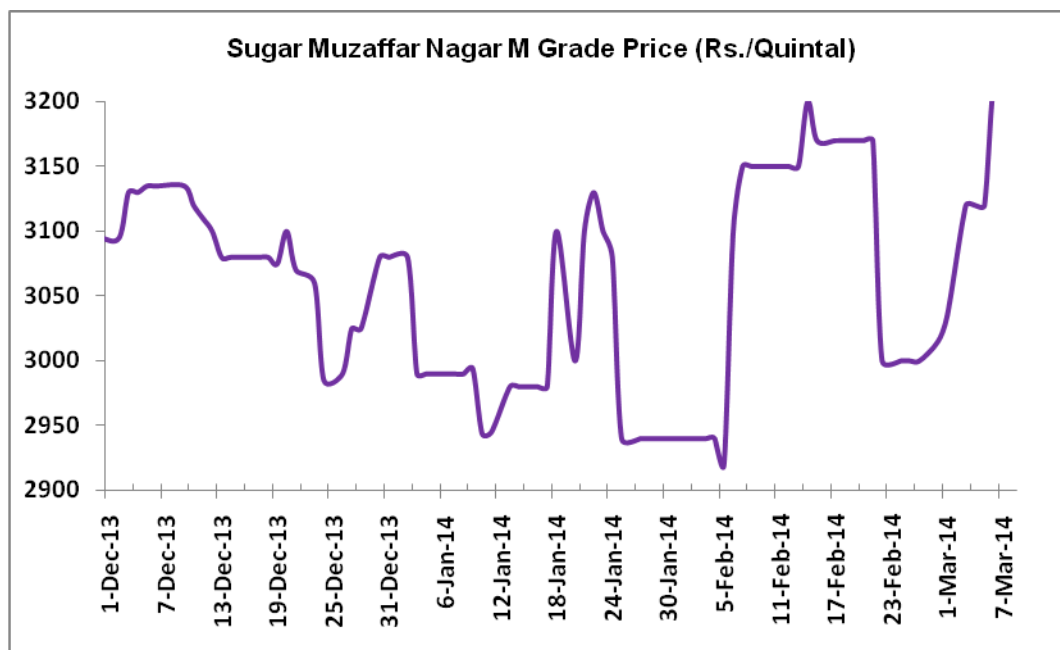


Sugar Price Trend and Outlook:

Sugar prices improved sharply in key sugar spot markets last week over lower sugar production estimates by ISMA. In addition to it, strong demand from export front also led the prices up in key markets.



News Highlights:

- Recent rainfall in Western Uttar Pradesh reduce the overall recovery of sugar from cane. It is notable that some mills in UP got lower than 8% on date as reported.
- ISMA revise its sugar production estimate down to 23.8 million tons for 2013-14 from 25 million tons estimated earlier.
- Short covering in sugar market is likely to take place in the coming days after sharp surge in sugar prices from recent lows.
- Maharashtra mills daily average crush is around 470000 tons as reported.
- India has exported 1.3 million metric tons of sugar in the period between Oct - Feb in 2013-14 marketing year, according to ED&F Man Commodities. Increase in International sugar prices due to dry weather conditions in Brazil increase the sugar export parity for Indian exporters. They also estimate India sugar export may total around 2-2.2 million tons in the year ending Sept. 2014. India has produced 16.86 million tons of sugar in Oct-Feb period which is 10.63% lower compared to last year. It is notable that Maharashtra has produced 5.71 million tons till Feb this year fell from 6.57 million tons compared to last year same period.
- India has produced 16.86 million tons of sugar in Oct-Feb period which is 10.63% lower compared to last year. It is notable that Maharashtra has produced 5.71 million tons till Feb this year fell from 6.57 million tons compared to last year same period.
- Government today notify Rs 3300/Ton subsidy for raw sugar export
- Rake business of sugar has been reported for Pune at Rs.2660-2680 per quintal as reported.

