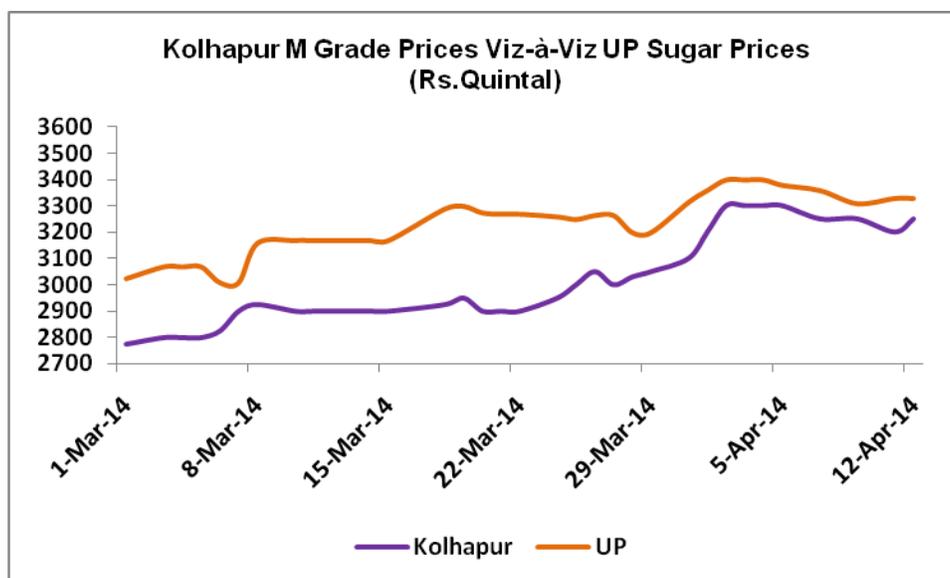


Sugar Price Trend and Outlook:

Sugar prices increased last week compared to prior week. However, in the later half prices have come down due to lower demand. Traders are not doing any new forward contracts of sugar at current rates. Only lifting of old sugar contracts are going on at present.

Meanwhile, now export demand of sugar has weakened due to lower sugar export parity as prices of sugar in domestic market have surged sharply. In the meantime, sugar prices in International markets take a downward correction.



Price Outlook:

Sugar prices remained in a bullish state due to lower sugar production estimate for 2013-14. In addition to it, higher sugar consumption in summer also kept the prices upside in domestic arena.

News Highlights:

- As on 13th April, a rake loaded with sugar has been reported from Sangli to Delhi at Rs. 3220/Quintal on FOR Basis.
- Karnataka sugar production this year stunned every one with 3.7 million tons of sugar already produced by mills and still counting. It is notable that till 31st March, Karnataka mills produced 3.3 million tons at the same period last year. Various trade houses were estimated lower sugar production this year compared to last year.
- Domestic sugar price outlook is totally depend on International sugar price movement at present. Currently, domestic prices are pretty much at higher levels from where new sugar export deal is not possible until increase in sugar international prices.
- Sugar millers are offering sugar at discount rates considering downward correction in last couple of days.
- **India produced 21.5 million tons of sugar till 31st March 2014** which is down from 23.1 million tons sugar produced at the same period last year, according to Industry association ISMA. Lower cane yield and recovery of sugar from cane especially in UP led the production decline.

Sugar Price Outlook:

Sugar prices are presently in a profit booking state. However, overall sentiments remained bullish for medium term due to lower production.

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 \$519.80 per ton (including 15% import duty) and Indian domestic refined sugar FOB prices quoted at \$520 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 \$468.75/ 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.60.27) till 12 th April 2014			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparitive Sugar FOB Prices	\$468.75	-\$448.9	\$520

Rake Business from Sourcing Destinations:

At rake loading front, Delhi has got around 6 rakes of sugar from Maharashtra in the first fortnight.

As on 13th April, a rake loaded with sugar has been reported from Sangli to Delhi at Rs. 3220/Quintal on FOR Basis.

Also, there are two rakes are about to come to Delhi center as reported.

India Sugar Production Scenario:

India is likely to produce 23.5 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 lower cane yield in Maharashtra and crop damage in UP followed by lower sugar recovery in UP led the overall sugarcane and sugar production down this year.

India produced 21.5 million tons of sugar till 31st March 2014 which is down from 23.1 million tons sugar produced at the same period last year, according to Industry association ISMA. Lower cane yield and recovery of sugar from cane especially in UP led the production decline.

