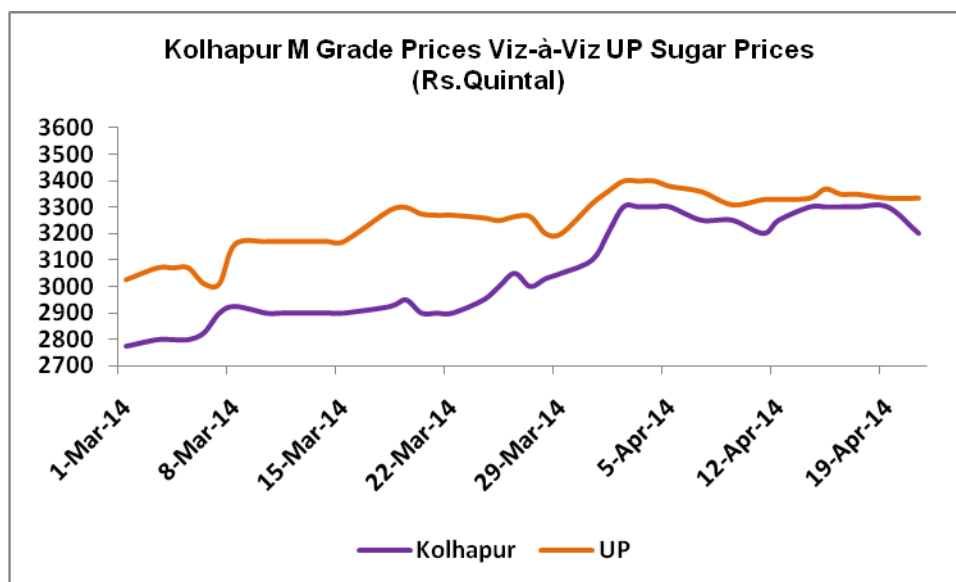


### Sugar Price Trend and Outlook:

Sugar prices increased last week compared to prior week. However, prices seem to take some profit bookings at higher levels. In addition to it, exporters are trying to release sugar stocks in the domestic markets only due to lower parity which would depress the prices of sugar.

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 are likely to move downwards in the coming week due to lower sugar demand at current levels.

### News Highlights:

- Indian exporters are now releasing sugar stocks in the domestic market which led the prices downwards. It is notable that weak international prices remove the export subsidy of sugar as reported.
- Government decided to continue with the raw sugar export subsidy of Rs 3300 per ton for April to May period.
- India produced 23.15 million tons of sugar till 15<sup>th</sup> April 2014 which is down by 4% compared to previous same period.
- ISMA estimate 2 million tons sugar exports in the current marketing year. It is notable that India exported around 1.4 million tons till date as reported. However, ISMA sugar export estimates are less compared to Agriwatch sugar export estimate i.e. 2.5-3 million tons in the current marketing.
- 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 Price Outlook:

Prices of sugar are likely to move downwards as exporters are currently selling sugar in domestic markets due to lower sugar export parity.

## 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 <sup>th</sup> April 2014			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative 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.

