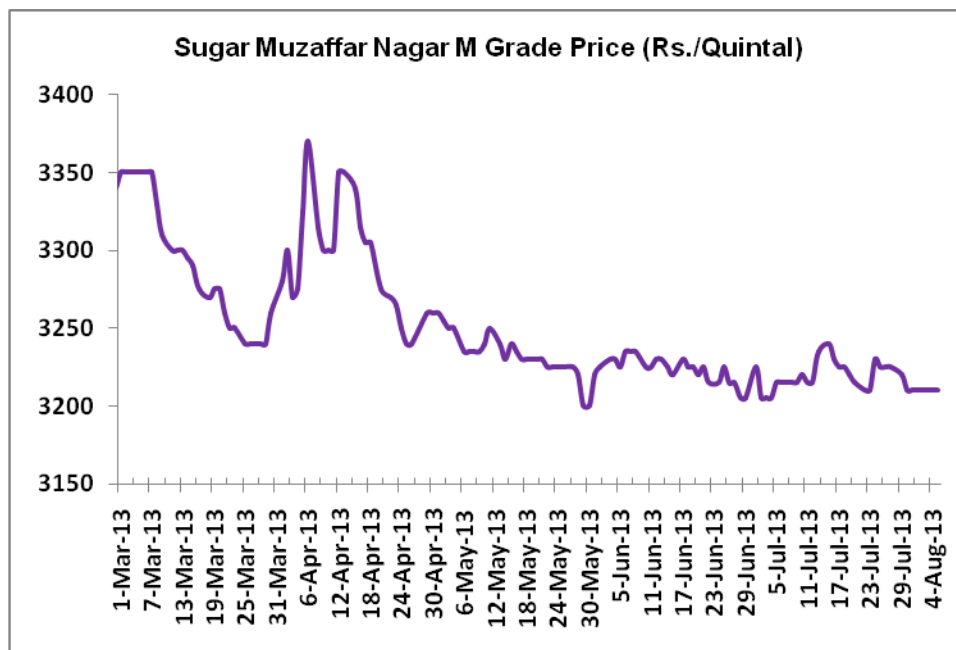


Sugar Price Trend and Outlook:

Sugar prices are moving in a range as markets could not find adequate cues to decide the price direction.



Domestic Sugar Price Outlook:

Sugar prices are likely to move steady to firm tone in the coming months considering moderate festival sugar demand. In addition to it, rupee depreciation also open some window to export sugar to some Middle East countries which also support the sugar prices.

In addition to it, lower sugarcane acreage for 2013-14 marketing year compared to last year and lower sugar production estimates for 2013-14 likely to give some boost to the prices for the shorter term as expected.

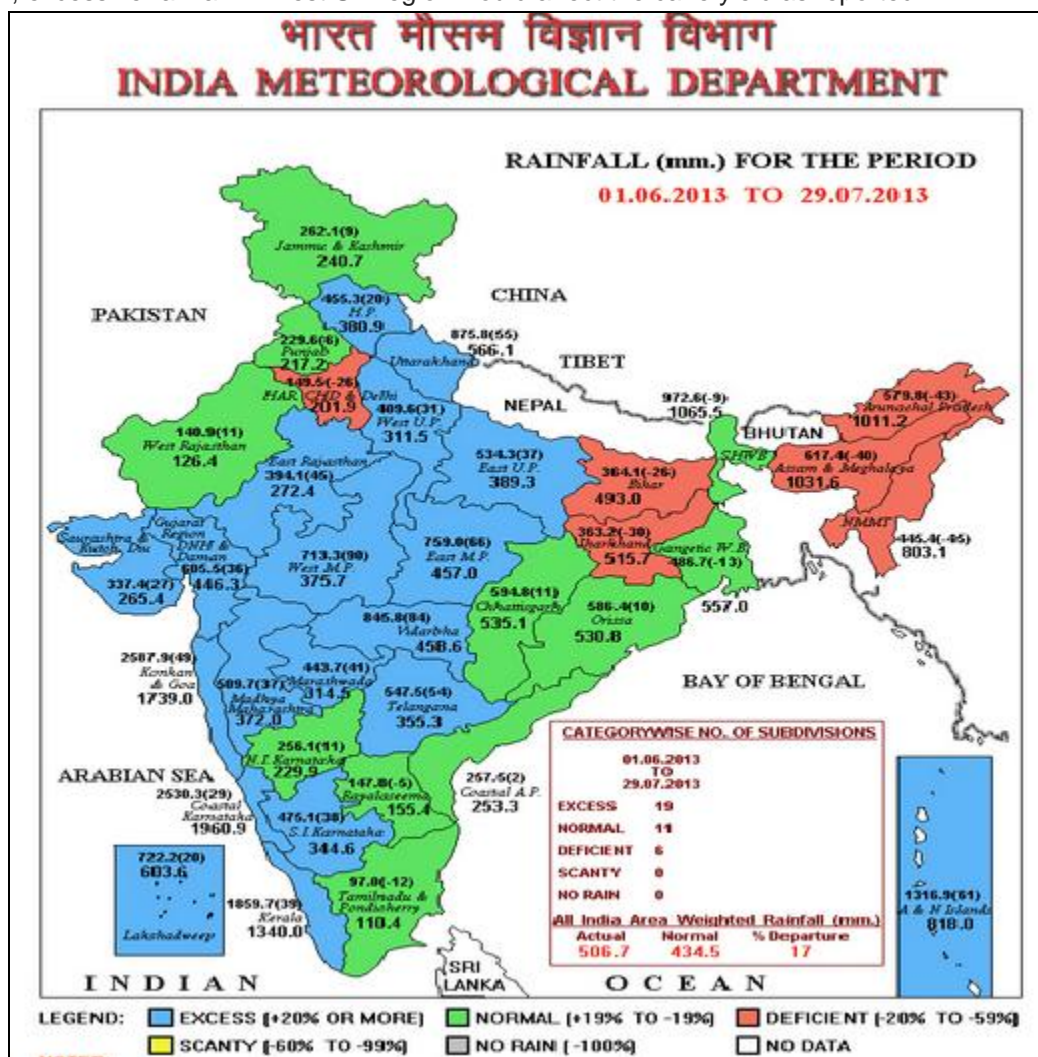
News Highlights:

