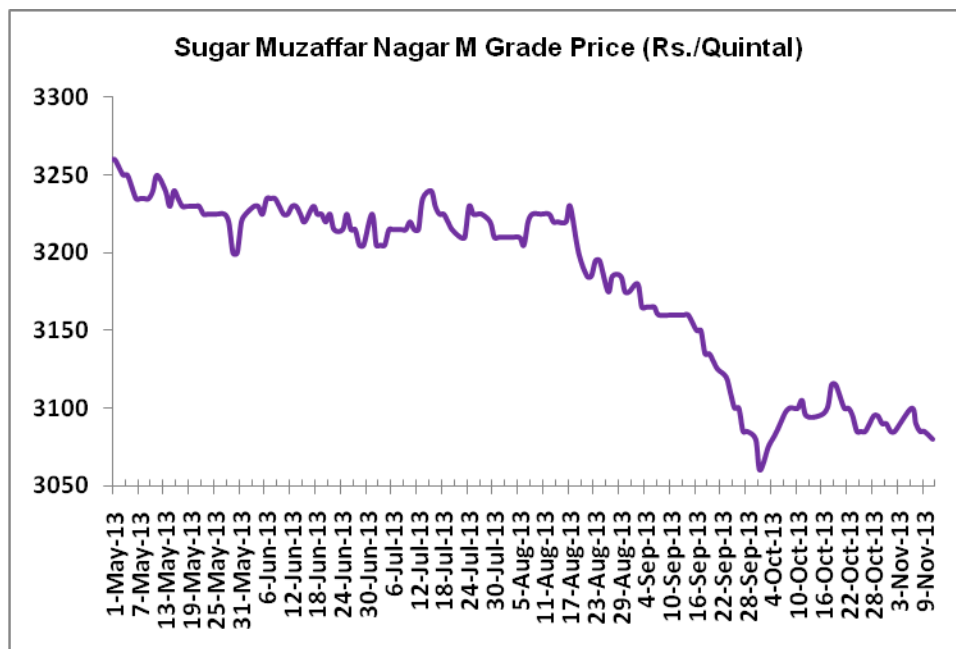


Sugar Price Trend and Outlook:

Sugar prices are moving in a range with weak tone during the week ended 11th November 2013. Weak local demand and huge stocks with mills spread fear in the markets at present.

However, stockists have started buying sugar at lower rates.

**Domestic Sugar Price Outlook:**

Sugar prices are hovering near to its bottom levels. However, good news for millers is the raw sugar imports are not viable and imports are falling drastically M-o-M basis.

Recently, UP government is thinking to give some energy to the UP mills by linking sugarcane prices from sugar prices.

Considering upcoming festivals and expected delay in crushing season from UP mills will curb any further downside in the sugar prices. However, government policies would play important role which will decide the prices of sugar in future.

News Highlights:

- UP chief minister give the deadline of 20th Nov to sugar mills to start their cane crushing operations.
- Farmers has sown sugarcane in 0.81 million hectares till 8th Nov 2013-14 which was 0.45 million hectares sowed at same period last year.
- Chennai buyers are buying sugar from Maharashtra and Karnataka at current as sugar carry over stocks in their state has been consumed and still there are no signs of start of crushing season by mills.

- India has exported 137000 tons of sugar in October month 2013 including imported raw sugar from Brazil in 2012-13 which has to be re-exported.
- Sugar prices dispute is likely to remove the export advantage from domestic arena as it ultimately delay the sugar production operations.

Sugarcane Sowing Update:

According to Ministry of Agriculture, Farmers has sown sugarcane in 0.81 million hectares till 8th Nov 2013-14 which was 0.45 million hectares sowed at same period last year.