Raw Sugar Import Opportunity:

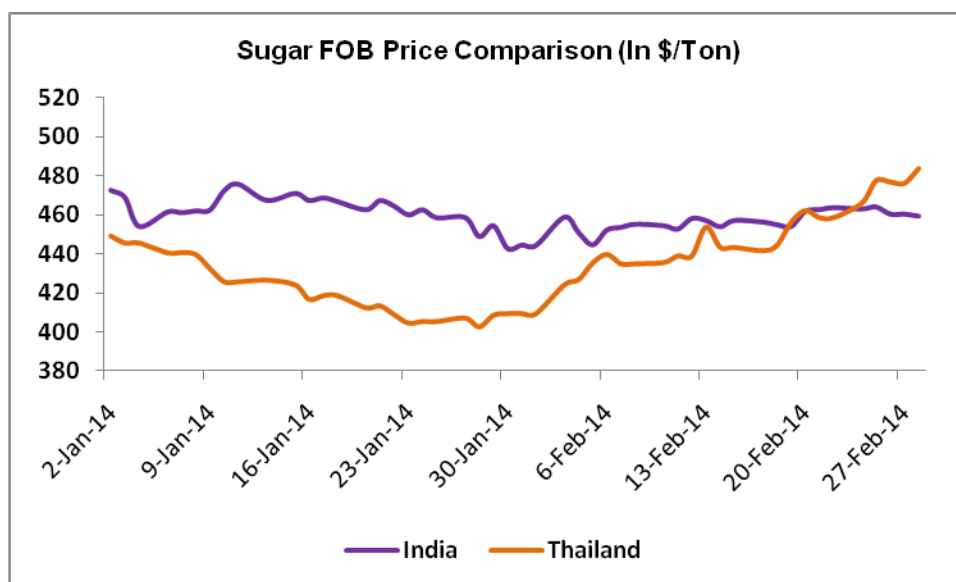
Indian Sugar Export increases M-o-M basis due to increasing sugar export parity thanks to dry weather conditions in Brazil.

Indian indicative raw sugar CIF prices from Brazil quoted at \$545 per ton (including 15% import duty) and Indian domestic refined sugar FOB prices quoted at \$496 per ton Kolhapur based. Recently, government provides Sugar export subsidy on raws of Rs 3300 per ton, which ultimately gives boost to sugar export in the coming months as expected.

On International front, dry weather conditions in Brazil support the sugar prices in International markets and dampens the possibilities of increase in sugar exports from Brazil. Brazil sugar FOB prices are quoting \$504.75/ Ton.

Comparative raw sugar CIF prices from various sugar sourcing countries to India are mentioned in the table below:

Indicative Sugar FOB Prices (USD/MT) (\$=Rs.60.19) till 10 th March 2014			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$504.75	\$535/\$475	\$496



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 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).

However, recent months export figures changed sentiments with huge shipments volumes of sugar have been exported towards various Asian countries like Sri Lanka.

We estimate total sugar exports likely to reach 2.5-3 million tons from India in 2013-14 marketing year. Till date, India has exported 1.3 million tons of sugar as reported.

India Sugar Production Scenario:

India is likely to produce 24 million tons of sugar in 2013-14 which is less compared to 25.14 million tons sugar produced in 2012-13. Lesser acreage of sugarcane due to crop damage in Karnataka and UP followed by lower sugar recovery in UP led the overall sugarcane and sugar production down this year.

Till date India has produced 16.86 million tons of sugar in Oct-Feb period which is 10.63% lower compared to last year. It is notable that Maharashtra has produced 5.71 million tons till Feb this year fell from 6.57 million tons compared to last year same period.