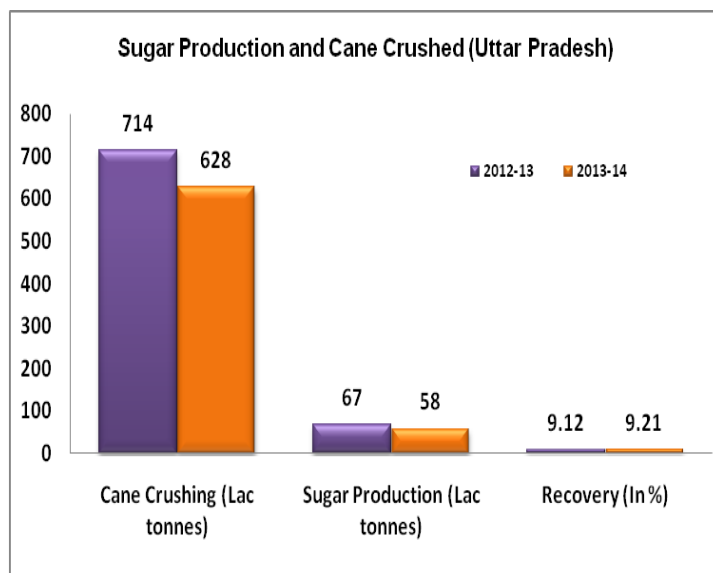
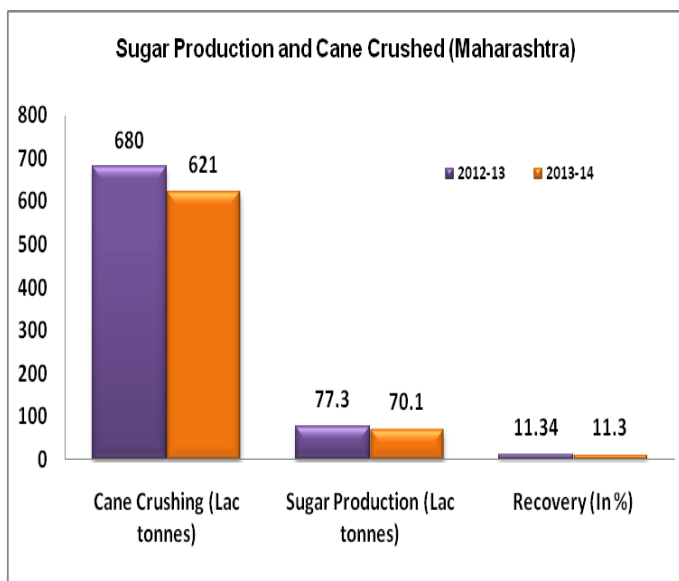
Also, there are some yield loss in cane reported in Maharashtra which ultimately decrease the sugarcane and sugar. Low sunshine curb the photosynthesis process in sugarcane which ultimately decrease the yield in June-Aug period as reported.

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	12th April-17th April	5th April-11th April	Change
Sugar	Delhi - Grade M	3362	3323	39
	Delhi - Grade S	3285	3263	22
	Delhi - Grade L	3405	3358	47
	UP- Khatauli Grade M	3517	No Sale	-
	UP- Ramala Grade M	No Sale	No Sale	-
	UP- Dhampur Grade M Ex-Mill	3376	3320	56
	UP- Dhampur Grade S Ex-Mill	3356	3300	56
	UP- Dhampur Grade L Ex-Mill	3426	3370	56
	Mumbai –Grade M	3468	3479	-11
	Mumbai –Grade S	3291	3276	15
	Kolhapur – Grade M	3290	3250	40
	Kolhapur – Grade S	3170	3115	55
	Guhawati – Grade S	3481	3426	55
	Shillong – Grade S	3490	3435	55
	Vijayawada – Grade M	3700	3738	-38
	Vijayawada- Grade S	3500	3538	-38
	Nagpur – Grade M	3450	3475	-25
	Nagpur – Grade S	3280	3275	5
	Kolkata – Grade M	3387	3384	3
	Chennai - Grade S	3262	3250	12
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	2985	2955	30
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	2975	2945	30

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		17-Apr-14	11-Apr-14	17-Mar-14	17-Apr-13
Sugar	Delhi - Grade M	3370	3250	3250	3340
	Delhi - Grade S	3300	3200	3150	3220
	Delhi - Grade L	3425	3325	NR	3340
	UP- Khatauli Grade M	3520	NR	NR	3305
	UP- Ramala Grade M	NR	NR	3110	3230
	UP- Dhampur Grade M Ex-Mill	3390	3330	3175	3225

UP- Dhampur Grade S Ex-Mill	3370	3310	3155	3205
UP- Dhampur Grade L Ex-Mill	3440	3380	3225	3275
Mumbai –Grade M	3492	3442	3072	3336
Mumbai –Grade S	3322	3252	2936	3126
Kolhapur – Grade M	3300	3200	2900	3025
Kolhapur – Grade S	3200	3100	2800	2925
Guhawati – Grade S	3512	3410	3106	-
Shillong – Grade S	3520	3420	3120	-
Vijayawada – Grade M	3700	3700	3450	3550
Vijayawada- Grade S	3500	3500	3250	3450
Nagpur – Grade M	3450	3450	3150	3240
Nagpur – Grade S	3300	3250	3000	-
Kolkata – Grade M	NA	3370	3350	-
Chennai - Grade S	3275	3250	2925	-
Ambikapur (Chattisgarh)- Grade M (Without Duty)	2985	2985	3050	-
Ambikapur (Chattisgarh)- Grade S (Without Duty)	2975	2975	2925	3025