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 \$530.39 per ton (including 15% import duty) and Indian domestic refined sugar FOB prices quoted at \$474.28 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.63.57) till 11 th October 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	530.39	-	

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	2nd Nov-8th Nov	26th Oct-1st Nov	Change
Sugar	Delhi - Grade M	3120	3118	2
	Delhi - Grade S	3071	3075	-4
	Delhi - Grade L	3160	3162	-2
	UP- Khatauli Grade M	3090	3091	-1
	UP- Ramala Grade M	2996	2998	-2
	UP- Dhampur Grade M Ex-Mill	3000	3000	Unch
	UP- Dhampur Grade S Ex-Mill	2980	2980	Unch
	UP- Dhampur Grade L Ex-Mill	3050	3050	Unch
	Mumbai –Grade M	3186	3198	-12
	Mumbai –Grade S	2906	2935	-29
	Kolhapur – Grade M	2894	2883	11
	Kolhapur – Grade S	2774	2771	3
	Guhawati – Grade S	3079	3076	3
	Shillong – Grade S	3094	3091	3
	Vijayawada – Grade M	3500	3500	Unch



	Vijayawada- Grade S	3250	3250	Unch
	Nagpur – Grade S	3050	3250	-200
	Kolkata – Grade M	3173	3243	-70
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	-
	Chennai - Grade S	2937	2960	-23

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		8-Nov-13	1-Nov-13	8-Oct-13	8-Nov-12
Sugar	Delhi - Grade M	3100	3135	3140	3580
	Delhi - Grade S	3050	3085	3050	3560
	Delhi - Grade L	3140	3175	3180	NA
	UP- Khatauli Grade M	3085	3085	3200	3575
	UP- Ramala Grade M	2990	2995	3025	3510
	UP- Dhampur Grade M Ex-Mill	3000	3000	2970	NA
	UP- Dhampur Grade S Ex-Mill	2980	2980	2950	NA
	UP- Dhampur Grade L Ex-Mill	3050	3050	3020	NA
	Mumbai –Grade M	3226	3176	3232	3686
	Mumbai –Grade S	2900	2922	3012	3501
	Kolhapur – Grade M	2900	2900	2950	3460
	Kolhapur – Grade S	2775	2775	2850	3360
	Vijayawada – Grade M	3500	3500	3540	3920
	Vijayawada- Grade S	3250	3250	3300	3750
	Nagpur – Grade S	3050	3050	3050	3680
	Kolkata – Grade M	3150	3250	3145	3690
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	3100	NA
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	NA	NA
	Chennai - Grade S	2940	2960	3030	3400

Gur Market Scenario and Outlook

Gur prices currently moving downwards due to fresh arrivals in the markets. Delay in cane crushing operations by UP millers bound farmers to sell their sugarcane crop to gur manufacturers at lower rates.

In addition to it, weak demand from Rajasthan and Gujarat also pressurize the gur prices in key mandis.

Overall price sentiments of gur are weak owing to higher gur production estimate this year. However, short term gain cant be ruled out in the prices in case government hike cane prices in UP.

Spot Jaggery(Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	2nd Nov-8th Nov	26th Oct-1th Nov	Change
Muzaffar Nagar	Chaku	2775	2985	-210
	Chaku (Arrival)	NA	NA	-
	Khurpa	2466	2660	-194
	Laddoo	2722	2835	-113
	Rascut	2497	2545	-48
Maharashtra	Latur(Lal Variety)	3600	3433	167
Bangalore	Achhu	NA	3500	-
	Mudde	3950	3950	Unch
Belgaum	Mudde	2700	2750	-50
Belthangadi	Yellow (Average)	3000	3000	Unch
Bijapur	Achhu	NA	3300	-
Gulbarga	Other (Average)	3150	2988	162
Mahalingapura	Penti (Average)	2950	3068	-118
Mandya	Achhu (Medium)	2900	2930	-30
	Kurikatu (Medium)	2500	2510	-10
	Other (Medium)	2600	2500	100
	Yellow (Medium)	2850	2900	-50
Shimoga	Achhu (Average)	3300	3320	-20