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	1st March-7 March	22th Feb-28th Feb	Change
Sugar	Delhi - Grade M	3101	3004	97
	Delhi - Grade S	3047	2958	89
	Delhi - Grade L	3160	3062	98
	UP- Khatauli Grade M	3141	3004	137
	UP- Ramala Grade M	3044	2947	97
	UP- Dhampur Grade M Ex-Mill	3047	2994	53
	UP- Dhampur Grade S Ex-Mill	3027	2974	53
	UP- Dhampur Grade L Ex-Mill	3097	3044	53
	Mumbai –Grade M	3003	2942	61
	Mumbai –Grade S	2827	2802	25
	Kolhapur – Grade M	2817	2800	17
	Kolhapur – Grade S	2667	2640	27
	Guhawati – Grade S	2970	2944	26
	Shillong – Grade S	2987	2960	27
	Vijayawada – Grade M	3248	3220	28
	Vijayawada- Grade S	3128	3120	8
	Nagpur – Grade M	3025	3040	-15
	Nagpur – Grade S	2833	2800	33
	Kolkata – Grade M	NA	3054	-
	Chennai - Grade S	2811	2780	31

	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3027	3050	-23
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3025	3050	-25

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		7-March-14	28-Feb-14	7-Feb-14	7-March-13
Sugar	Delhi - Grade M	3150	3010	2945	3360
	Delhi - Grade S	3100	2950	2835	3300
	Delhi - Grade L	3210	3050	2995	3370
	UP- Khatauli Grade M	3215	3015	3150	3350
	UP- Ramala Grade M	3050	2980	2870	3310
	UP- Dhampur Grade M Ex-Mill	3015	3007	2910	3275
	UP- Dhampur Grade S Ex-Mill	2995	2987	2890	3255
	UP- Dhampur Grade L Ex-Mill	3065	3057	2960	3325
	Mumbai –Grade M	3052	2942	2912	3431
	Mumbai –Grade S	2800	2806	2752	3236
	Kolhapur – Grade M	2900	2800	2800	3125
	Kolhapur – Grade S	2750	2625	2650	3050
	Guhawati – Grade S	3055	2928	2954	-
	Shillong – Grade S	3070	2945	2970	-
	Vijayawada – Grade M	3300	3220	3220	3580
	Vijayawada- Grade S	3170	3120	3120	3480
	Nagpur – Grade M	3100	3000	3000	3425
	Nagpur – Grade S	2900	2800	2750	3325
	Kolkata – Grade M	NA	-	3030	3300
	Chennai - Grade S	2875	2780	2800	2975
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	2910	3050	3050	3227
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	2900	3050	3050	3215

Gur Market Scenario and Outlook

Prices of gur surge last week due to uneven rainfall that put hurdles in arrivals as well as in making gur production due to wet sugarcane.

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 firm owing to lower 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)

