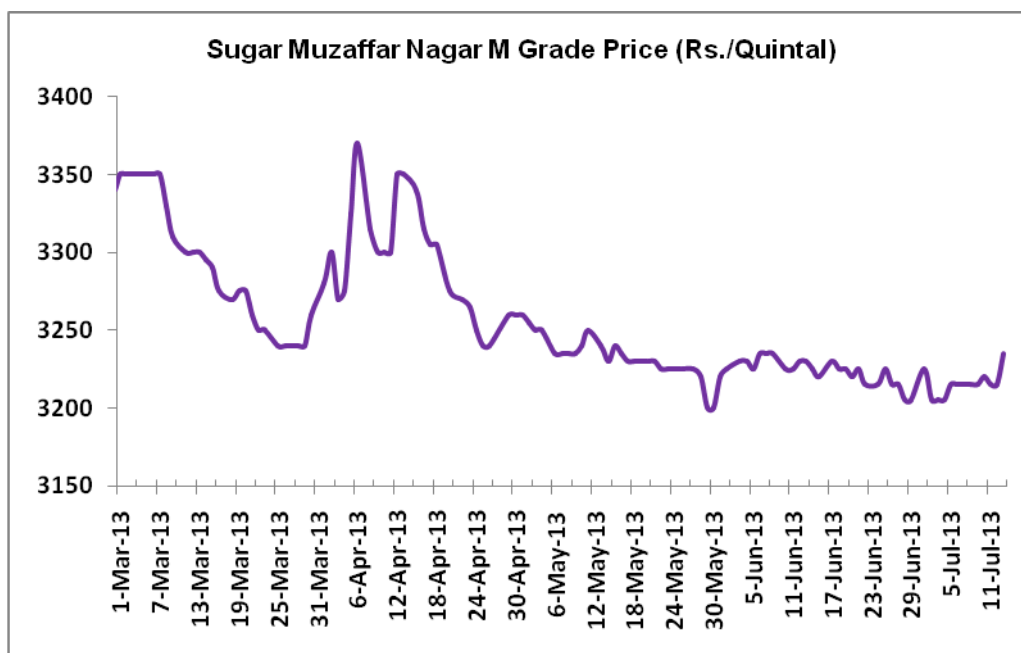


Sugar Price Trend and Outlook:

As expectation given in the week ago, sugar price move towards northward due to fresh domestic demand supported by going on the marriage and festive season and we expect market will move upward in the coming week.



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:

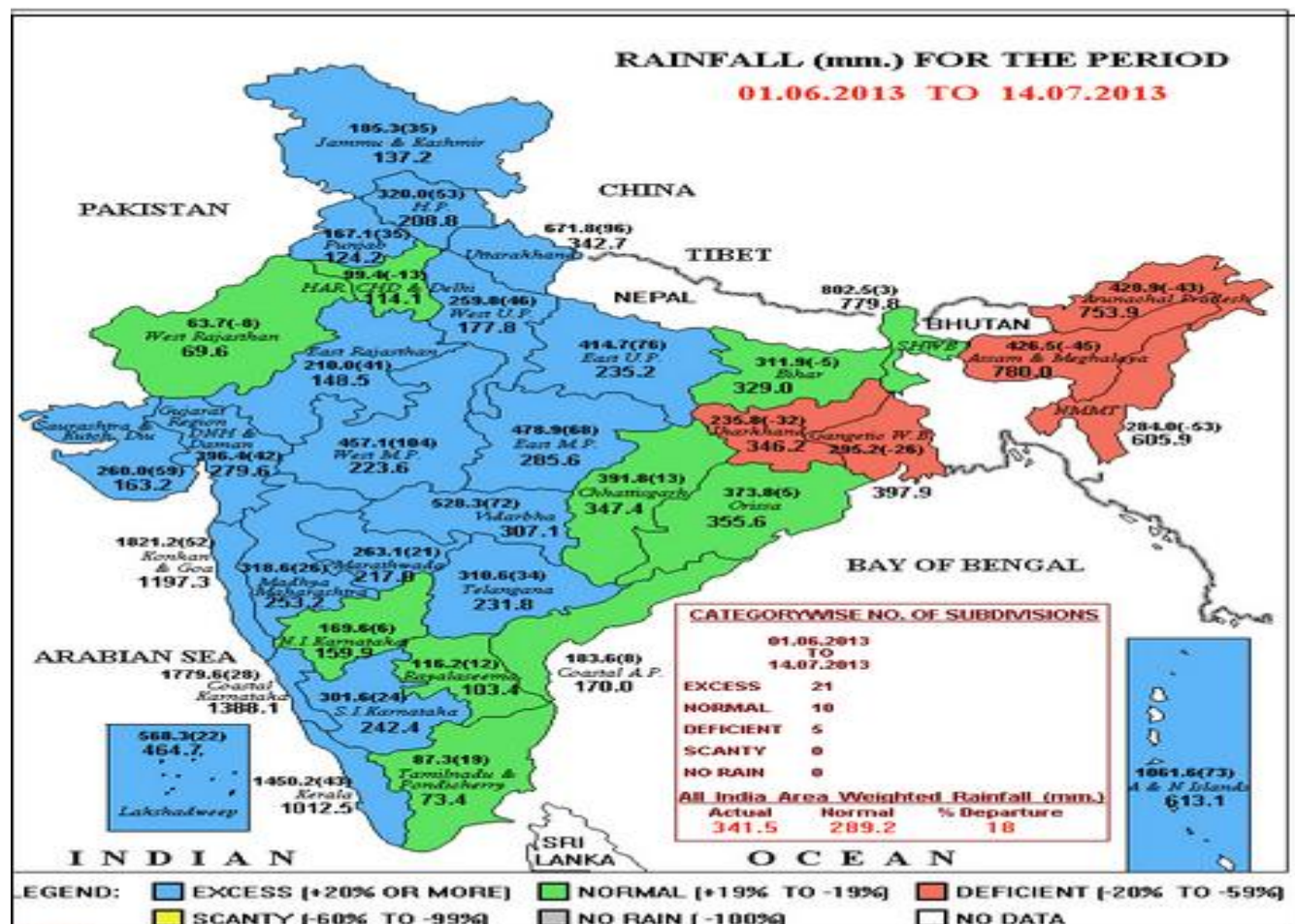
- India's overall sugar production in 2013-14 which will start from October 2013 is likely to drop about 5% from previous year production of 25 million tonnes. The shortfall of sugar production is mainly due to drought in major growing states Maharashtra.
- This year about 23.7 million tonnes production is expected, the main reason is Maharashtra, sugarcane acreage is expected to fall by 12.5% in 2013-14 mainly due to drought in main growing areas. Acreage is also down by almost 8% in Karnataka due to low rains. Total area under sugarcane is down about 1.52% less than last year and is likely to cover around 5.15 million hectares in 2013-14 seasons.
- India has imported 2.74 lac tons of raw sugar in June month mainly from Brazil which is lower than 3.06 lac tons of raw sugar imported (mainly from Brazil) in May 2013. Imported raw sugar mainly landed at Kolkata and Kandla port as reported.
- The total sown area under sugarcane as on July 05th 2013, as per reports received from States, stands at 48.39 lakh hectares as compared to 50.04 hectares at this time last year.
- Around 80,000 tons of white sugar and 82,000 tons of raw sugar have been exported in June 2013. White sugar mainly exported to Middle East countries and Sri Lanka loaded from Mundra and Tuticorin port. As far as raw sugar export is concerned, it is re-exported under ALS scheme to countries like Tanzania and Kenya from Chennai and JNPT port.
- Indian trade houses and refiners continue sugar import shipments from Brazil considering import parity despite depreciation of Rupee. However, recent hike in sugar import duty

from 10 percent to 15 percent might discourage the refiners due to disparity. In addition to it, increasing sugar prices in International arena from last couple of weeks dampen the sugar import possibilities as expected.

- UP millers, which are suffering from lower demand and lower prices and profitability, are now seeking some help from government to save sugar industry. It is notable that year on year increase in sugarcane prices increase the cost of production of sugar. In the meantime, prices of sugar crash like any thing in domestic arena thanks to lower demand as upcountry buyers are purchasing sugar from Maharashtra due to better parity.
- Western UP and Haryana might get rainfall in the coming week that would help the standing sugarcane crop.

Sugarcane Sowing Update:

Total around 47.73 lac hectares of sugarcane sowing has been done till 28 June 2013. However, this year progressive sowing till last week is 4% lower compared to last year same period. It is notable that sugarcane has been sowed in 2012-13 was 49.35 lac hectares till last week.



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

Raw Sugar Import Opportunity:

Indian sugar refiners now slowly losing opportunity to import raw sugar from Brazil as higher degree of decrease in sugar prices in international markets compared to domestic markets decrease the import parity in case of sugar imports. In addition to it, govt. stand to increase raw sugar import duty to 15% also dampen the possibility of import.