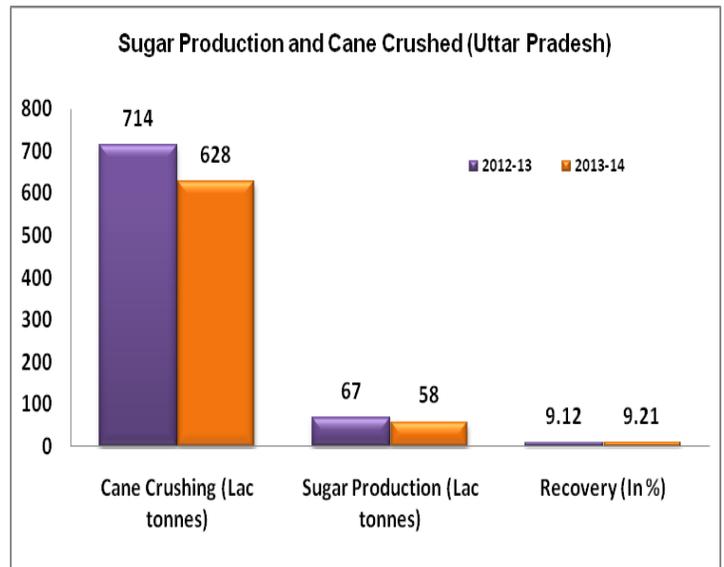
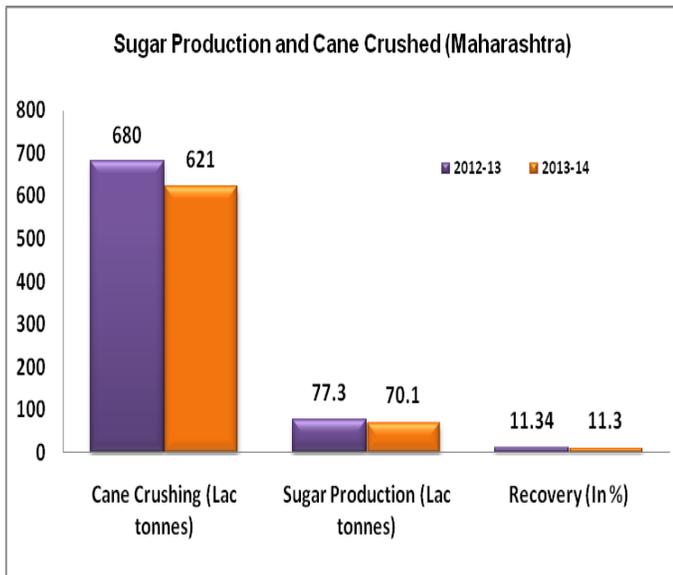
Also, there are some yield loss in cane reported in Maharashtra which ultimately decrease the sugarcane and sugar. Low sunshine curb the photosynthesis process in sugarcane which ultimately decrease the yield in June-Aug period as reported.

Out of total, Maharashtra produced 7.01 million tons of sugar with an average recovery of 11.3%. Last year, Maharashtra mills produced 7.73 million tons of sugar at the same period.

As far as Uttar Pradesh is concerned, mills in UP produced 5.8 million tons of sugar till date with an average recovery of 9.21%. However, Mills in UP produced 6.7 million tons of sugar at the same period last year.

On the contrary, Karnataka sugar production increase Y-o-Y and produced 3.75 million tons of sugar till 31st March which was 3.36 million tons at the same period last year.

If we consider present sugar production figure compared to last year, sugar production likely to reach 23.5 million tons in the present marketing year till September 2014.



Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	5th April-11th April	29th March-4th April	Change
Sugar	Delhi - Grade M	3323	3412	-89
	Delhi - Grade S	3263	3311	-48
	Delhi - Grade L	3358	3463	-105
	UP- Khatauli Grade M	No Sale	3553	-
	UP- Ramala Grade M	No Sale	3400	-
	UP- Dhampur Grade M Ex-Mill	3320	3300	20
	UP- Dhampur Grade S Ex-Mill	3300	3280	20
	UP- Dhampur Grade L Ex-Mill	3370	3350	20
	Mumbai –Grade M	3479	3408	71
	Mumbai –Grade S	3276	3227	49
	Kolhapur – Grade M	3250	3208	42
	Kolhapur – Grade S	3115	3072	43
	Guhawati – Grade S	3426	3382	44
	Shillong – Grade S	3435	3392	43
	Vijayawada – Grade M	3738	3650	88
	Vijayawada- Grade S	3538	3450	88
	Nagpur – Grade M	3475	3408	67
	Nagpur – Grade S	3275	3233	42
	Kolkata – Grade M	3384	3352	32
	Chennai - Grade S	3250	3167	83
Ambikapur (Chattisgarh)- Grade M (Without Duty)	2955	2925	30	
Ambikapur (Chattisgarh)- Grade S (Without Duty)	2945	2915	30	