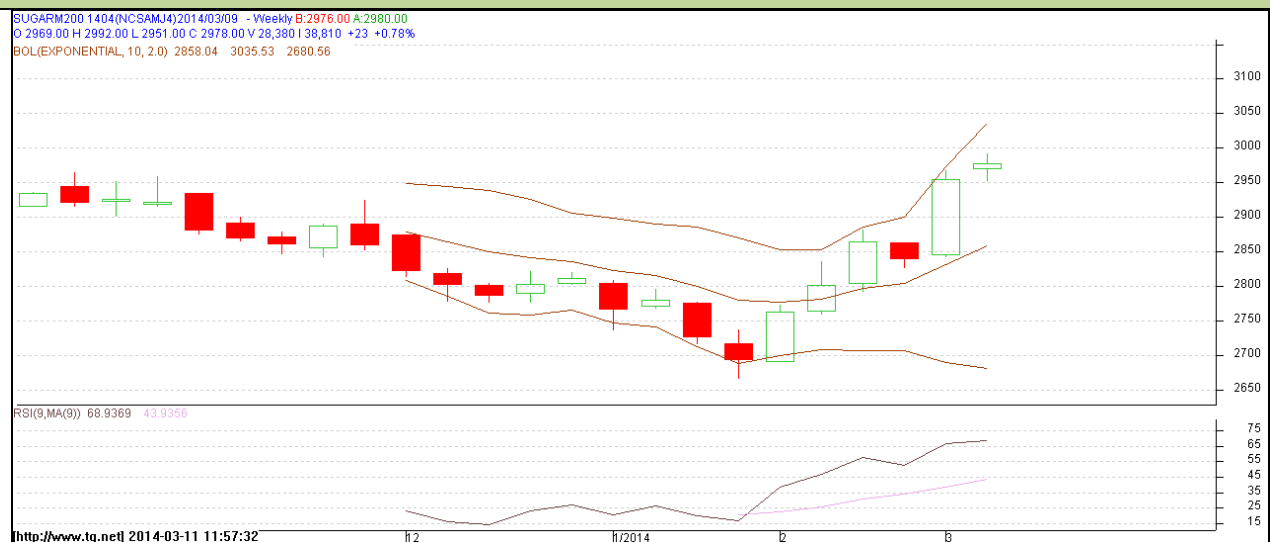
Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	1st March-7 March	22th Feb-28th Feb	Change
Muzaffar Nagar	Chaku	2590	2535	55
	Chaku (Arrival)	3833	5800	-1967
	Khurpa	2469	2395	74
	Laddoo	2564	2545	19
	Rascut	2191	2194	-3
Hapur	Chaurasa	2282	2260	22
Maharashtra	Balti	2283	2279	4
	Latur(Lal Variety)	2717	2680	37
Bangalore	Achhu	NA	-	-
	Mudde	3000	3000	Unch
Belgaum	Mudde	2710	2650	60
Belthangadi	Yellow (Average)	3108	3110	-2
Bijapur	Achhu	2480	2475	5
Gulbarga	Other (Average)	2640	2670	-30
Mahalingapura	Penti (Average)	2768	2720	48
Mandya	Achhu (Medium)	2558	2500	58
	Kurikatu (Medium)	2350	2350	Unch
	Other (Medium)	2508	2480	28
	Yellow (Medium)	2508	2500	8
Shimoga	Achhu (Average)	2950	3100	-150

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		7-March-14	28-Feb-14	7-March-14	7-March-13
Muzaffar Nagar	Chaku	2625	2650	2700	2750
	Khurpa(New)	2587	2400	2425	2588
	Laddu(New)	2637	2650	2575	2675
	Rascut	2250	2250	2250	2425
Hapur	Chaurasa	2350	2250	2250	-
	Balti	2300	2263	2275	-
Maharashtra	Latur(Lal Variety)	2750	2700	2650	3050
Bangalore	Achhu	NR	-	-	2900
	Mudde	3000	3000	2900	3000
Belgaum	Mudde	2700	2600	2600	-
Belthangadi	Yellow (Average)	3150	3150	3000	-
Bijapur	Achhu	2400	2500	2500	-
Gulbarga	Other (Average)	2650	2750	2650	-
Mahalingapura	Penti (Average)	2810	2740	2630	-
Mandya	Achhu (Medium)	2650	2500	2500	-
	Kurikatu (Medium)	2350	2350	2300	-
	Other (Medium)	2550	2500	2300	-
	Yellow (Medium)	2550	2500	2500	-
Shimoga	Achhu (Average)	2900	3100	3100	-

Commodity: Sugar
Contract: April

Exchange: NCDEX
Expiry: April 20, 2013

SUGAR (Weekly April Contract Chart)



Technical Commentary:

- Prices are moving in an uptrend.
- Sugar prices are hovering at overbought region.
- Last candlestick depicts bullishness.

