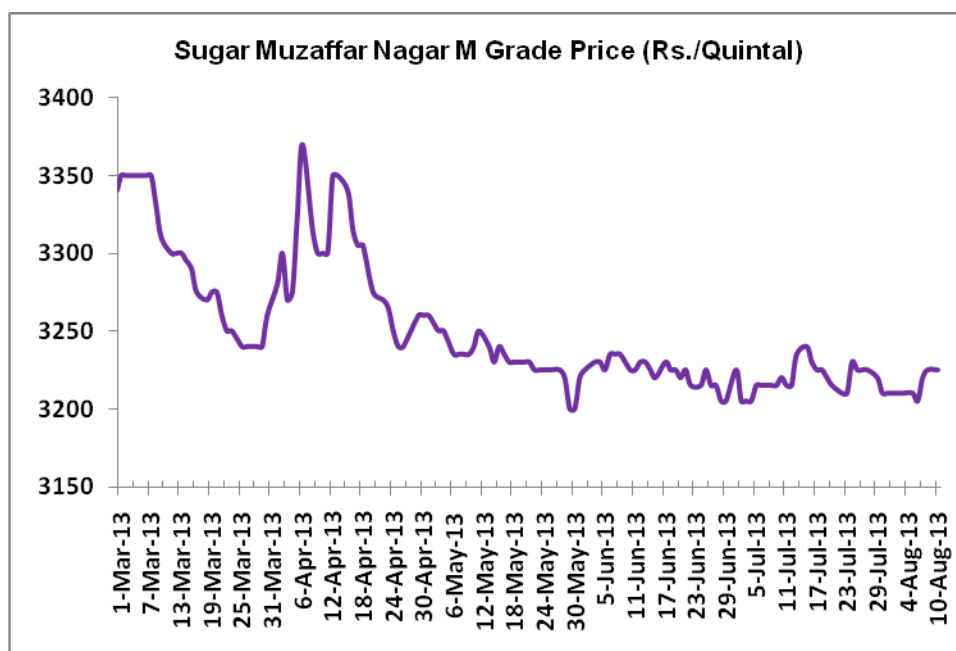


Sugar Price Trend and Outlook:

Sugar prices presently moving in a short range with firm tone during last week. Need based local demand and enquiries of sugar for export from abroad thanks to weak rupee become the major factor which offset the impact of bearishness of sugar prices.



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.