### 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 979378 bags of 40 kg each of gur stored in warehouses presently which are lower compared to 1120409 bags stored last year at same period in warehouses. Out of total gur stocks, 580002 bags of Chaku, 56327 bags of Rascut, 189090 bags of Papdi and 22622 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.

With increasing gur stock position in the cold storages, prices are likely to take some downward correction as expected.

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

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	12th April-17th April	5th April-11th April	Change
<b>Muzaffar Nagar</b>	Chaku	2668	2688	<b>-20</b>
	Chaku (Arrival)	11500	16667	<b>-5167</b>
	Khurpa	2537	2600	<b>-63</b>
	Laddoo	2662	2817	<b>-155</b>

	Rascut	2281	2317	-36
Hapur Maharashtra	Chaursa	2331	2363	-32
	Balti	2356	2446	-90
	Latur(Lal Variety)	2980	2963	17
Bangalore	Achhu	NR	NR	-
	Mudde	3100	3100	Unch
Belgaum	Mudde	NR	2940	-
Belthangadi	Yellow (Average)	3200	3200	Unch
Bijapur	Achhu	2800	2760	40
Gulbarga	Other (Average)	2750	2567	183
Mahalingapur a	Penti (Average)	2910	3148	-238
Mandya	Achhu (Medium)	2600	2600	Unch
	Kurikatu (Medium)	2200	2200	Unch
	Other (Medium)	2450	2420	30
	Yellow (Medium)	2500	2520	-20
Shimoga	Achhu (Average)	3400	3375	25

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

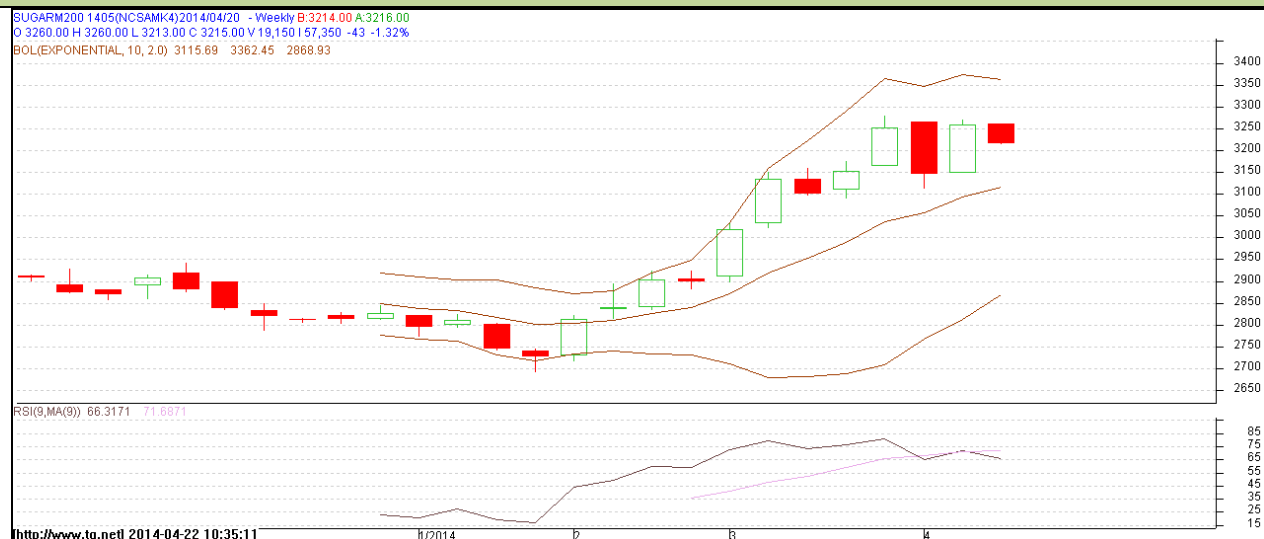
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		17-Apr-14	11-Apr-14	17-Mar-14	17-Apr-13
Muzaffar Nagar	Chaku	2662	2638	2775	2850
	Khurpa(New)	2600	2550	2550	5000
	Laddu(New)	2575	2725	2675	2675
	Rascut	2250	2250	2500	2725
Hapur	Chaursa	2325	2325	2350	2725
	Balti	2362	2388	2388	3075
Maharashtra	Latur(Lal Variety)	3000	2900	2800	-
Bangalore	Achhu	Closed	NR	NR	3000
	Mudde	Closed	3100	3000	3200
Belgaum	Mudde	Closed	3000	NR	3000
Belthangadi	Yellow (Average)	Closed	3200	NR	3000
Bijapur	Achhu	Closed	2800	2800	-
Gulbarga	Other (Average)	Closed	2825	2750	3000
Mahalingapur a	Penti (Average)	Closed	3070	NR	3060
Mandya	Achhu (Medium)	Closed	2600	2650	3000
	Kurikatu	Closed	2200	2300	2600