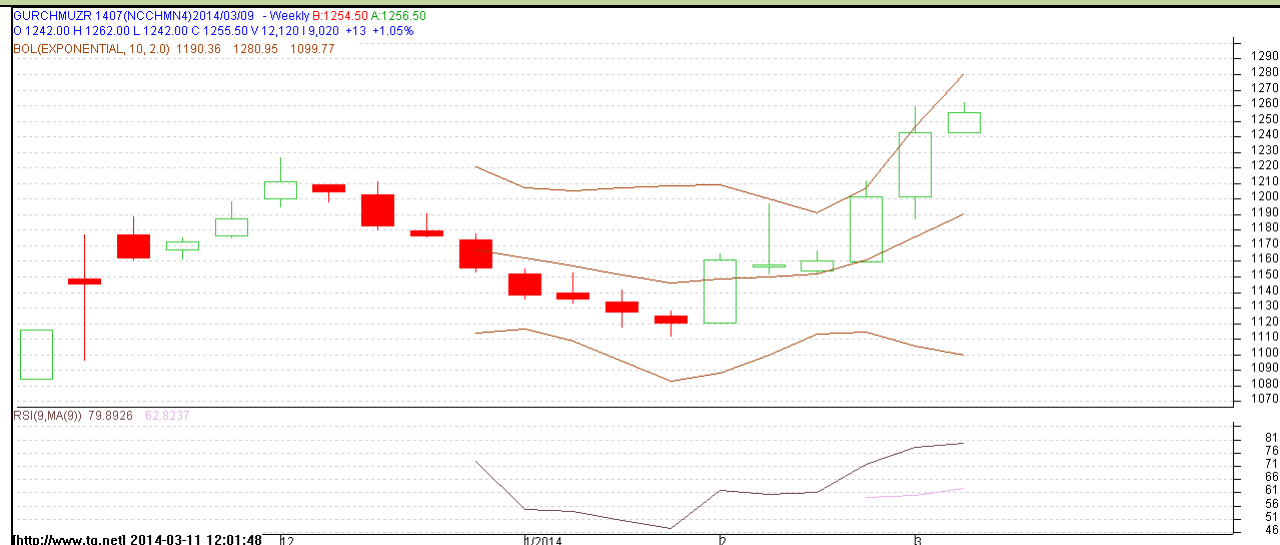
Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	April	2850	2900	2955	3080	3150
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	April	Buy	Above 2960	3020	3050	2925

Commodity: Gur
Contract: May

Exchange: NCDEX
Expiry: May 20, 2013

GUR (March May Chart)



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	May	1182	1201.5	1242.5	1298	1414
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	May	Buy	Below 1230	1260	1275	1029

International Scenario

Sugar prices surge in key ICE as well as in LIFFE last week due to lower sugar surplus globally estimated by various trade houses.

Slowly, International sugar prices taking upside and might move in the northward direction in the coming months. Traders believe that the global sugar surplus which was previously 10 million tons and now 4 million tons will disappear soon. Also, coming sugar crop in Brazil and India is expectedly less.

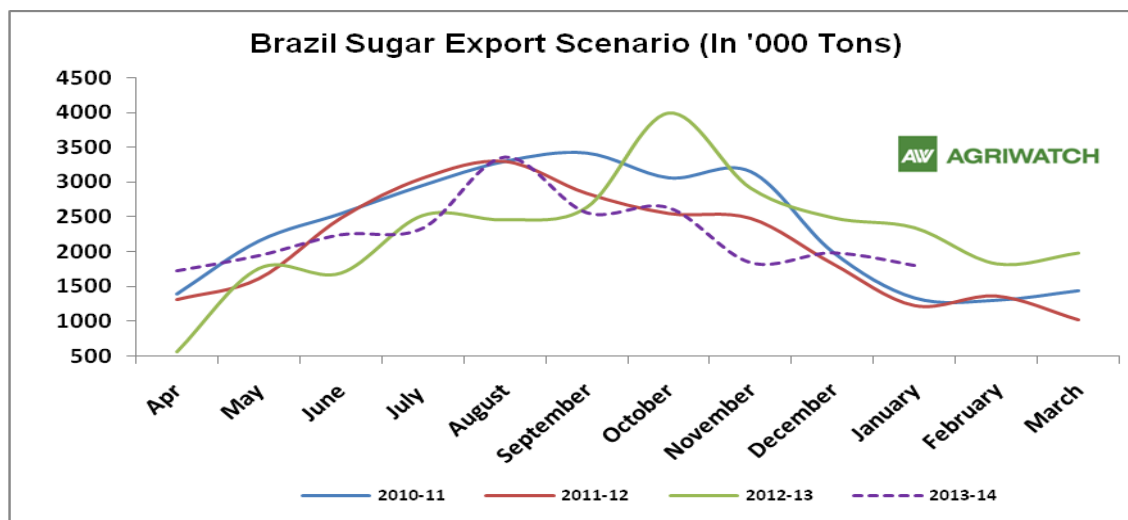
If this happens, then sugar prices in ICE as well as in LIFFE soon might test new highs as expected..