Indian indicative raw sugar CIF prices from Brazil quoted at \$462.09 per ton (including 10% import duty) and Indian domestic refined sugar FOB prices quoted at \$528.09 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.60.05) till 12 th July 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	462.09	519.51	

India has imported 2.74 lac tons of raw sugar in June month mainly from Brazil which is lower from 3.06 lac tons of raw sugar imported (mainly from Brazil) in May 2013. Imported raw sugar mainly landed at Kolkata and Kandla port as reported

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly)				
Commodity	Centre	Prices (Rs/Qtl)		Change
		12-Jul-13	5-Jul-13	
Sugar	Delhi - Grade M	3240	3230	+10
	Delhi - Grade S	3210	3190	+20
	Delhi - Grade L	3300	3290	+10
	UP- Khatauli Grade M	3215	3215	Unch
	UP- Ramala Grade M	3160	3160	Unch
	UP- Dhampur Grade M Ex-Mill	3080	3080	Unch
	UP- Dhampur Grade S Ex-Mill	3060	3060	Unch
	UP- Dhampur Grade L Ex-Mill	3160	3130	+30
	Mumbai –Grade M	3266	3291	-25
	Mumbai –Grade S	3126	3088	38
	Kolhapur – Grade M	3075	3080	-5
	Kolhapur – Grade S	2975	2980	-5
	Vijayawada – Grade M	3600	3600	Unch
	Vijayawada- Grade S	3450	3450	Unch
	Nagpur – Grade S	-	3200	
	Kolkata – Grade M	3400	3300	100
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3100	3100	Unch
	Chennai - Grade S	3100	3100	Unch

Gur Market Scenario and Outlook

Gur prices are moving in the steady to firm 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.

Gur prices are likely to move in a range with firm tone in the coming week owing to lower gur stock.

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	12 July	5-Jul-13	Change
Muzaffar Nagar	Chaku	3025	2975	50
	Chaku (Arrival)	-	-	Unch
	Khurpa	2800	2700	100
	Laddu	3000	2900	100
	Rascut	2750	2700	50
Maharashtra	Latur(Lal Variety)	3275	3275	Unch
	Kolhapur	-	-	-
Bangalore	Achhu	3000	3000	Unch
	Mudde	3200	3200	Unch
Belgaum	Mudde	3000	2900	100
Belthangadi	Yellow (Average)	2800	2900	-100
Bijapur	Achhu	3200	-	-
Gulbarga	Other (Average)	3100	2900	200
Mahalingapura	Penti (Average)	3160	3160	Unch
Mandya	Achhu (Medium)	3000	2850	150
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2500	2500	Unch
	Yellow (Medium)	2900	2850	50
Shimoga	Achhu (Average)	3425	3500	

Commodity: Sugar
Contract: August
Exchange: NCDEX
Expiry: August 20, 2013
SUGAR (Weekly Aug Contract Chart)

Technical Commentary:

- Sugar prices are showing range bound as chart depicts.
- Prices are hovering in range between Rs 3000 to Rs 3067, breach of the mentioned level either side would give the sugar prices a new direction.
- Prices might get support at Rs 3026, which is its immediate support level.
- Last candlestick depicts bearishness in the prices.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	August	3000	3026	3049	3092	3113
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	August	Buy	Near 3045	3062	3072	3025

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

Technical Commentary:

- Gur prices are hovering in a downtrend as chart depicts.
- Last candlestick depicts bullishness.
- However, RSI is hovering in the neutral region.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Sept	1210	1226	1262.5	1291	1310
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Sept	Buy	Near 1250	1262	1265	1238

International Scenario

Prices of sugar declined in International arena last week due to consistent sugar supply from Brazil and lower demand of Thai sugar.

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

International Market News Highlights:

- Sugar production in Pakistan may rise as much as 20% to a record 6 million tonnes in 2013/14 (Nov/Oct) from 5 million this year as higher state-set cane prices spur farmers to boost planting, That may also boost the surplus available for export.

- Sugar millers in Brazil's center south, the main growing region of the largest producer, will use more of this year's crop to make ethanol than previously forecast because of unseasonal rain.
- Kingsman sees 4.7 million tons global sugar surplus for 2012-13 which is 4% lower compared to prior estimate done by kingsman in May end. Lower production estimate for Australia and Ukraine urge them to slash its global surplus estimate.
- 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.

International Sugar Prices (Weekly)				
	Contract Month	11-Jul-13	3-Jul-13	Change
ICE Sugar #11 (US Cent/lb)	13-Oct	16.1	16.42	-0.32
	14-Mar	16.9	17.25	-0.35
	14-May	16.89	17.22	-0.33
LIFFE Sugar (US \$/MT)	13-Oct	461.9	476.4	-14.5
	13-Dec	461.8	473.4	-11.6
	14-Mar	465.4	474.5	-9.1

LIFFE Future Market Sugar Scenario (Oct-Contract):



Technical Commentary:

- Sugar prices are continuously moving in the downward as chart depicts.
- Last candlestick suggests bearishness.
- Fall in prices has supported by volume.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'13	464.2	470.23

ICE Raw Sugar Future Market Scenario (Oct'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 cents/lbs level.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'13	16.00	16.80

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