- Buyers are waiting for new month for sugar purchases as reported. Retailers buy sugar and sell it immediately at discount rate in the market to avoid quality deterioration in rainy season.
- Central government might allow state govt. to raise PDS sugar prices considering increasing subsidy burden on states. It is notable that states are procuring sugar at Rs 3200 per quintal and make it available at Rs 1300 per quintal in PDS. However, transportation cost does not include in that which make it difficult to states that are far from sourcing states of sugar like UP and Maharashtra.
- Indian millers are not ready to sell sugar below \$480 per ton, according to trade sources. It is notable that depreciating rupee and increasing sugar demand due to Ramadan give Indian exporters some window to export sugar.

Sugarcane Sowing Update:

Total around 48.5 lac hectares of sugarcane sowing has been done till 2nd August 2013. However, this year progressive sowing till last week is 3.2% lower compared to last year same period. It is notable that sugarcane has been sowed in 2012-13 was 50.1 lac hectares at same period.

However, excessive rainfall in West UP region would affect the cane yield as reported.



As satellite picture shows, till last week around 20% excess rainfall has been recorded in key sugarcane growing belt.

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 \$503 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.60.69) till 5 th August 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	462.09	-	

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Prices (Rs/Qtl)		Change
		02-08-13	26-Jul-13	
Sugar	Delhi - Grade M	3225	3240	-15
	Delhi - Grade S	3200	3205	-5
	Delhi - Grade L	3290	3290	Unch
	UP- Khatauli Grade M	3210	3225	-15
	UP- Ramala Grade M	3200	3170	30
	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	3240	3286	-46
	Mumbai –Grade S	3102	3086	16
	Kolhapur – Grade M	3050	3050	Unch
	Kolhapur – Grade S	2950	2950	Unch
	Vijayawada – Grade M	3530	3550	-20
	Vijayawada- Grade S	3380	3240	140
	Nagpur – Grade S	3250	3205	45
	Kolkata – Grade M	3150	3290	-140
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3225	-125
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3100	3170	-70
	Chennai - Grade S	3085	3100	-15

Gur Market Scenario and Outlook

Gur prices are moving in a range with weak tone 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 997000 bags of gur (40kg each) stored in cold storages till 29th July 2013 lower from 1032000 bags of gur at last year same period (40kg each). Out of total 997000 bags of gur, around 635000 bags of Chaku gur, 115000 bags of Rascut, and 114000 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	02-08-13	26-07-13	Change
Muzaffar Nagar	Chaku	2825	2925	-100
	Khurpa	2700	2700	Unch
	Laddu	-	-	-
	Rascut	2625	2700	-75
Maharashtra	Latur(Lal Variety)	3225	3250	-25
Bangalore	Achhu	3100	3100	Unch
	Mudde	3200	3100	100
Belgaum	Mudde	3200	3200	Unch
Belthangadi	Yellow (Average)	-	3000	-
Bijapur	Achhu	-	2600	-
Gulbarga	Other (Average)	2950	3250	-300
Mahalingapura	Penti (Average)	3200	3050	150
Mandya	Achhu (Medium)	2900	3180	-280
	Kurikatu (Medium)	2500	2950	-450
	Other (Medium)	2500	2500	Unch
	Yellow (Medium)	2900	2500	400
Shimoga	Achhu (Average)	3325	2950	375