World Markets

Brazil

Dry weather conditions impacting crops. Normally the wettest period for the summer, January into February months have been severely hampered by La Niña weather conditions across the main farm belt, dry spells which have interrupted the growth cycles of cane production, will more than likely result in immature end stocks.

Brazilian Sugar Export Scenario



Brazil has exported 1.80 million tons of sugar, raw value, in January 2014 down from 2.34 million tons in the previous year.

It is notable that Brazil has exported 22.39 million tons of sugar this year till January which was 23.38 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.

Thailand

Early February Thailand elections were seen as pivotal to the world's second largest exporter as potential delays were predicted to cause an unfortunate backlash to sugar producers as talks of government walk-outs and strikes, following a series of anti-government protests in early and mid February.

Fortunately, the Thai production is forecasted at a 9% increase in comparison to the previous season according to the Secretary General for the countries sugar board.

Simultaneously, surges in a export from Thailand were also reported in February to increase more than 22% or 9 million metric tons which wasn't met with much skepticism as millers had be making the transition from the less lucrative rice production and into sugar milling over the past few years.

International Market News Highlights:

- China produced 2.7 million tons of sugar in February which is up from 2.45 million tons sugar produced last year same period.
- Australia is likely to produce 4.4 million tons of sugar in 2014-15 marketing year up by 0.2 million tons compared to 2013-14.
- Thailand sugar cane crush slows down with approx 70% of the crop has already been crushed. It is notable that mills now produce daily 100000 tons of sugar presently that was 120000 tons in February. Total sugarcane crush has now reached 80 million tons up from 75 million tons crushed last year at same period.

