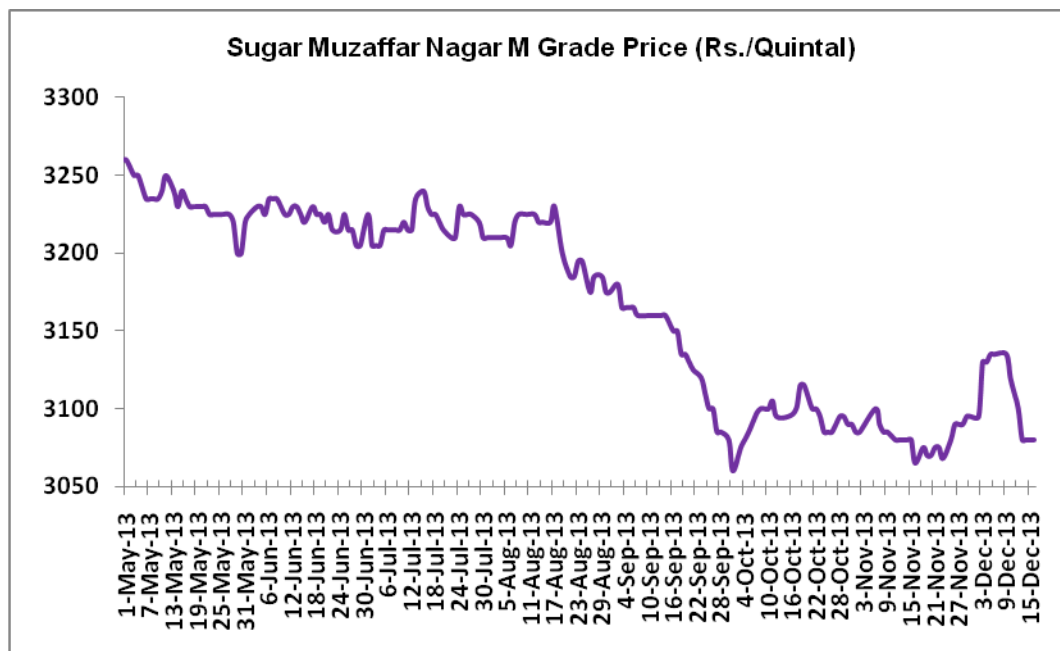


### Sugar Price Trend and Outlook:

Prices of sugar hovering in a mixed trend as retail buying as well as export demand of sugar led the prices improved specially from Central and Southern region which is near to ports. However, prices kept its bearish tone in UP markets due to sluggish demand as reported.

Meanwhile, export demand has picked up and Asian sugar buyers like Iran are importing white sugar from India at present. It is notable that in the first week of December 2013, India has exported 5 lac tons of sugar.



### Domestic Sugar Price Outlook:

Sugar prices are hovering near to its bottom levels. Weak international sentiments of sugar also led the prices lower. However, lower sugar production scenario of sugar for 2013-14 due to delay in crushing season would support the sugar prices up to certain extent.

### News Highlights:

- India has exported 5 lac tons of sugar in the first week of December 2013. Recent figures increase the future prospects of sugar exports from India which would result in higher prices.
- The government expected to decide on the issue before Christmas. The package includes Rs 7,200 crore of interest-free bank loans to pay dues to sugarcane growers. Besides interest free loans, the package also includes recasting of loans taken by mills, incentives to produce four million tonnes of raw sugar, setting up a buffer stock and doubling ethanol-blending in petrol to 10 per cent.
- India has exported 12 lac tons of sugar in 2012-13, according to Food Minister.
- Maharashtra sugar mills have 89.29 lac tons of sugarcane and produced 8.10 lac tons of sugar till Saturday. Meanwhile, around 146 mills have started cane crushing operations in the state, as per news sources.

- Indian white sugar FOB prices are quoted at \$455-\$460 per ton this week which was \$480 per ton last week. Also, Indian raw sugar prices quoted at \$440 per ton which is much higher than Brazilian raw sugar prices.