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		11-Apr-14	4-Apr-14	11-Mar-14	11-Apr-13
Sugar	Delhi - Grade M	3250	3500	3200	3360
	Delhi - Grade S	3200	3400	3200	3310
	Delhi - Grade L	3325	3550	3300	3370
	UP- Khatauli Grade M	NR	3550	NR	3300
	UP- Ramala Grade M	NR	NR	3110	3260
	UP- Dhampur Grade M Ex-Mill	3330	3300	3175	3225
	UP- Dhampur Grade S Ex-Mill	3310	3280	3155	3205
	UP- Dhampur Grade L Ex-Mill	3380	3350	3225	3275
	Mumbai –Grade M	3442	3500	3086	Closed
	Mumbai –Grade S	3252	3296	2902	Closed
	Kolhapur – Grade M	3200	3300	2900	3100
	Kolhapur – Grade S	3100	3100	2775	3000
	Guhawati – Grade S	3410	3410	3081	NR
	Shillong – Grade S	3420	3420	3095	NR
	Vijayawada – Grade M	3700	3750	3350	3550
	Vijayawada- Grade S	3500	3550	3200	3450
	Nagpur – Grade M	3450	3500	3150	3350
	Nagpur – Grade S	3250	3300	3000	3250
	Kolkata – Grade M	3370	3415	3285	NA
	Chennai - Grade S	3250	2925	2925	3050
Ambikapur (Chattisgarh)- Grade M (Without Duty)	2985	2915	3050	NA	
Ambikapur (Chattisgarh)- Grade S (Without Duty)	2975	3250	3050	NA	

Gur Market Scenario and Outlook

Prices of gur decline last week due to higher arrivals in gur markets from last couple of weeks. Market was surprised by huge arrivals of gur from last couple of weeks.

Total around 803000 bags of 40 kg each of gur stored in warehouses presently which are lower compared to 983000 bags stored last year at same period in warehouses. Out of total gur stocks, 422000 bags of Chaku, 48000 bags of Rascut, 157000 bags of Papdi and 18000 bags of Khurpa gur stored in cold storages. It is notable that lower gur stock stored in cold storages would support the prices of gur in the medium term.

However, overall sentiments remained bullish due to lower stock position compared to last year.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	5th April-11th April	29th March-4th April	Change
Muzaffar Nagar	Chaku	2688	2728	-40
	Chaku (Arrival) Cumulative	50000	55000	-5000
	Khurpa	2600	2519	81
	Laddoo	2817	2735	82
	Rascut	2317	2337	-20
Hapur Maharashtra	Chaurasa	2363	2345	18
	Balti	2446	2423	23
	Latur(Lal Variety)	2963	3000	-37
Bangalore	Achhu	NR	NR	-
	Mudde	3100	3120	-20
Belgaum	Mudde	2940	3000	-60
Belthangadi	Yellow (Average)	3200	3280	-80
Bijapur	Achhu	2760	2838	-78
Gulbarga	Other (Average)	2567	2850	-283
Mahalingapura	Penti (Average)	3148	3005	143
Mandya	Achhu (Medium)	2600	2600	Unch
	Kurikatu (Medium)	2200	2225	-25
	Other (Medium)	2420	2475	-55
	Yellow (Medium)	2520	2525	-5
Shimoga	Achhu (Average)	3375	3513	-138