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		8-Nov-13	1-Nov-13	8-Oct-13	8-Nov-12
Muzaffar Nagar	Chaku	2675	2775	3075	2950
	Khurpa(New)	2525	2375	3125	2613



	Laddu(New)	2750	2525	3375	2650
	Rascut	2475	2500	2663	2425
Maharashtra	Latur(Lal Variety)	Closed	3600	3325	2950
Bangalore	Achhu	NA	NA	3200	3200
	Mudde	3950	NA	3500	3400
Belgaum	Mudde	2700	NA	NA	2800
Belthangadi	Yellow (Average)	3000	NA	NA	3100
Bijapur	Achhu	NA	NA	3200	3300
Gulbarga	Other (Average)	3150	NA	3250	2975
Mahalingapura	Penti (Average)	2950	NA	3140	3310
Mandya	Achhu (Medium)	2900	NA	3000	2800
	Kurikatu (Medium)	2500	NA	2500	2400
	Other (Medium)	2600	NA	2650	2500
	Yellow (Medium)	2850	NA	2900	2700
Shimoga	Achhu (Average)	3300	NA	3350	3100

Commodity: Sugar
Contract: December

Exchange: NCDEX
Expiry: Dec 20, 2013

SUGAR (Weekly December Contract Chart)



Technical Commentary:

- Sugar prices are hovering at oversold region and now moving in a downtrend.
- Prices are hovering near to 78.6% retracement level
- Last candlestick depicts bearishness.

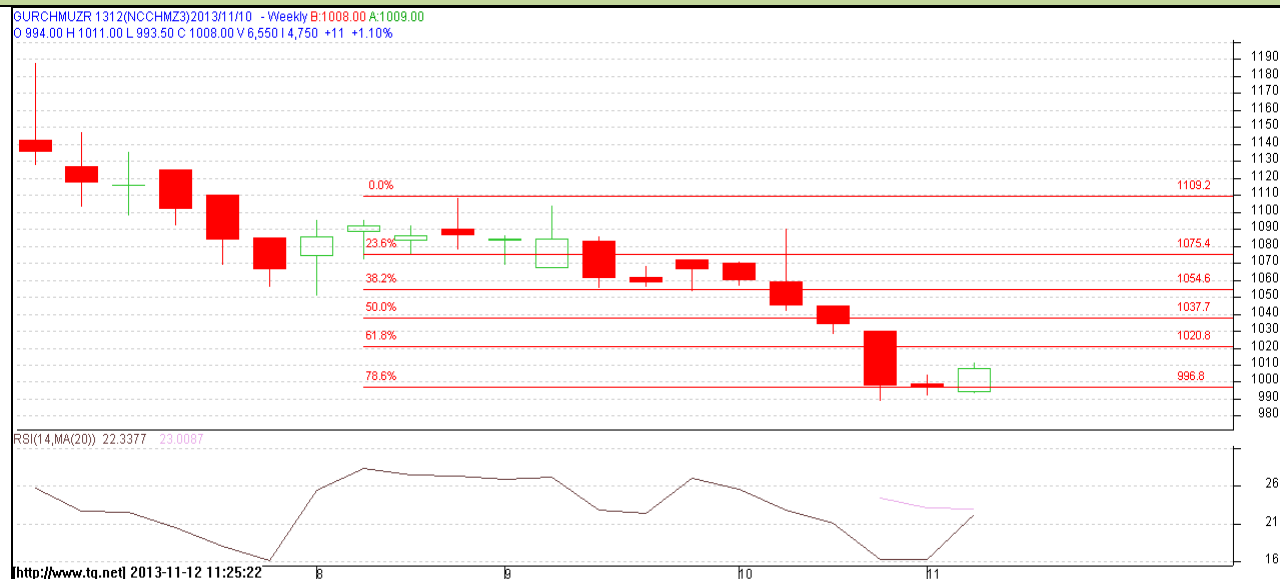
Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Dec	2630	2750	2840	2878	2915
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Sell	Below 2845	2825	2815	2855

