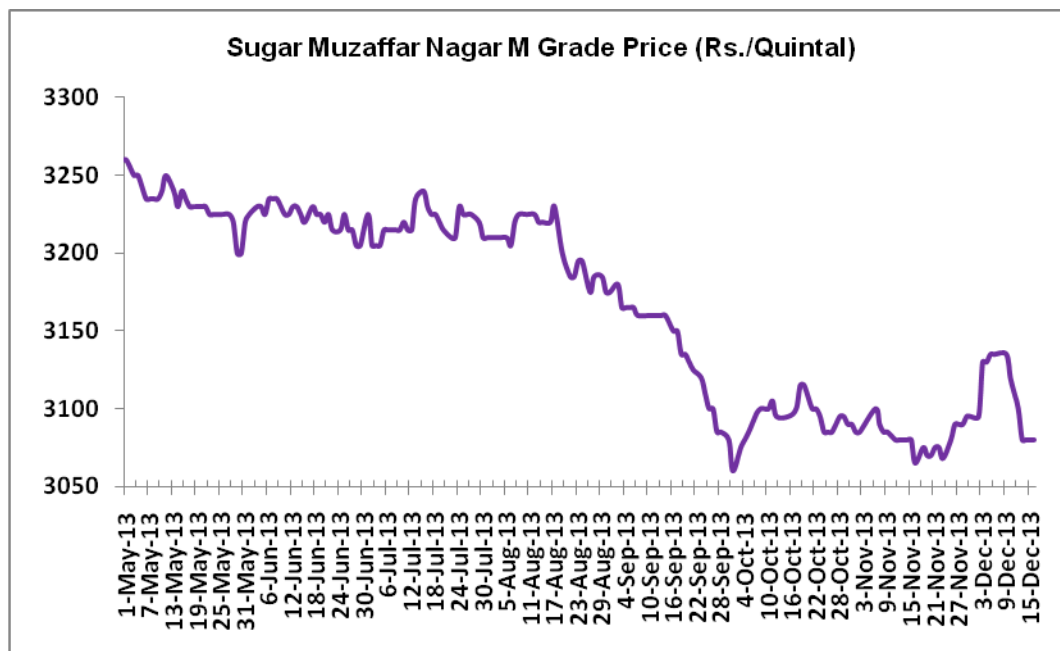


Sugar Price Trend and Outlook:

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:

- In a major event, cabinet sanctioned 7000 crore interest free loan to sugar industry. It gives a major respite to sugar mills, which are suffering from increasing sugarcane prices and sugar downward price trend.
- India has produced 24.24 lac tons of sugar till 15th December which is around 50% down compared to sugar produced last year same period, according to ISMA.
- India has exported 80000 tons of sugar in the second week of December which takes the total sugar exports to 6.6 lac tons in December 2013 till date.
- India has exported 12 lac tons of sugar in 2012-13, according to Food Minister.

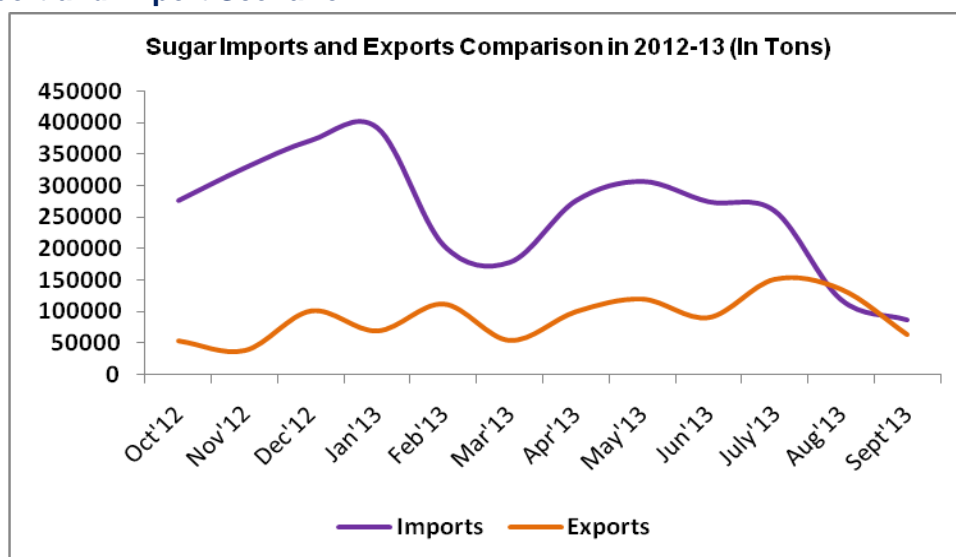
Raw Sugar Import Opportunity:

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 th 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)				
Commo dity	Centre	14th Dec-20th Dec	7th Dec-13th Dec	Change
Sugar	Delhi - Grade M	3035	3064	-29
	Delhi - Grade S	2958	3001	-43
	Delhi - Grade L	-	-	-
	UP- Khatauli Grade M	3083	3103	-20
	UP- Ramala Grade M	2970	2965	5
	UP- Dhampur Grade M Ex-Mill	3100	3062	38
	UP- Dhampur Grade S Ex-Mill	3080	3042	38
	UP- Dhampur Grade L Ex-Mill	3150	3112	38
	Mumbai –Grade M	3181	3195	-14
	Mumbai –Grade S	2942	2924	18
	Kolhapur – Grade M	2892	2930	-38
	Kolhapur – Grade S	2750	2750	Unch
	Guhawati – Grade S	3010	3010	Unch
	Shillong – Grade S	3070	3070	Unch
	Vijayawada – Grade M	3455	3550	-95
	Vijayawada- Grade S	3228	3250	-22
	Nagpur – Grade S	3000	3000	Unch
	Kolkata – Grade M	3235	3278	-43
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	-
	Chennai - Grade S	2890	2894	-4

Spot Sugar Prices Scenario (Weekly)					
Commo dity	Centre	Today	Week Ago	Month Ago	Year Ago
		20-Dec-13	13-Dec-13	20-Nov- 13	20-Dec- 12
Sugar	Delhi - Grade M	3000	3050	3125	3450
	Delhi - Grade S	2940	2950	3060	3400
	Delhi - Grade L	NA	NA	-	3480
	UP- Khatauli Grade M	3070	3080	3070	-
	UP- Ramala Grade M	2970	2970	2980	3205
	UP- Dhampur Grade M Ex-Mill	3100	3100	3100	NA
	UP- Dhampur Grade S Ex-Mill	3080	3080	3080	NA

UP- Dhampur Grade L Ex-Mill	3150	3150	3150	NA
Mumbai –Grade M	3158	3192	3206	3536
Mumbai –Grade S	2942	2942	2922	3361
Kolhapur – Grade M	2900	2900	2875	3300
Kolhapur – Grade S	2750	2750	2775	3200
Vijayawada – Grade M	3400	3550	3550	3680
Vijayawada- Grade S	3200	3250	3250	3560
Nagpur – Grade S	3000	-	3200	3450
Kolkata – Grade M	3200	3260	3000	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	2890	2900	3250

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	14th Dec-20th Dec	7th Dec-13th Dec	Change
Muzaffar Nagar	Chaku	2515	2438	77
	Chaku (Arrival)	9167	16000	-6833
	Khurpa	2363	2285	78
	Laddoo	2529	2510	19
	Rascut	2307	2280	27
Maharashtra	Latur(Lal Variety)	2550	2620	-70
Bangalore	Achhu	-	-	-
	Mudde	3120	3300	-180
Belgaum	Mudde	2740	2867	-127

Belthangadi	Yellow (Average)	3000	3050	-50
Bijapur	Achhu	2936	2975	-39
Gulbarga	Other (Average)	3100	3088	12
Mahalingapura	Penti (Average)	2966	2930	36
Mandya	Achhu (Medium)	2892	2775	117
	Kurikatu (Medium)	2408	2400	8
	Other (Medium)	2458	2425	33
	Yellow (Medium)	2791	2713	78
Shimoga	Achhu (Average)	2943	2917	26

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		20-Dec-13	13-Dec-13	20-Nov-13	20-Dec-12
Muzaffar Nagar	Chaku	2463	2375	2338	2750
	Khurpa(New)	2463	2250	2350	2500
	Laddu(New)	2638	2375	2425	2550
	Rascut	2363	2275	NA	NA
Maharashtra	Latur(Lal Variety)	2550	2600	2600	2800
Bangalore	Achhu	NR	NR	NR	3400
	Mudde	3000	3300	3600	3500
Belgaum	Mudde	2800	2900	3100	3000
Belthangadi	Yellow (Average)	3000	3000	NR	3200
Bijapur	Achhu	2900	2950	NR	3000
Gulbarga	Other (Average)	3050	3150	NR	2788
Mahalingapura	Penti (Average)	NR	2950	NR	2960
Mandya	Achhu (Medium)	2900	2800	NR	2700
	Kurikatu (Medium)	2400	2400	NR	2500
	Other (Medium)	2450	2450	NR	2550
	Yellow (Medium)	2800	2700	NR	2650
Shimoga	Achhu (Average)	2900	2950	NR	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.