Commodity: Sugar
Contract: September

Exchange: NCDEX
Expiry: September 20, 2013

SUGAR (Weekly Sept 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.
- Last candlestick depicts bullishness in the prices.

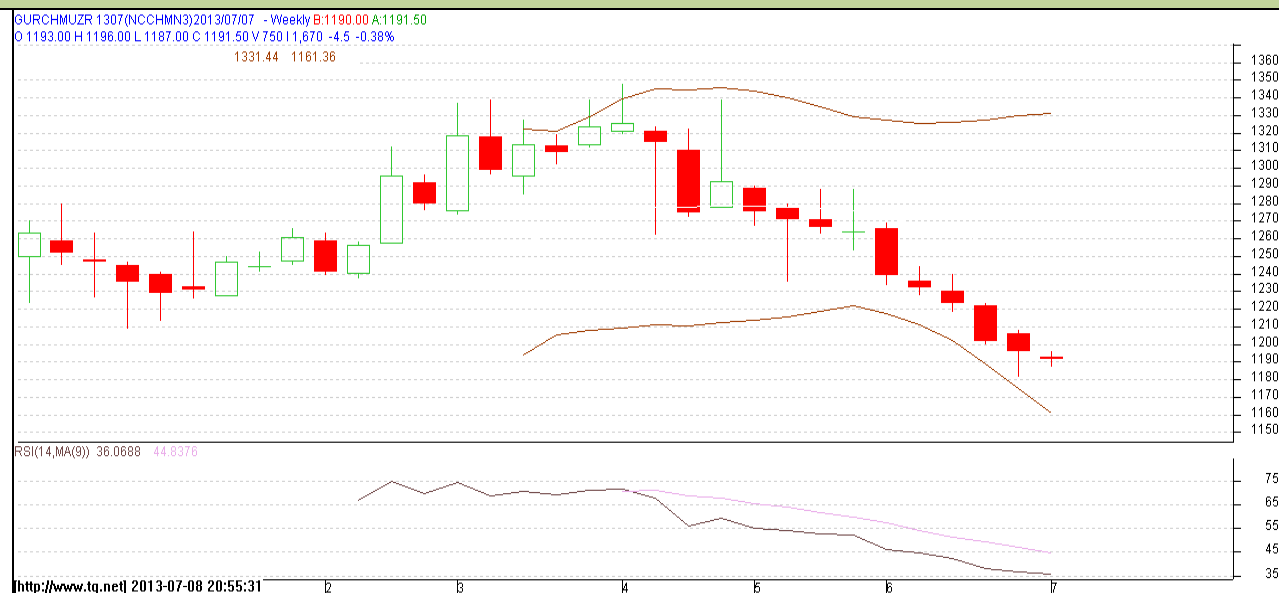
Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Sept	-	2912	3008	3066	3110
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Sept	Buy	Near 3005	3035	3050	3002

Commodity: Gur
Contract: Sept

Exchange: NCDEX
Expiry: Sept 20, 2013

GUR (Sept Weekly Chart)



Technical Commentary:

- Gur prices are hovering in a downtrend as chart depicts.
- Last candlestick depicts bearishness.
- However, RSI is hovering near to oversold region.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Sept	-	1130	1196	1192	1245.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Sept	Sell	Near 1180	1160	1150	1189

International Scenario

Sugar prices improved in last couple of weeks as per our expectations. Wet weather conditions, lower sugar exports Y-o-Y in July month and recent frost damage the standing cane crop became the major influencing factors which drive the prices upwards.