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		11-Apr-14	4-Apr-14	11-Mar-14	11-Apr-13
Muzaffar Nagar	Chaku	2638	2650	2750	3000
	Khurpa(New)	2550	2625	2575	2900
	Laddu(New)	2725	2850	2650	3075
	Rascut	2250	2250	2625	2800
Hapur	Chaurasa	2325	2350	2350	NR
	Balti	2388	2475	2425	NR
Maharashtra	Latur(Lal Variety)	2900	3000	2900	3250
Bangalore	Achhu	NR	NR	NR	3100
	Mudde	3100	3100	2900	3300
Belgaum	Mudde	3000	NR	2700	3000
Belthangadi	Yellow (Average)	3200	3300	3200	3000
Bijapur	Achhu	2800	2800	2300	3000
Gulbarga	Other (Average)	2825	2900	2575	2950
Mahalingapura	Penti (Average)	3070	3110	2860	3080
Mandya	Achhu (Medium)	2600	2600	2600	2900
	Kurikatu (Medium)	2200	2200	2300	2450
	Other (Medium)	2450	2450	2550	2550
	Yellow (Medium)	2500	2500	2550	2750
Shimoga	Achhu (Average)	3400	NR	2900	3550

Commodity: Sugar
Contract: May

Exchange: NCDEX
Expiry: May 20, 2014

SUGAR (Weekly May Contract Chart)



Technical Commentary:

- Prices are moving in an uptrend.
- Sugar prices are hovering near to overbought region.
- Market had booked profits at higher levels.
- Last candlestick depicts bearishness.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	May	3039	3098	3146	3350	-
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Buy	Above 3180	3250	3280	3140

Commodity: Gur
Contract: July

Exchange: NCDEX
Expiry: July 20, 2014

GUR (July Weekly Chart)



Technical Commentary:

- Gur prices are hovering in a uptrend as chart depicts.
- However, RSI is hovering at overbought region.
- Elliott wave pattern could be seen on the charts and 4th wave is making its way. Close below 1200 level will prove the pattern wrong..
- Profit booking occur at higher levels.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1148	1175	1191	1270	1297.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1190	1220	1235	1176

International Scenario

Sugar prices remained mixed in key ICE as well as in LIFFE last week. Various trade houses have different views over Brazilian sugarcane and sugar production estimates. Recently, CONAB estimates 2% higher sugarcane production due to 4.5% higher acreage and good productivity despite January to March drought.

However, other trade houses have different view on production. Job Economica agrees on CONAB acreage increase estimates but it don't agree on sugarcane productivity.

Meanwhile, Dubai traders are expecting a small dip in the International sugar prices as India is offering white sugar at \$520 per ton at which there are no buyers. However, Thailand is quoting higher and exporting sugar to China at present. However, Indonesian traders are quite at present and watching markets pretty closely. It is notable that Indonesia already imported sugar a lot which is the major factor of no demand from Indonesian sugar importers.

As far as Brazil is concerned, they are offering 45 ICUMSA sugar \$550/ MT at Jebel Ali on CIF basis.

Brazil Cane & Sugar Production Estimates By Various Trade Houses

	Sugarcane (In Million Tons)		Sugar (In Million Tons)	
	2013-14	2014-15	2013-14	2014-15
UNICA	596	596	34.3	34.3
CONAB	602	613	34.7	35.9
Datagro	596	574.6	34.3	33.2
Platts	596.3	585	34.3	34
Bioagencia	596	575	34.3	33.4
Archer Consulting	596	575.5	34.3	32.8
Copersucar	596	570	34.3	32
Sucden	596	586	34.3	34.3
F.O.Licht	596	575	34.3	31.1
Canaplan	596	577	34.3	-

Speculators Net Long & Short Positions (W-o-W Basis):