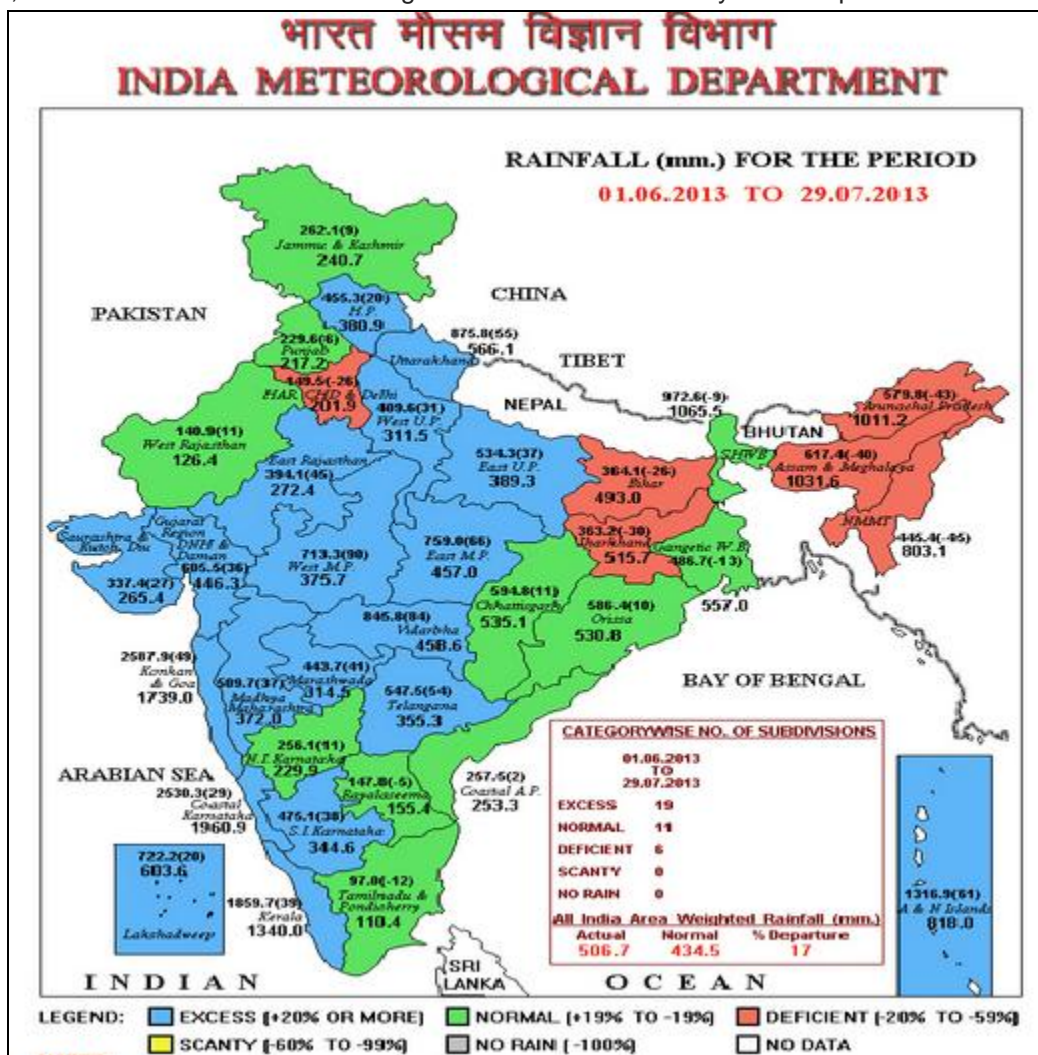
News Highlights:

- Guwahati market is getting sugar from Maharashtra markets at Rs 3280 per quintal S Grade as reported.
- Government sees 29.5 million tons sugar availability for 2013-14 marketing year starting from October 2013. Government takes 7 million tons as a ending stock and 22.5 million tons sugar production for 2013-14.
- 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.

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 \$518.76 per ton (including 10% import duty) and Indian domestic refined sugar FOB prices quoted at \$504.78 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.61.28) till 12 th August 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	518.76	-	

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Prices (Rs/Qtl)		Change
		10-08-13	02-08-13	
Sugar	Delhi - Grade M	3220	3225	-5
	Delhi - Grade S	3190	3200	-10
	Delhi - Grade L	3290	3290	Unch
	UP- Khatauli Grade M	3225	3210	15
	UP- Ramala Grade M	3155	3200	-45
	UP- Dhampur Grade M Ex-Mill	3080	3100	-20
	UP- Dhampur Grade S Ex-Mill	3060	3080	-20
	UP- Dhampur Grade L Ex-Mill	3130	3150	-20
	Mumbai –Grade M	3276	3240	36
	Mumbai –Grade S	3112	3102	10
	Kolhapur – Grade M	3025	3050	-25
	Kolhapur – Grade S	2925	2950	-25
	Guhawati – Grade S	3233	-	-
	Shillong – Grade S	3245	-	-
	Vijayawada – Grade M	3530	3530	Unch
	Vijayawada- Grade S	3380	3380	Unch
	Nagpur – Grade S	3250	3250	Unch
	Kolkata – Grade M	3395	3150	245
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3111	3100	11
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	-	3100	-
	Chennai - Grade S	3100	3085	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 967000 bags of gur (40kg each) stored in cold storages till 5th August 2013 lower from 985000 bags of gur at last year same period (40kg each). Out of total 967000 bags of gur, around 621000 bags of Chaku gur, 107000 bags of Rascut, and 145000 bags of Papdi, stored in the cold storages as reported.