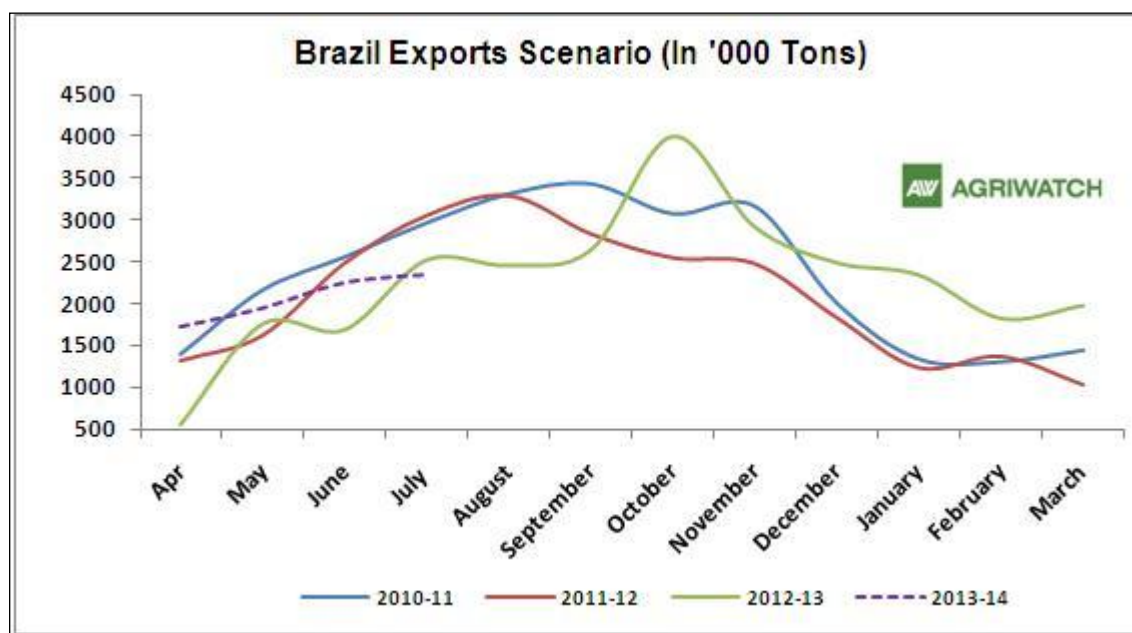
In addition to it, recent sugar bought by USDA also support the prices.

We expect prices to remain stable to firm in ICE as well as in LIFFE for the shorter term.

International Market News Highlights:

- Sugar prices surge in ICE as well as in LIFFE over wet weather conditions in Brazil decreasing sucrose content in cane. In addition to it, USDA today bought 136000 tons of sugar also supports the sugar prices.
- Brazil cuts sugarcane interest rates to increase the investment in the crop.
- Sugar prices surge in ICE as well as in LIFFE over wet weather conditions in Brazil decreasing sucrose content in cane. In addition to it, USDA, last week, bought 136000 tons of sugar also support the sugar prices.
- Around 20% of the Southern Brazil sugarcane crop damaged due to recent frost, according to Dataagro. It is notable that trade houses estimates around 590 million tons of crop still remain unharvested as reported.
- Thailand millers expect bumper production for 2013-14 to 11 million tons.
- Various trade houses sees present ICE raw sugar future prices made a bottom level which clearly shows a bullish view on sugar. We also expect prices of sugar would increase from here owing to increasing ethanol production diverted from sugar by Brazilian millers

Brazilian Sugar Export Scenario



Brazil has exported 2.33 million tons of sugar, raw value, in July 2013 up marginally from 2.24 in the previous month.

Higher sugar production than consumption and smooth movement of sugar at ports led the sugar exports increase from Brazilian ports. It is notable that Brazil has exported 8.2 million tons of sugar this year till July which was 6.5 million tons, raw value, last year same period.

International Sugar Prices (Weekly)				
	Contract Month	02-Aug-13	25-Jul-13	Change
ICE Sugar #11 (US Cent/lb)	Oct-13	16.83	16.39	0.44
	Mar-14	17.36	17.03	0.33
	May-14	17.23	16.95	0.28
LIFFE Sugar (US \$/MT)	Oct-13	488.3	477.10	11.2
	Dec-13	479	469.10	9.9
	Mar-13	476.9	468.8	8.1

LIFFE Future Market Sugar Scenario (Oct Contract):



Technical Commentary:

- Sugar prices are presently consolidate in a range as chart depicts.
- Last candlestick suggests bullishness.
- Prices tested 61.8% fibonnaci projection level and close at 78.6% level. We expect prices likely to continue its upward correction in the coming week.
- Increase in prices has supported by OI.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'13	477.10	490

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



Technical Commentary:

- ICE raw sugar futures are trading in a downward channel. However, trying to rebound from present level.
- Last candlestick depicts bullishness in the market.
- Market participants should make profit booking at 17.20 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	16.83	17.20



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