### Raw Sugar Import Opportunity:

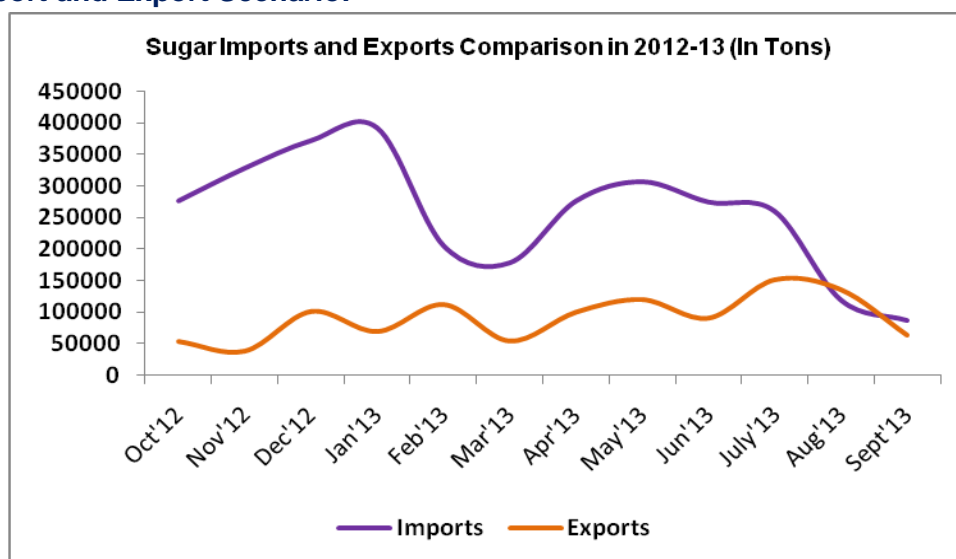
Indian sugar refiners now slowly losing opportunity to import raw sugar from Brazil as higher degree of decrease in sugar prices in international markets compared to domestic markets decrease the import parity in case of sugar imports. In addition to it, govt. stand to increase raw sugar import duty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

Indian indicative raw sugar CIF prices from Brazil quoted at \$494.50 per ton (including 15% import duty) and Indian domestic refined sugar FOB prices quoted at \$466.58 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 16 <sup>th</sup> December 2013			
	From Brazil	From Thailand	
CIF India (USD/MT)	494.50	-	

### Sugar Import and Export Scenario:



India has become net importer in the marketing year 2012-13 as big refiners like Shree Renuka Sugars take full benefit of lower raw sugar prices in Brazil despite of 10-15% sugar import duty (on both raws and whites).

As far as sugar imports are concerned, India imported 3.07 million tons of raw as well as white sugar and exported around 1.2 million tons of sugar in 2012-13 marketing year (Oct-Sept).

**Spot Sugar Prices Scenario (Weekly)**

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	7th Dec-13th Dec	30th Nov-6th Dec	Change
Sugar	Delhi - Grade M	3064	3123	-59
	Delhi - Grade S	3001	3045	-44
	Delhi - Grade L	-	-	-
	UP- Khatauli Grade M	3103	3125	-22
	UP- Ramala Grade M	2965	2968	-3
	UP- Dhampur Grade M Ex-Mill	3062	2992	70
	UP- Dhampur Grade S Ex-Mill	3042	2972	70
	UP- Dhampur Grade L Ex-Mill	3112	3042	70
	Mumbai –Grade M	3195	3157	38
	Mumbai –Grade S	2924	2940	-16
	Kolhapur – Grade M	2930	2879	51
	Kolhapur – Grade S	2750	2733	17
	Guhawati – Grade S	3010	2993	17
	Shillong – Grade S	3070	3053	17
	Vijayawada – Grade M	3550	3550	Unch
	Vijayawada- Grade S	3250	3250	Unch
	Nagpur – Grade S	3000	3000	Unch
	Kolkata – Grade M	3278	3224	54
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	-
	Chennai - Grade S	2894	2900	-6

