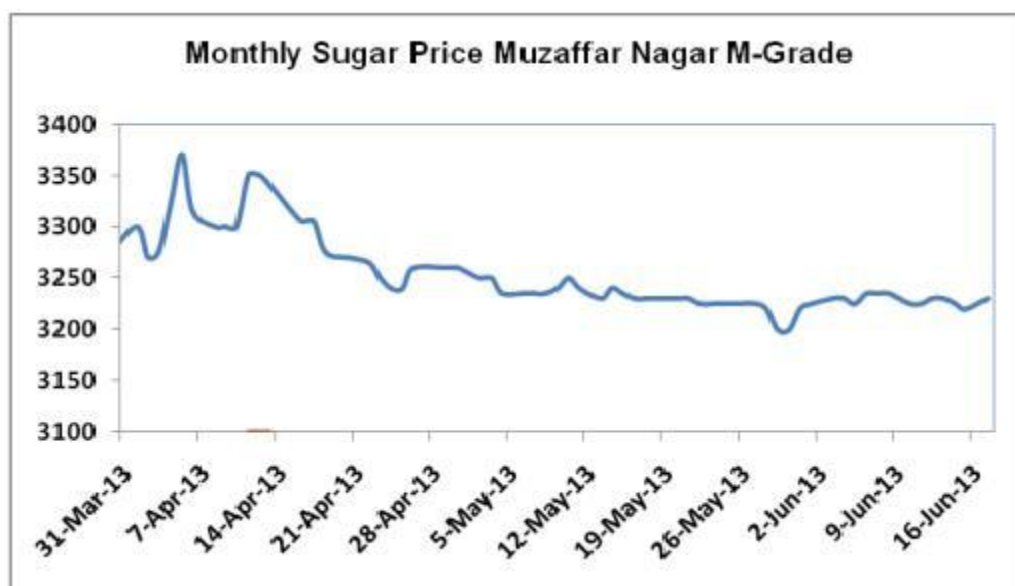


Sugar Price Trend and Outlook:

Sugar prices presently hovering in a mixed to weak tone during couple of weeks. Key factors which curb the hike in sugar prices are need based demand, consistent sugar supply from mills, and government not give any hint of hike in sugar import duty.

Meanwhile, overall sugarcane sowing is down compared to last year as reported.

**Domestic Sugar Price Outlook:**

Sugar prices should move in a range with weak tone in the coming week. However, any change in govt. policies like hike in sugar import duty on both raw and white sugar would change the direction of prices.

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
- With bearish global trade and fear of higher import may pressurize finance ministry to reconsider the proposal of import duty hike, presented by Mr. Sharad Pawar in the medium term. Pressure is likely to continue on domestic cash market despite possibility of 20 percent lower cane production in Karnataka due to drought like condition.
- Recent rains in various planting states are expected to ensure better growth of the newly planted crop in U.P., Maharashtra, Andhra Pradesh and Bihar to some extent. Overall crop scenario outlook seems satisfactory so far.
- 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.
- Karnataka farmers are asking hike in sugarcane prices for upcoming season upto Rs 350 per quintal.

Sugarcane Sowing Update:

Sugarcane sowing figures reach 44.55 lac hectares till 21st June 2013.



As satellite picture shows, till last week around 20% excess rainfall has been recorded in key sugarcane growing belt except eastern and central part of Maharashtra which receive normal rainfall this year till date.

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 th 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. However, this week no sugar imports has been reported.

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Prices (Rs/Qtl)		Change
		21-Jun-13	14-Jun-13	
Sugar	Delhi - Grade M	3245	3260	-15
	Delhi - Grade S	3200	3210	-10
	Delhi - Grade L	3290	3300	-10
	UP- Khatauli Grade M	3225	3225	Unch
	UP- Ramala Grade M	3170	3170	Unch
	UP- Dhampur Grade M Ex-Mill	3090	3100	-10
	UP- Dhampur Grade S Ex-Mill	3070	3080	-10
	UP- Dhampur Grade L Ex-Mill	3140	3150	-10
	Mumbai –Grade M	3252	3272	-20
	Mumbai –Grade S	3102	3102	Unch
	Kolhapur – Grade M	3060	3050	10
	Kolhapur – Grade S	2960	2950	10
	Vijayawada – Grade M	3600	3600	Unch
	Vijayawada- Grade S	3450	3450	Unch
	Nagpur – Grade S	3340	3340	Unch
	Kolkata – Grade M	3240	3240	Unch
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3100	3100	Unch
	Chennai - Grade S	3075	3075	Unch

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.

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	21-Jun-13	14-Jun-13	
Muzaffar Nagar	Chaku	3038	3000	38
	Chaku (Arrival)	-	-	-
	Khurpa	2900	2700	200
	Laddu	2800	2900	-100
	Rascut	2725	2750	-25
Maharashtra	Latur(Lal Variety)	3200	3200	Unch
	Kolhapur	-	-	-
Bangalore	Achhu	3000	3000	Unch
	Mudde	3200	3200	Unch
Belgaum	Mudde	2800	2800	Unch
Belthangadi	Yellow (Average)	-	-	-
Bijapur	Achhu	3000	3300	-300
Gulbarga	Other (Average)	2950	3000	-50
Mahalingapura	Penti (Average)	3130	3210	-80
Mandya	Achhu (Medium)	2800	2850	-50
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2550	2500	50
	Yellow (Medium)	2800	2800	Unch
Shimoga	Achhu (Average)	3600	-	-

Commodity: Sugar
Contract: June

Exchange: NCDEX
Expiry: June 20, 2013

SUGAR (Weekly June Contract Chart)



Technical Commentary:

- Sugar prices are showing weak tone as chart depicts.
- Prices are hovering in range between Rs 2986 to Rs 3150, breach of the mentioned level either side would give the sugar prices a new direction.
- Prices might get support at Rs 2986 and then 2955, which are its immediate support levels.
- Last candlestick depicts bearishness in the prices.

