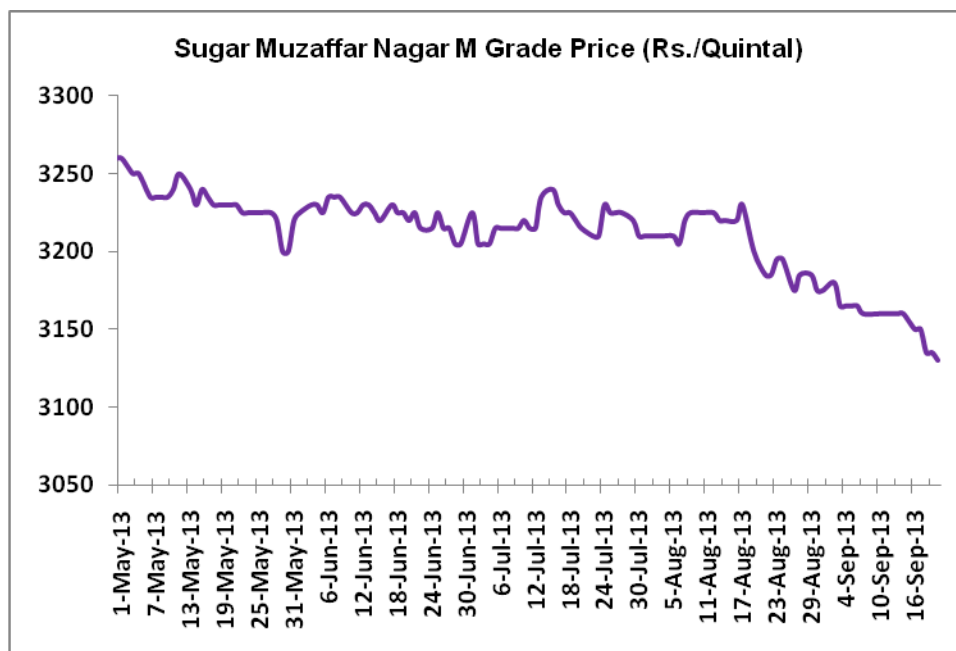


Sugar Price Trend and Outlook:

Prices of sugar are hovering in a short trading range during couple of weeks thanks to consistent sugar supply from mills and moderate demand from abroad. However, weak demand from domestic arena curb any hike in sugar prices at present.



Domestic Sugar Price Outlook:

Sugar prices seems to move down a bit in the coming week due to lower demand from domestic arena. However, UP mills showing their inability to start crushing operation this year with same cane prices, it seems market would pull back sharply in the coming weeks as expected.

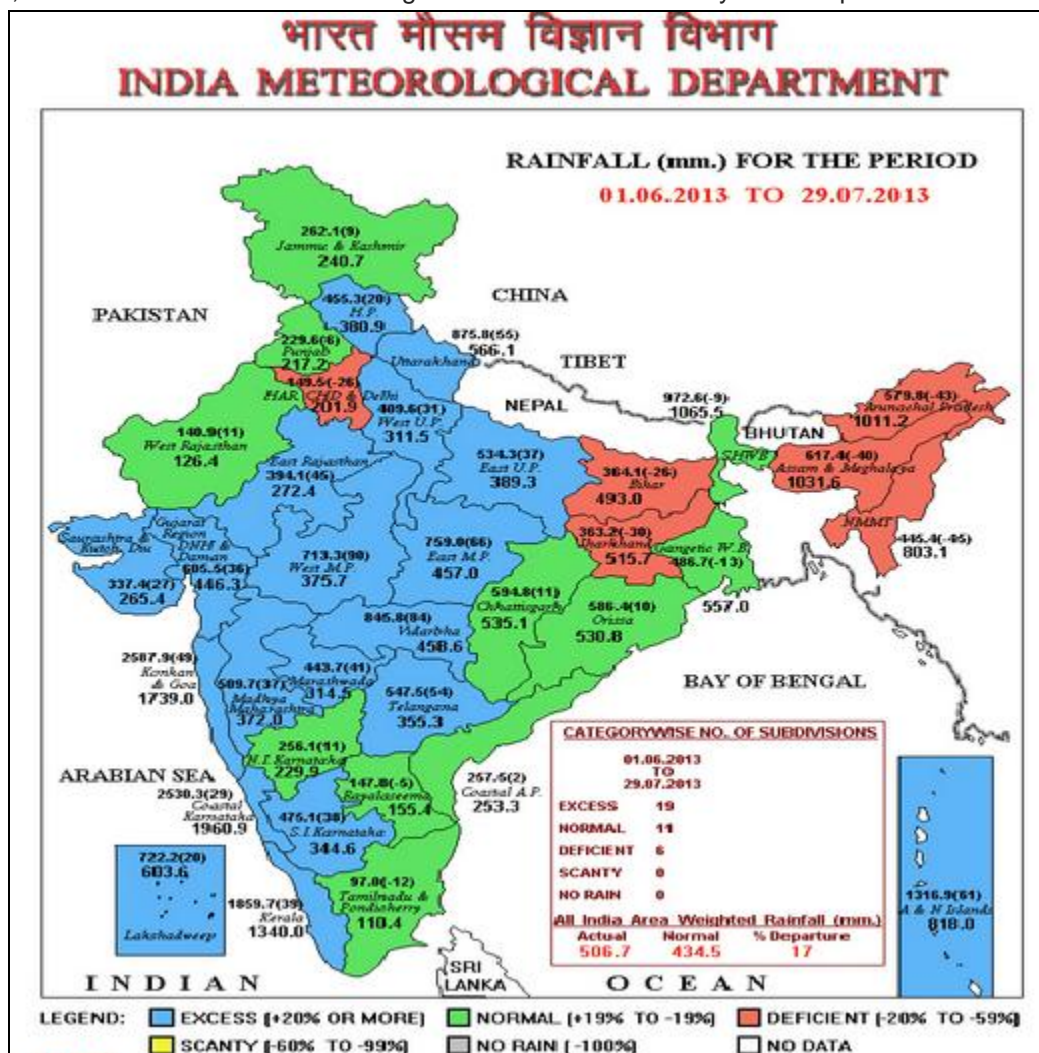
News Highlights:

- Indian white sugar offered at FOB \$480 per ton at which exporters are seeking foreign buyers.
- UP sugar mills are giving a hint that they would not operate for the coming marketing year due to higher degree of increase in cane prices and paltry increase in sugar prices which hit the sugar mills profitability like anything. It is notable that sugar mills in UP haven't give any details of their cane requirement to state government till date which shows that millers are in no mood to start their crushing operations for the coming year.
- As per the expectation that sugar mills wouldn't run their operation in the coming year would affect the sugar production which would lead to increase in prices in the coming festive 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
		20-09-2013	13-09-13	
-	Delhi - Grade M	3160	3180	-20
	Delhi - Grade S	3080	3110	-30
	Delhi - Grade L	3190	-	-
	UP- Khatauli Grade M	3130	-	-
	UP- Ramala Grade M	3050	-	-
	UP- Dhampur Grade M Ex-Mill	3000	3015	-15
	UP- Dhampur Grade S Ex-Mill	2980	2995	-15
	UP- Dhampur Grade L Ex-Mill	3050	3065	-15
	Mumbai –Grade M	3272	3386	-114
	Mumbai –Grade S	3062	3086	-24
	Kolhapur – Grade M	3000	3025	-25
	Kolhapur – Grade S	2900	2925	-25
	Guhawati – Grade S	3207	3233	-26
	Shillong – Grade S	3220	3245	-25
	Vijayawada – Grade M	3580	3580	Unch
	Vijayawada- Grade S	3360	3380	-20
	Nagpur – Grade S	3150	3150	Unch
	Kolkata – Grade M	--	3250	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	--	-	-
	Chennai - Grade S	3100	3100	Unch

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 617000 bags of gur (40kg each) stored in cold storages till 2th Sept 2013 lower from 680000 bags of gur at last year same period (40kg each). Out of total 617000 bags of gur, around 445000 bags of Chaku gur, 82564 bags of Rascut, and 93852 bags of Papdi, stored in the cold storages as reported.

Gur prices are likely to move in a range in the coming week.

Gur Spot Price Scenario (Weekly)				
Markets	Variety	20-09-13	13-09-13	Change
Muzaffar Nagar	Chaku	2950	2855	+95
	Khurpa	--	2500	--
	Laddu	--	2800	--
	Rascut	2600	2588	+12
Maharashtra	Latur(Lal Variety)	3250	3250	Unch
Bangalore	Achhu	3400	3000	+400
	Mudde	3600	3600	Unch
Belgaum	Mudde	2800	2800	Unch
Belthangadi	Yellow (Average)	--	2800	--
Bijapur	Achhu	3200	3200	Unch
Gulbarga	Other (Average)	3175	3100	+75
Mahalingapura	Penti (Average)	--	3080	--
Mandya	Achhu (Medium)	2950	-	--
	Kurikatu (Medium)	2400	-	--
	Other (Medium)	2400	-	--
	Yellow (Medium)	2850	-	--
Shimoga	Achhu (Average)	3625	3450	+175

Commodity: Sugar
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2013

SUGAR (Weekly October Contract Chart)



Technical Commentary:

- Sugar prices are showing some upward strength as chart depicts.
- Prices have breached the range between Rs 2950 to Rs 3118, and likely to move down further.
- Last candlestick depicts bearishness in the prices.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Oct	-	2850	3023	3007	3066
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Oct	Sell	Below 2925	2880	2860	2946

Commodity: Gur
Contract: Nov

Exchange: NCDEX
Expiry: Nov 20, 2013

GUR (Nov Weekly Chart)



Technical Commentary:

- Gur prices are hovering in a downtrend as chart depicts.
- Prices are presently moving in a short range.
- However, RSI is hovering near to oversold region.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Nov	-	1076.5	1119.5	1154	1170
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Nov	Sell	Near 1125	1110	1103	1147

International Scenario

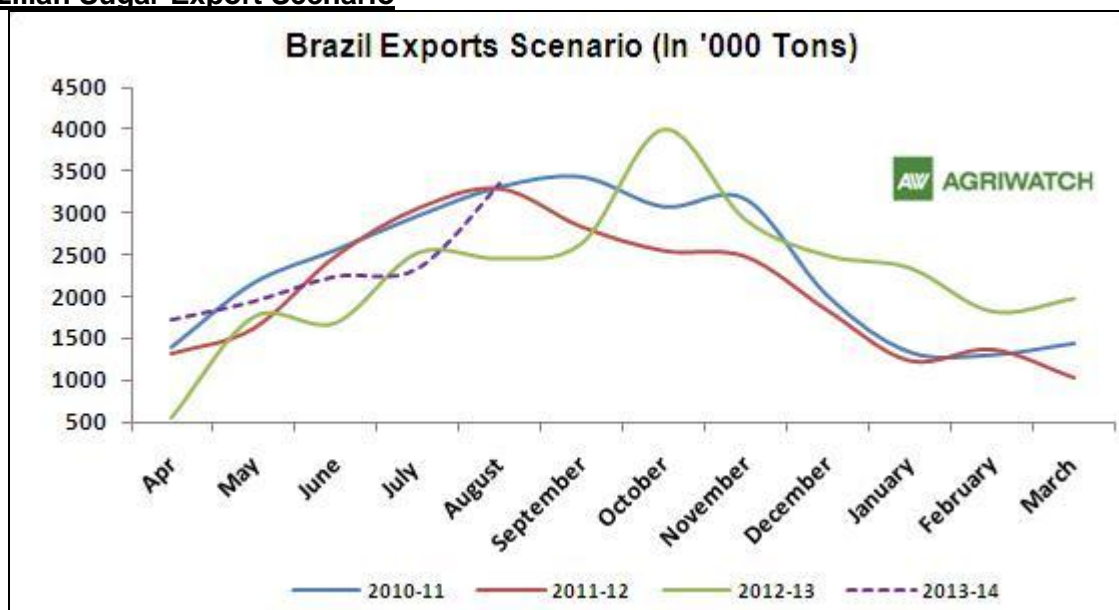
Sugar prices improved last week owing to shrink in global sugar surplus estimated by various trade houses. However, increasing sugar production estimates for India and Thailand curb any further hike in sugar prices.

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

International Market News Highlights:

- Thai raw sugar premium fall drastically to 100 points over ICE Oct contract from previous 160 points as reported.
- Kingsman has projected 4.45 million tons of global sugar surplus in 2013-14 which is half compared to previous forecast done by Kingsman. It is notable that Kingsman has projected 10.7 million tons of global sugar surplus earlier. Lower sugar prices for a long period of time increase the sugar consumption is the main reason for shrinking global sugar surplus.
- Pakistan government allowed 5 lac tons of white sugar exports in October and November. However, prices are not competitive for exports from Pakistan at present which would be difficult for traders to ship the allotted quantity in the specified time period.
- Brazil has exported 3.35 million tons of sugar, raw value, in August 2013 up from 2.33 million tons in the previous month. This is the highest sugar export figure in August month in last 5 years.
- Sugar waiting at Brazilian ports to load on vessels fell by 7 percent this week compared to prior week as vessels are heading towards Indonesia and Black sea.
- Syria have to cancel tender purchase for 276000 tons of white sugar due to only one application of seller. There is huge ambiguity in the minds of traders regarding country's sanction hit payments systems.

Brazilian Sugar Export Scenario



Brazil has exported 3.35 million tons of sugar, raw value, in August 2013 up from 2.33 million tons in the previous month. This is the highest sugar export figure in August month in last 5 years.

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 11.58 million tons of sugar this year till August which was 8.99 million tons, raw value, last year same period.

International Sugar Prices (Weekly)				
	Contract Month	19-Sep-13	12-Sep-13	Change
ICE Sugar #11 (US Cent/lb)	Oct-13	17.17	17.18	-0.01
	Mar-14	17.74	17.73	0.01
	May-14	17.65	17.65	Unch
LIFFE Sugar (US \$/MT)	Oct-13	487.50	486.90	0.6
	Dec-13	484.90	488.20	-3.3
	Mar-13	487.60	487.5	0.1

LIFFE Future Market Sugar Scenario (Dec Contract):



Technical Commentary:

- Sugar prices are presently consolidated in a range as chart depicts.
- Prices tested 23.6% Fibonacci projection level from where market participants could book their profits. We expect prices to take downward correction.
- Increase in prices has not supported by Volume.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'13	487.5	460

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 bearishness in the market.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'13	17.18	16.75

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