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		13-Dec-13	6-Dec-13	13-Nov-13	13-Dec-12
Sugar	Delhi - Grade M	3050	3110	3100	3525
	Delhi - Grade S	2950	3050	3060	3500
	Delhi - Grade L	NA	NA	3140	3550
	UP- Khatauli Grade M	3080	3135	3080	3500
	UP- Ramala Grade M	2970	2970	2990	3320
	UP- Dhampur Grade M Ex-Mill	3100	3000	3100	NA

UP- Dhampur Grade S Ex-Mill	3080	2980	3080	NA
UP- Dhampur Grade L Ex-Mill	3150	3050	3150	NA
Mumbai –Grade M	3192	3202	3016	3581
Mumbai –Grade S	2942	2926	2918	3421
Kolhapur – Grade M	2900	2850	2875	3375
Kolhapur – Grade S	2750	2725	2750	3275
Vijayawada – Grade M	3550	3550	3530	3900
Vijayawada- Grade S	3250	3250	3250	3700
Nagpur – Grade S	-	3000	3200	3550
Kolkata – Grade M	3260	3290	3050	NA
Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	3100	NA
Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	NA	NA
Chennai - Grade S	2890	2900	2920	3350

### Gur Market Scenario and Outlook

Gur prices currently moving in a range at present. Starting of sugar mills in UP and increase in demand in winter season also curb any decline in gur prices.

As far as gur stock position are concerned, Total around 210505 bags of 40 kg each of gur stored in warehouses presently which are lower by 70190 bags compared to last year same period gur stock position in warehouses.

However, overall price sentiments of gur are weak owing to higher gur production estimate this year.

Prices of gur are likely to move up in the shorter period as expected.

### Spot Jaggery(Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	7th Dec-13th Dec	30th Nov-6th Dec	Change
Muzaffar Nagar	Chaku	2438	2418	20
	Chaku (Arrival)	16000	10500	5500
	Khurpa	2285	2264	21
	Laddoo	2510	2377	133
	Rascut	2280	2268	12
Maharashtra	Latur(Lal Variety)	2620	2550	70
Bangalore	Achhu	-	-	-

	Mudde	3300	3100	<b>200</b>
<b>Belgaum</b>	Mudde	2867	3025	<b>-158</b>
<b>Belthangadi</b>	Yellow (Average)	3050	3100	<b>-50</b>
<b>Bijapur</b>	Achhu	2975	2836	<b>139</b>
<b>Gulbarga</b>	Other (Average)	3088	3160	<b>-72</b>
<b>Mahalingapura</b>	Penti (Average)	2930	2723	<b>207</b>
<b>Mandya</b>	Achhu (Medium)	2775	2733	<b>42</b>
	Kurikatu (Medium)	2400	2400	<b>Unch</b>
	Other (Medium)	2425	2417	<b>8</b>
	Yellow (Medium)	2713	2700	<b>13</b>
<b>Shimoga</b>	Achhu (Average)	2917	2917	<b>Unch</b>

<b>Spot Jaggery(Gur) Prices Scenario (Weekly)</b>					
<b>Markets</b>	<b>Variety</b>	<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
		<b>13-Dec-13</b>	<b>6-Dec-13</b>	<b>13-Nov-13</b>	<b>13-Dec-12</b>
<b>Muzaffar Nagar</b>	Chaku	2375	2488	2500	2650
	Khurpa(New)	2250	2314	2500	2463
	Laddu(New)	2375	2475	2600	2613
	Rascut	2275	2275	2713	NA
<b>Maharashtra</b>	Latur(Lal Variety)	2600	2600	2800	NR
<b>Bangalore</b>	Achhu	NA	NA	NR	3200
	Mudde	3300	3100	3600	3400
<b>Belgaum</b>	Mudde	2900	3000	2700	3000
<b>Belthangadi</b>	Yellow (Average)	3000	3000	3000	3200
<b>Bijapur</b>	Achhu	2950	2900	NR	3000
<b>Gulbarga</b>	Other (Average)	3150	3250	3100	NR
<b>Mahalingapura</b>	Penti (Average)	2950	2780	2910	NR
<b>Mandya</b>	Achhu (Medium)	2800	2750	2800	2750
	Kurikatu (Medium)	2400	2400	2500	2450
	Other (Medium)	2450	2400	2550	2500
	Yellow (Medium)	2700	2700	2700	2600
<b>Shimoga</b>	Achhu (Average)	2950	2900	3325	3400