	(Medium)				
	Other (Medium)	Closed	2450	2550	2600
	Yellow (Medium)	Closed	2500	2500	2900
<b>Shimoga</b>	Achhu (Average)	Closed	3400	NR	3525

**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.

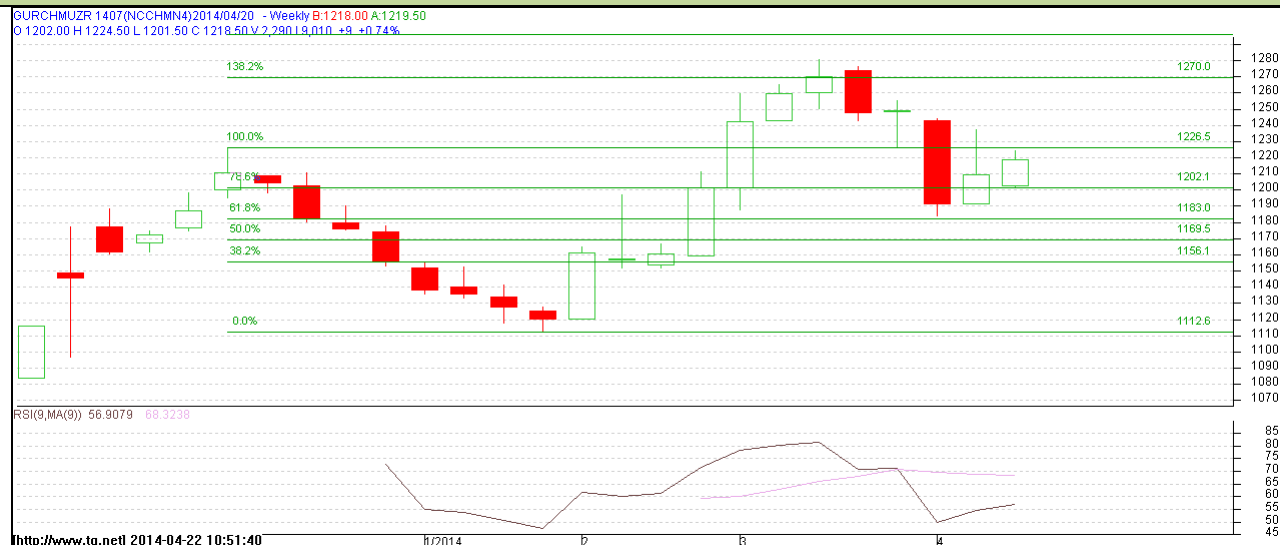
#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	May	3039	3098	3238	3350	-
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	<b>Sell</b>	Below 3210	3170	3150	3234

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 4<sup>th</sup> wave is making its way. Close below 1200 level will prove the pattern wrong.
- Profit booking occur at higher levels.