Commodity: Gur
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20, 2013

GUR (Dec Weekly Chart)



Technical Commentary:

- Gur prices are hovering in a downtrend as chart depicts.
- However, RSI is hovering near at oversold region.
- Last candlesticks depict bullishness.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Nov	911.5	966	997	1037.5	1054.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Nov	Buy	Above 1000	1015	1020	993

International Scenario

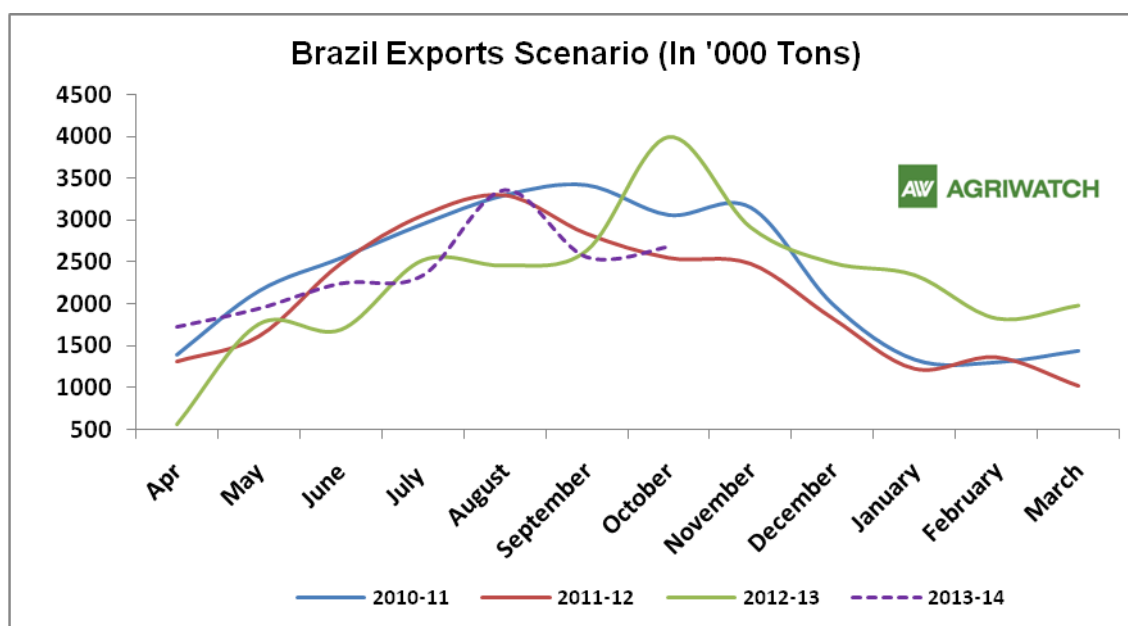
Sugar prices are not showing any signs of bullishness presently. Higher sugar supply from Brazil proved by October sugar export figures and higher sugar surplus globally would curb any hike in sugar prices.

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

International Market News Highlights:

- Global sugar surplus pegged at 4.4 million tons for 2013-14 by FO Litch that is less from previous year surplus i.e. 8.4 million tons. It is notable that higher sugar surplus for this year become the major influencing factor which curb any hike in prices.
- Philippines typhoon likely to cut 150000 tons of domestic raw sugar output this year, according to news sources. However, still there are enough sugar stock which would fulfill the domestic sugar demand.
- Around 3 lac tons Brazil sugar destroyed in a fire in one of the sugar terminal in Brazil. It is feared to support international sugar prices as it would affect the ready sugar availability from Brazil for export.
- Recent hike in International sugar prices thanks to wet conditions decrease the sugarcane production in Brazil for 2013-14. This hike in sugar prices would give some boost to sugar export from India.

Brazilian Sugar Export Scenario



Brazil has exported 2.67 million tons of sugar, raw value, in October 2013 marginally up from 2.55 million tons 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 16.81 million tons of sugar this year till October which was 15.63 million tons, raw value, last year same period.