Commodity: Sugar  
Contract: January

Exchange: NCDEX  
Expiry: Jan 20, 2013

### SUGAR (Weekly January Contract Chart)



#### Technical Commentary:

- Sugar prices are hovering at oversold region and now moving in a downtrend.
- Last candlestick depicts bearishness.
- Prices are likely to test its next support level i.e. 2722 which also lying over 138.2% retracement level from where profit booking might occur.

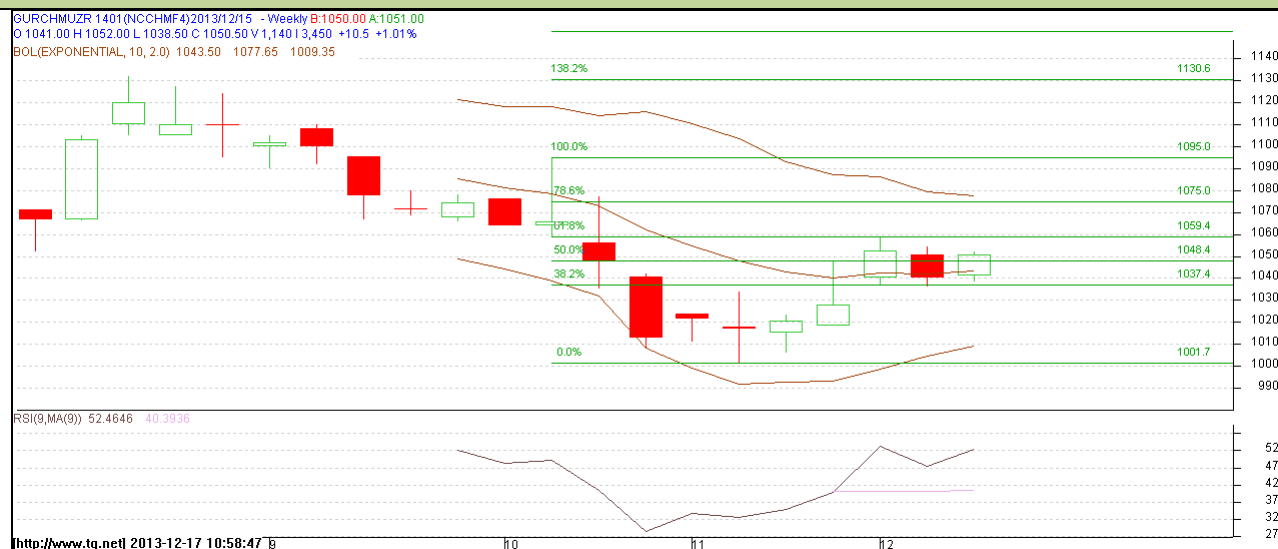
#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Jan	2630	2722	2773	2878	2915
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Jan	<b>Sell</b>	Below 2770	2740	2725	2788

Commodity: Gur  
Contract: Jan

Exchange: NCDEX  
Expiry: Jan 20, 2013

### GUR (January Weekly Chart)



#### Technical Commentary:

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

#### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Jan	1002	1033	1052.5	1067.5	1082.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Jan	Buy	Above 1046	1056	1060	1040