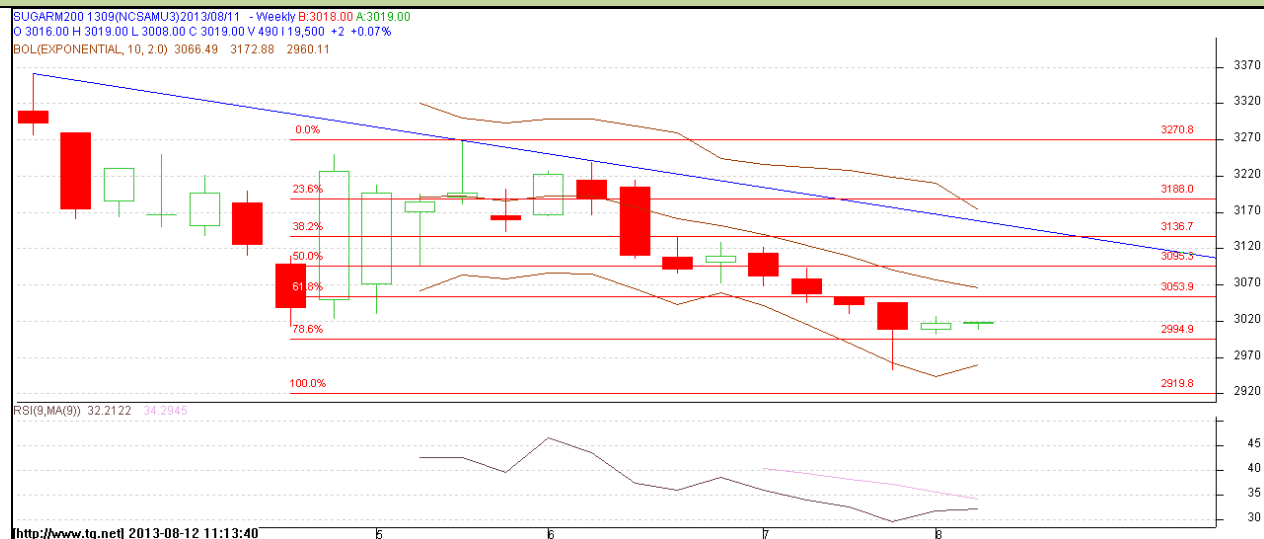
Gur prices are likely to move in a range with firm tone in the coming week owing to lower gur stock.

Gur Spot Price Scenario (Weekly)				
Markets	Variety	10-08-13	02-08-13	Change
Muzaffar Nagar	Chaku	2875	2825	50
	Khurpa	2750	2700	50
	Laddu	2960	-	-
	Rascut	2725	2625	100
Maharashtra	Latur(Lal Variety)	3250	3225	25
Bangalore	Achhu	-	3100	-
	Mudde	-	3200	-
Belgaum	Mudde	3200	3200	Unch
Belthangadi	Yellow (Average)	-	-	-
Bijapur	Achhu	-	-	-
Gulbarga	Other (Average)	-	2950	-
Mahalingapura	Penti (Average)	-	3200	-
Mandya	Achhu (Medium)	-	2900	-
	Kurikatu (Medium)	-	2500	-
	Other (Medium)	-	2500	-
	Yellow (Medium)	-	2900	-
Shimoga	Achhu (Average)	-	3325	-

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.
- Last candlestick depicts bullishness in the prices.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Sept	2920	2995	3017	3054	3095
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Sept	Buy	Near 3010	3040	3054	2998

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	1147.5	1155.5	1196	1218	1258.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Sept	Buy	Near 1175	1205	1218	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.