It is expected that sugar exports from Brazil likely to remain constant in the coming months considering lower sugar production estimates by various trade houses compared to sugar production estimated earlier.

International Sugar Prices (Weekly)				
	Contract Month	7-Nov-13	31-Oct-13	Change
ICE Sugar #11 (US Cent/lb)	14-Mar	18.04	18.32	-0.28
	14-May	17.91	18.19	-0.28
	14-Jul	17.76	18.05	-0.29
LIFFE Sugar (US \$/MT)	13-Dec	475	483.30	-8.3
	14-Mar	480.70	488.30	-7.6
	14-May	486	493.10	-7.1

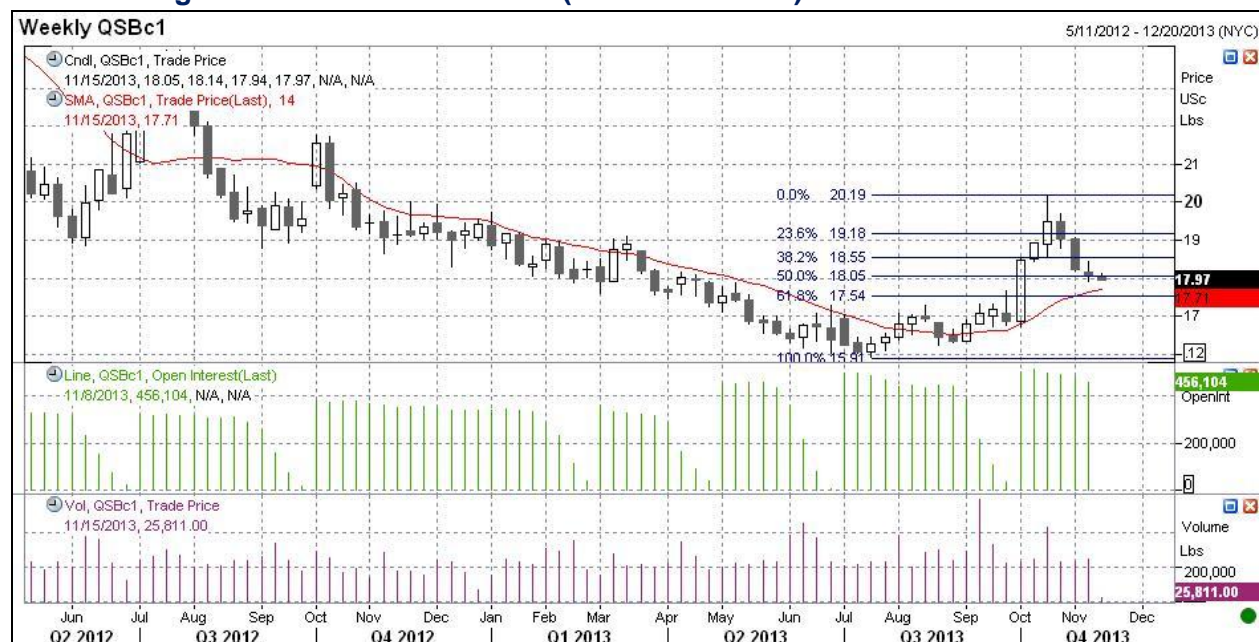
LIFFE Future Market Sugar Scenario (Dec Contract):



Technical Commentary:

- Sugar prices are presently hovering in a downtrend as chart depicts.
- Decrease in prices has not supported by Volume and OI.
- Prices should test its next support level i.e. \$460 per ton.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'13	483.30	460

ICE Raw Sugar Future Market Scenario (Mar'14 Contract):

Technical Commentary:

- ICE raw sugar futures are trading in a downward channel. However, trying to rebound from present level.
- Prices likely to test its 14 day SMA as chart depicts.
- 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)	Mar'14	18.04	17.75

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