## International Scenario

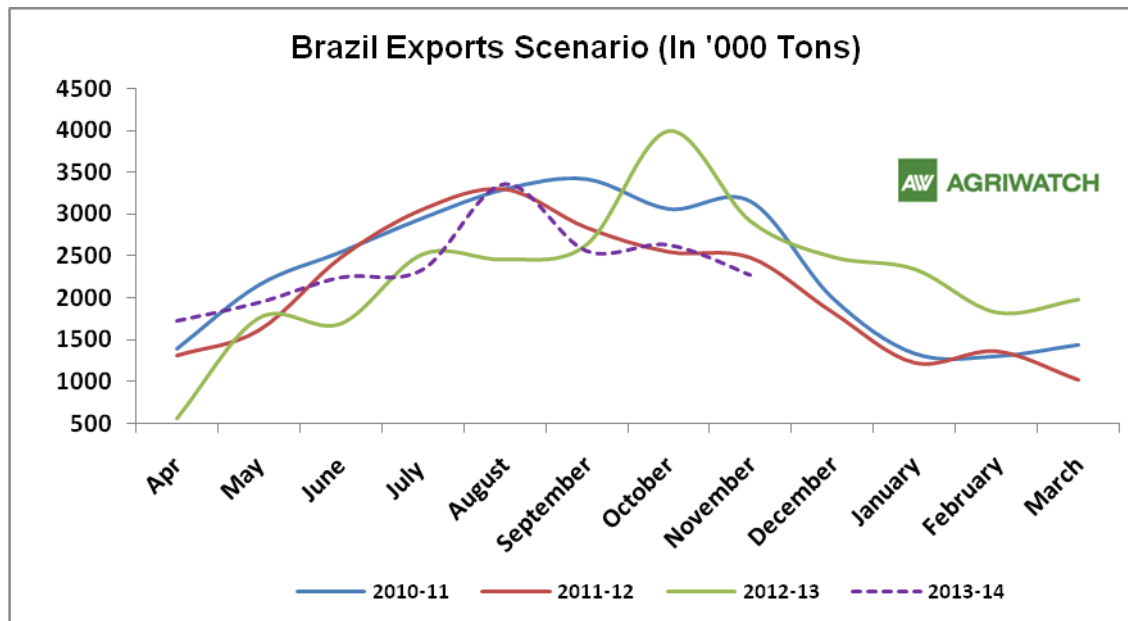
Sugar prices continue its southward movement due to higher sugar supply from Brazil. In addition to it, start of cane crushing operations by India and Thailand for 2013-14 also increase the supply of sugar in the global markets.

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

## International Market News Highlights:

- Brazil has exported 2.26 million tons of sugar in November 2013 which is down from 2.62 million tons in the previous month.
- Thai raw sugar premium remained steady this week and trading at 65 to 70 points over ICE raw sugar futures contract. Usually, Thai raw sugar premium improved with decrease in ICE raw sugar prices. But due to start of cane crushing season in Thailand and India releasing its excess sugar in the Asian markets stop the traders to increase the premiums at present.
- Thailand has finally started its cane crushing operations for 2013-14 season after delay due to rainfall. Thai mills have crushed 479000 tons of cane so far which is down from 2.2 million tons cane crushed by millers at last year same period.

## Brazilian Sugar Export Scenario



Brazil has exported 2.26 million tons of sugar, raw value, in November 2013 marginally down from 2.91 million tons in the previous year.



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 19.04 million tons of sugar this year till November which was 18.54 million tons, raw value, last year same period.

It is expected that sugar exports from Brazil likely to decrease 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	12-Dec-13	5-Dec-13	Change
ICE Sugar #11 (US Cent/lb)	14-Mar	16.3	16.69	-0.39
	14-May	16.44	16.8	-0.36
	14-Jul	16.58	16.91	-0.33
LIFFE Sugar (US \$/MT)	13-Dec	445.2	449.9	-4.7
	14-Mar	452.5	457.3	-4.8
	14-May	458.9	462.8	-3.9

### LIFFE Future Market Sugar Scenario (Mar'14 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. \$436.8 per ton.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'13	445.2	438

**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 already breach its immediate support level i.e. 16.73 which also lying over 100% retracement level and now it is heading towards its next support level i.e. 15.42.
  - Last candlestick depicts bearishness in the market.
  - However, decrease in prices has not supported by OI and Volume.
- Strategy: Create new sell positions at 16.4 and book profits near to 15.95 to 16 cents..

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'14	16.30	15.95

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