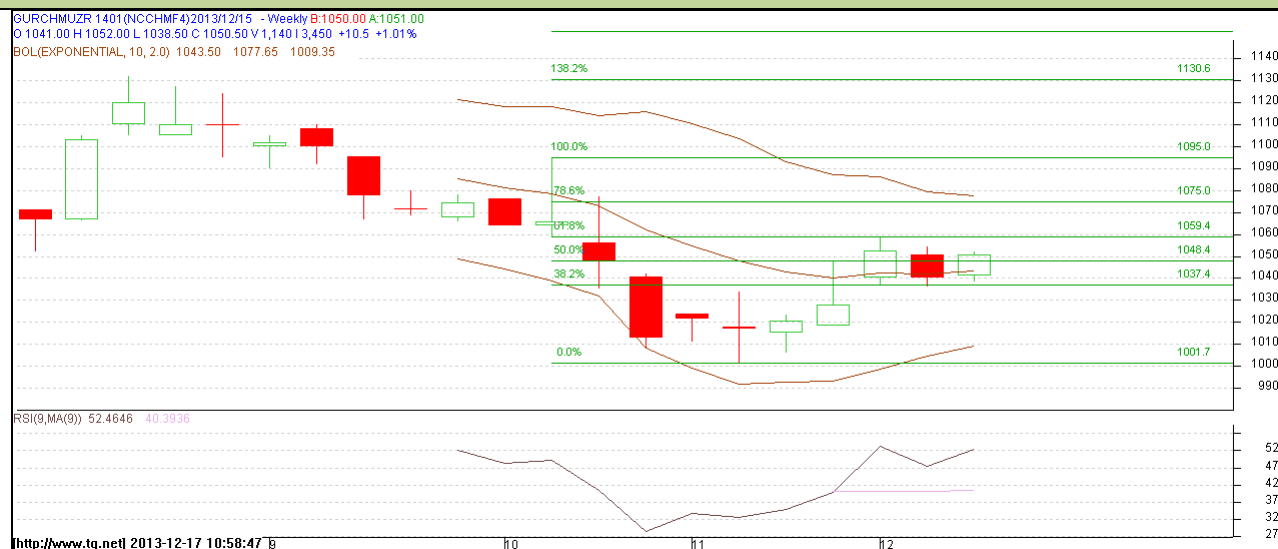
Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Jan	2630	2722	2769	2878	2915
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Jan	Sell	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

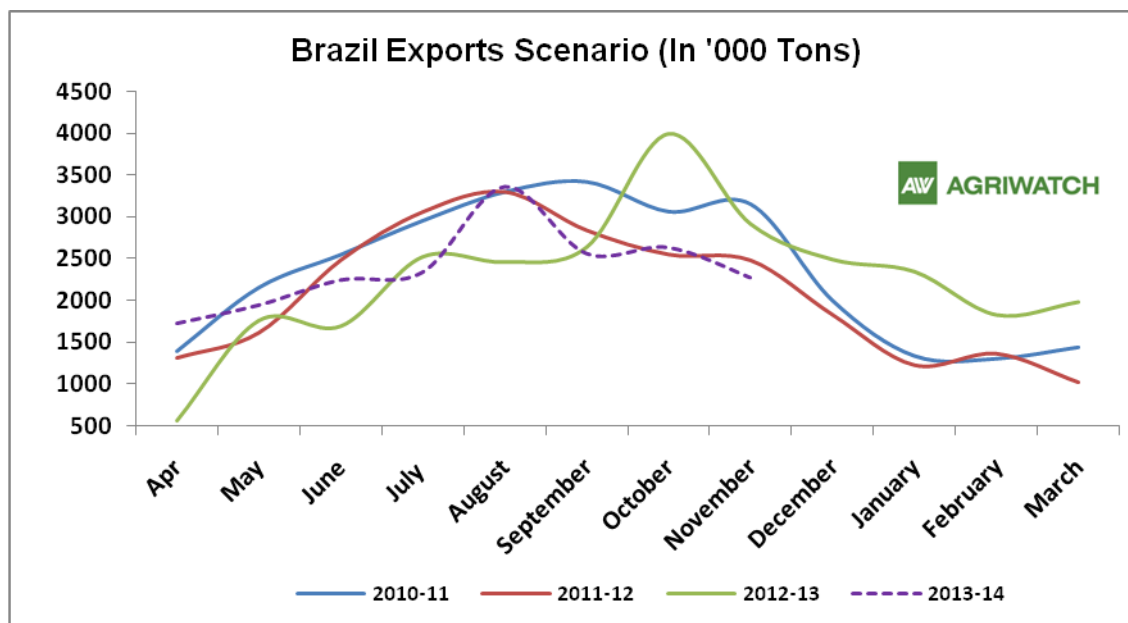
Sugar prices continue its southward movement due to higher sugar supply from Brazil. In addition to it, start of cane crushing operations by India and Thailand for 2013-14 also increase the supply of sugar in the global markets.

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	19-Dec-13	12-Dec-13	Change
ICE Sugar #11 (US Cent/lb)	14-Mar	16.15	16.3	-0.15
	14-May	16.29	16.44	-0.15
	14-Jul	16.45	16.58	-0.13
LIFFE Sugar (US \$/MT)	13-Dec	438.8	445.2	-6.4
	14-Mar	446.7	452.5	-5.8
	14-May	452.9	458.9	-6

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.
- After testing its support level i.e. \$436, prices should rebound due to profit bookings and prices are likely to move up to \$450 per ton as expected.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'13	438.8	450

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	16.15	15.95

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