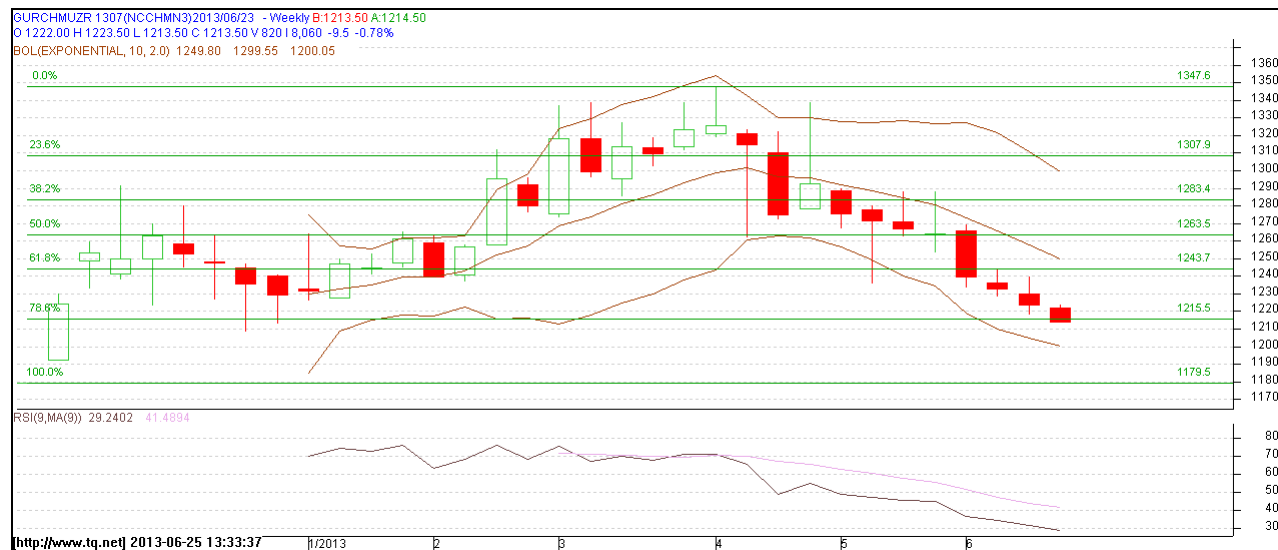
Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	June	2930	2955	3013	3051	3168
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	June	Sell	Near 3030	2985	2960	3051

Commodity: Gur
Contract: July

Exchange: NCDEX
Expiry: July 20, 2013

GUR (July Weekly Chart)



Technical Commentary:

- Gur prices are hovering in a downtrend as chart depicts.
- Last candlestick depicts short participants rule the market at present.
- However, RSI is hovering near to oversold region.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	-	1180	1223	1289	1305.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Near 1208	1230	1241	1198

International Scenario

Sugar prices in ICE as well as LIFFE improved during last week. Higher amount of cane diverted for making ethanol rather than sugar in Brazil and good Chinese sugar demand led the prices upwards.

We expect prices of sugar should move in a range with firm tone in the coming week in ICE as well as LIFFE.

International Market News Highlights:

- China sugar imports rose by 33% to 340773 tons in May 2013 up from 256095 tons sugar imported in the same month last year. Out of the total sugar imported by China, Brazil only contributes 13% of the total China sugar imports.
- Fresh buying occurred in International sugar future exchanges at lower levels over higher percentage of cane diversion for making ethanol.
- Brazil's Data agro says that mills in Brazil switch to ethanol from Sugar might remove the global sugar surplus by 2013-14.

International Sugar Prices (Weekly)				
	Contract Month	20/6/2013	13/6/2013	Change
ICE Sugar #11 (US Cent/lb)	Jul-13	16.38	16.24	0.14
	Oct-13	16.66	16.53	0.13
	Mar-14	17.46	17.49	-0.03
LIFFE Sugar (US \$/MT)	Aug-13	488.1	473.3	14.8
	Oct-13	470.5	463.5	7
	Dec-13	472.6	468.9	3.7

LIFFE Future Market Sugar Scenario (Aug Contract):



Technical Commentary:

- Sugar prices are continuously moving in a primary downtrend.
- Last candlestick suggests bullishness.
- Prices are likely to test \$502 level which also lying over 23.6% fibonnaci projection level.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'13	488.1	502

ICE Raw Sugar Future Market Scenario (July'13 Contract):

Technical Commentary:

- ICE raw sugar futures are trading in a downward channel.
- Last candlestick depicts bullishness in the market.
- Market participants should make profit booking at 16.50 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	16.38	16.50

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