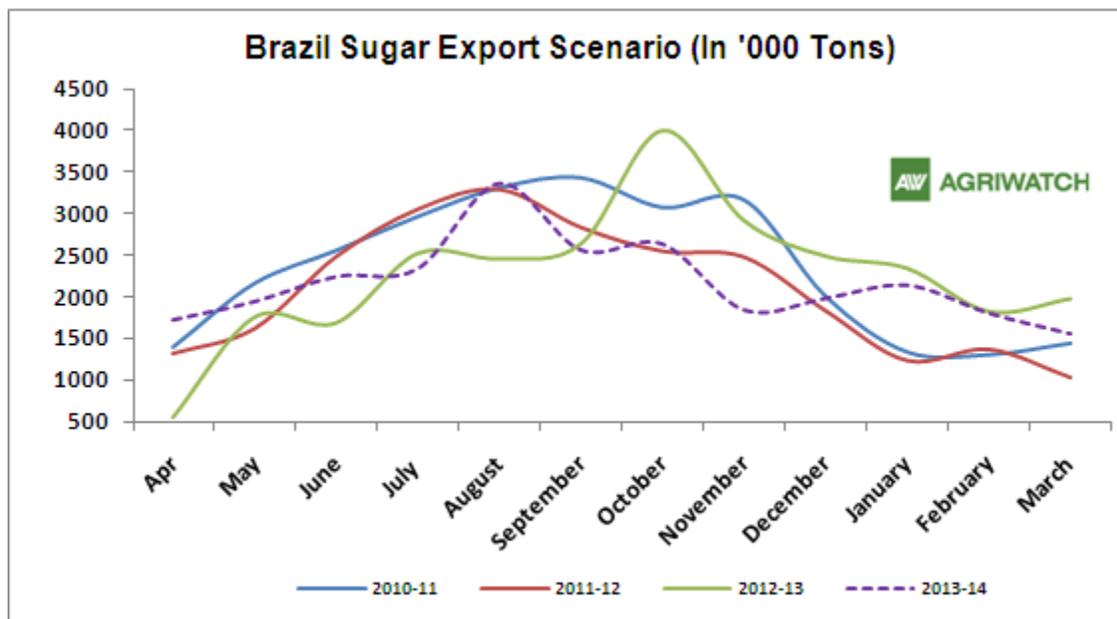
Supplemental	Non Commercial		Indexes		Commercial	
	Net	Change	Net	Change	Net	Change
Sugar	91734	3087	272929	2940	-373279	-4961

Futures + Options	Managed		Swaps		Producer	
	Net	Change	Net	Change	Net	Change
Sugar	124086	2259	155465	3575	-330533	-5414
	Other		Non-Reported		Open Interest	
	Net	Change	Net	Change	Net	Change
Sugar	42367	645	8614	-1068	976863	4085

Futures Only	Managed		Swaps		Producer	
	Net	Change	Net	Change	Net	Change
Sugar	136648	3977	140845	4178	-314530	-6119
	Other		Non-Reported		Open Interest	
	Net	Change	Net	Change	Net	Change
Sugar	28300	-798	9975	4831	786639	2066

International Market News Highlights:

- Thai white sugar premium increased little bit this week and trading at \$16-\$25 over LIFFE May contract which is \$5 higher compared to last week.
- Bangladesh increase sugar import duty on both raws and whites. It has increased duty on raws to \$26 per ton from \$19 per ton. On white sugar, import duty are now \$58 per ton from \$38 per ton. It is notable that Sugar exports from India is likely to affect by this increase in import duty.
- Brazil has exported 1.556 million tons of sugar in March 2014 down by 21% compared to last year same period sugar exported. Also, recent sugar export figures are down compared to February month sugar export i.e. 1.801 million tons. Lower Brazilian sugar production estimates by various trade houses dampen the sugar shipments.



- Cargill, one of the world's most experienced and profitable privately held commodity companies, has reportedly it will be joining its sugar and ethanol trading businesses with Brazilian giant *Copersucar*, which is to be led by the firms' head of sugar business. Traders and analysts believe that with this joint venture, it will create the world's largest overall sugar trading business without too much of a financial burden unto either entity.
- Due to a rally in world prices, government legislations and increased demand which have also made it more profitable for millers in the country, India has been able to increase its exports into nations such as Iran, winning tenders and a further business from the usual front-runner Brazil. In the last 4 months, the Asian nation has completed some 315,000 tonnes of raw Indian sugar across to their Middle Eastern neighbors.
- Thailand sugar production reach 10.9 million tons and likely to reach 11.2 million tons till end.

International Sugar Prices (Weekly)				
	Contract Month	10-Apr-14	3-Apr-14	Change
ICE Sugar #11 (US Cent/lb)	14-May	17.08	17.18	-0.1
	14-Jul	17.68	17.61	0.07
	14-Oct	18.24	18.09	0.15
LIFFE Sugar (US \$/MT)	14-May	470.3	472.9	-2.6
	14-Aug	479.1	479.5	-0.4
	14-Oct	489.4	487.5	1.9

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



Technical Commentary:

- Sugar prices are showing trend reversal on weekly chart.
- Decrease in prices has supported by volume.
- Prices are presently hovering at \$436 till 11th April and one can take a short position from here with a target of \$420

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'14	436	420

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



Technical Commentary:

- ICE raw sugar futures are trading downwards and hovering at a crucial level.
 - Last candlestick depicts bearishness in the market.
- Strategy: Sell at current levels.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'14	16.80	16.20

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