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1112	1155.5	1209.5	1270	1297.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	<b>Sell</b>	Below 1220	1180	1160	1244



## International Scenario

Less trading activities reported due to Good Friday and Easter in ICE as well as in LIFFE last week. Meanwhile, 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
<b>UNICA</b>	596	596	34.3	34.3
<b>CONAB</b>	602	613	34.7	35.9
<b>Datagro</b>	596	574.6	34.3	33.2
<b>Platts</b>	596.3	585	34.3	34
<b>Bioagencia</b>	596	575	34.3	33.4
<b>Archer Consulting</b>	596	575.5	34.3	32.8
<b>Copersucar</b>	596	570	34.3	32
<b>Sucden</b>	596	586	34.3	34.3
<b>F.O.Licht</b>	596	575	34.3	31.1
<b>Canaplan</b>	596	577	34.3	-

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

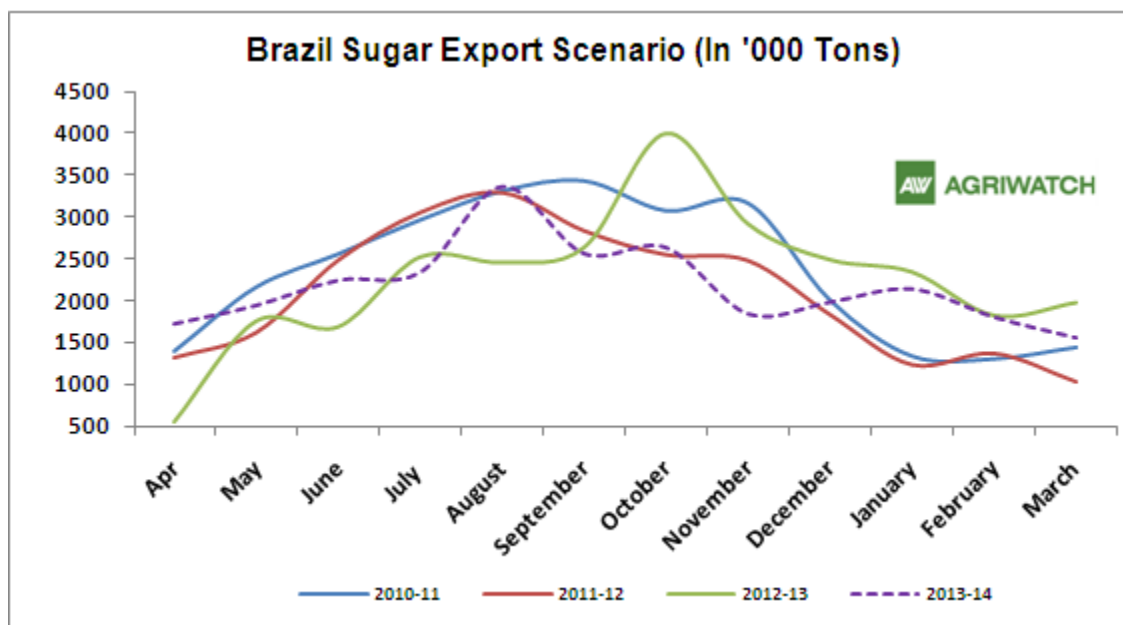
Supplemental	Non Commercial		Indexes		Commercial	
	Net	Change	Net	Change	Net	Change
Sugar	91734	3087	272929	2940	-373279	-4961

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 raw sugar premium could rise from its present level of 75 to 80 points over ICE raw sugar futures.
- China has imported 411,132 tons of sugar in March month which is up by 100.4 percent compared to last year same period.
- 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	16-Apr-14	10-Apr-14	Change
ICE Sugar #11 (US Cent/lb)	14-May	16.92	17.08	-0.16
	14-Jul	17.69	17.68	0.01
	14-Oct	18.33	18.24	0.09
LIFFE Sugar (US \$/MT)	14-May	470.4	470.3	0.1
	14-Aug	479.4	479.1	0.3
	14-Oct	490.6	489.4	1.2

### 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 11<sup>th</sup> 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	470	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	16.92	16.20

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