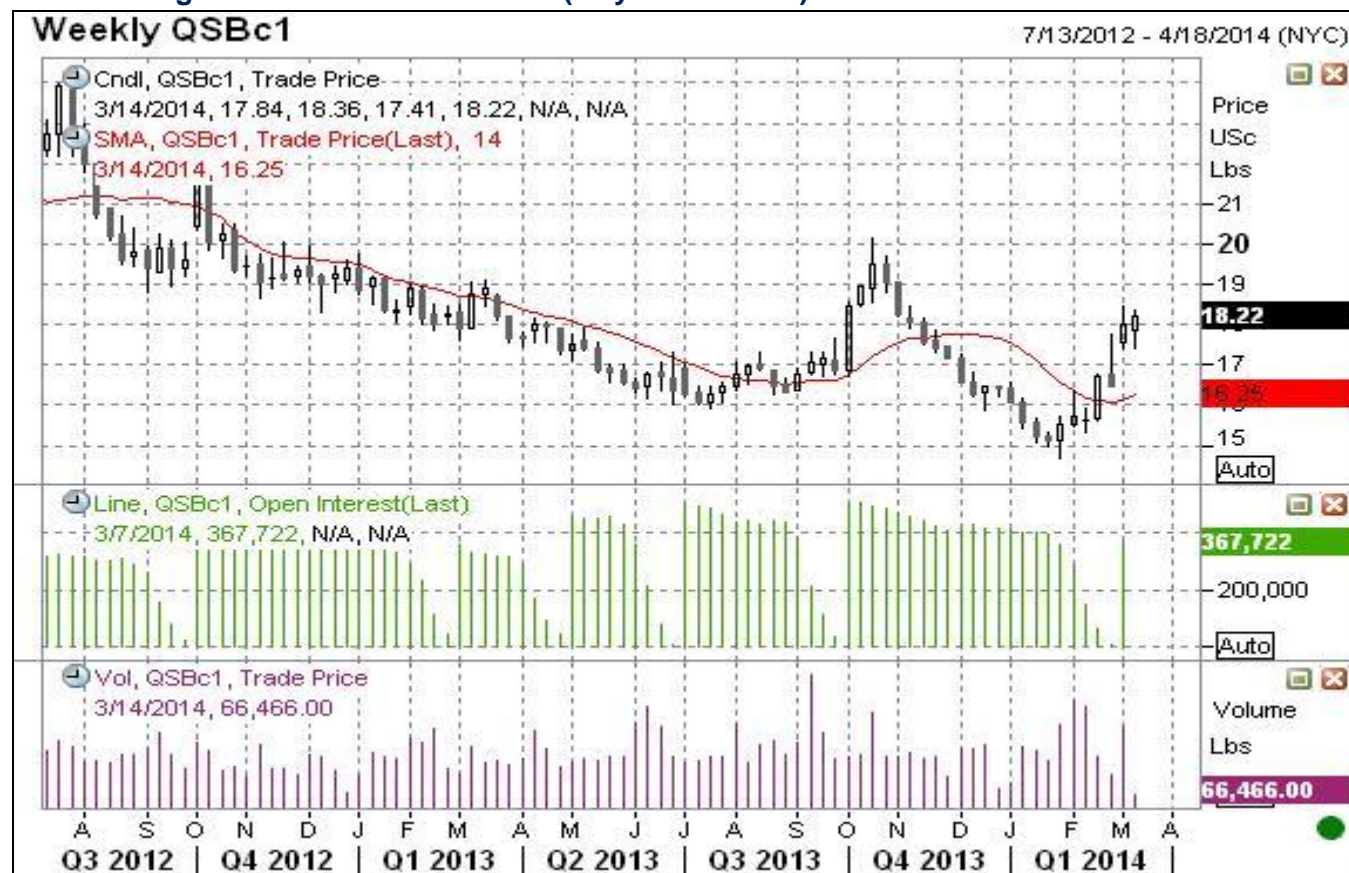
International Sugar Prices (Weekly)				
	Contract Month	6-March-14	27-Feb-14	Change
ICE Sugar #11 (US Cent/lb)	14-Mar	18.32	17.44	0.88
	14-May	18.5	18.07	0.43
	14-Jul	18.79	18.08	0.71
LIFFE Sugar (US \$/MT)	14-May	485.7	483.5	2.2
	14-Aug	494.4	487.9	6.5
	14-Oct	501.1	493.0	8.1

LIFFE Future Market Sugar Scenario (May'14 Contract):

Technical Commentary:

- Sugar prices are presently getting an upward correction on weekly chart.
- Increase in prices has supported by OI.
- Prices are presently hovering at \$478 till 10th March and one can take a short position from here with a Stop loss of \$486 and the target of \$463 per ton.
- Prices should take a technical correction from here.
- Prices recently test 61.8% retracement levels and breach of it would take the prices upwards further.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'13	478	463

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

Technical Commentary:

- ICE raw sugar futures are trading upwards and hovering at a pretty crucial level.
- Breach of 18.47 level would take the prices up to 19 cents.
- Presently, prices are moving between 50% and 61.8% retracement levels, breach of the mentioned levels either side would decide the future of the price further.
- Last candlestick depicts bullishness in the market.
- Also, Increase in prices has supported by OI and Volume.

Strategy: Buy at current levels and prices are likely to test its next resistance i.e. 19 cents per lb.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'14	18.22	19

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