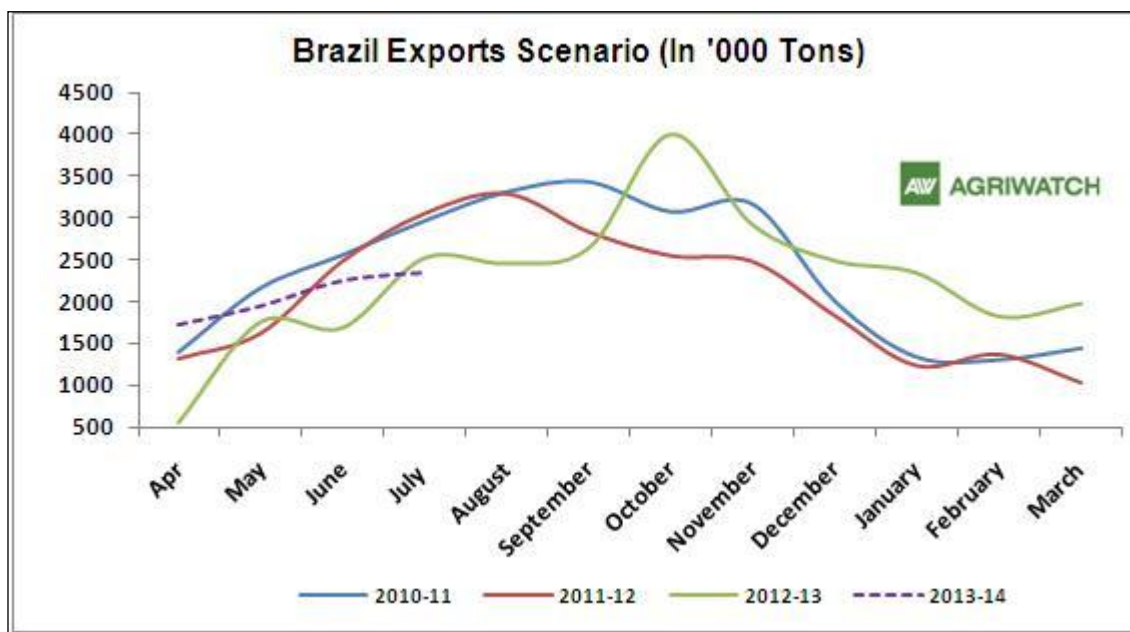
In addition to it, recent sugars bought by USDA also support the prices.

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

International Market News Highlights:

- Brazil mills had increase cane allocation to make ethanol to 55% from earlier 54.6% considering higher demand.
- Canaplan cuts its estimate of sugar production in Brazil's Center South region for 2013-14 to 33 million tons from 34.5 million tons forecasted earlier.
- Pakistan sugar output likely to rise by 20% to 6 million tons in 2013-14 up from 5 million tons sugar output in 2012-13. Increase in cane prices by government urge farmers to plant more sugarcane in their respective fields. Pakistan has exported 1.2 million tons of sugar in 2012-13. We expect sugar export likely to reach around 1.5 million in 2013-14.
- Expected lower corn based ethanol production owing to tight supply of corn likely to increase the prices of ethanol that would make things lucrative for Brazilian millers that might divert their cane more towards making ethanol over sugar.
- Around 20% of the Southern Brazil sugarcane crop damaged due to recent frost, according to Data agro. It is notable that trade houses estimates around 590 million tons of crop still remain unharnessed as reported.

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	08-Aug-13	01-Aug-13	Change
ICE Sugar #11 (US Cent/lb)	Oct-13	16.82	16.83	-0.01
	Mar-14	17.4	17.36	0.04
	May-14	17.31	17.23	0.08
LIFFE Sugar (US \$/MT)	Oct-13	493	488.3	4.7
	Dec-13	482	479	3
	Mar-13	479	476.9	2.1

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 38.2% fibonnaci projection level and likely to test 23.6% 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	493	504

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	16.82	17.20



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
© 2012 Indian Agribusiness Systems Pvt Ltd.