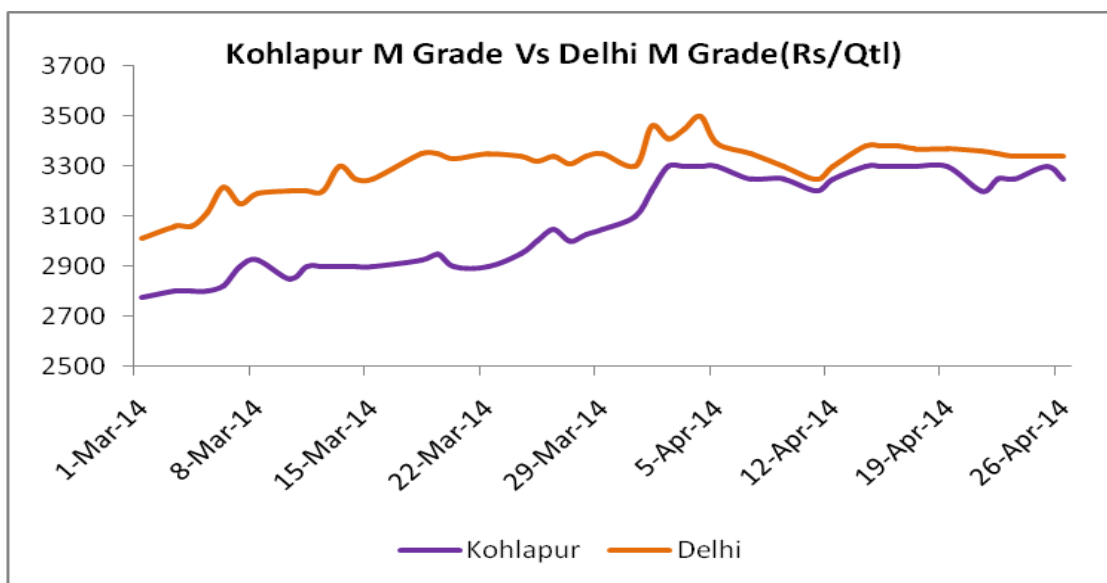


Sugar Price Trend and Outlook:

Sugar prices showed mixed sentiments compared to prior week. Markets are not able to find any adequate side at this point of time.

On the other hand, 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 15th 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 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 \$463.5/ 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 21 th April 2014			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$463.75	-\$464	\$495.30

Rake Business from Sourcing Destinations:

At rake loading front, Delhi has got around 1 rakes of sugar from Maharashtra last week. a rake loaded with sugar has been reported from Maharashtra to Delhi at Rs. 3250/Quintal on FOR Basis. However, there are no rakes business reported destinations to Delhi center until 27th April 2014.

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.

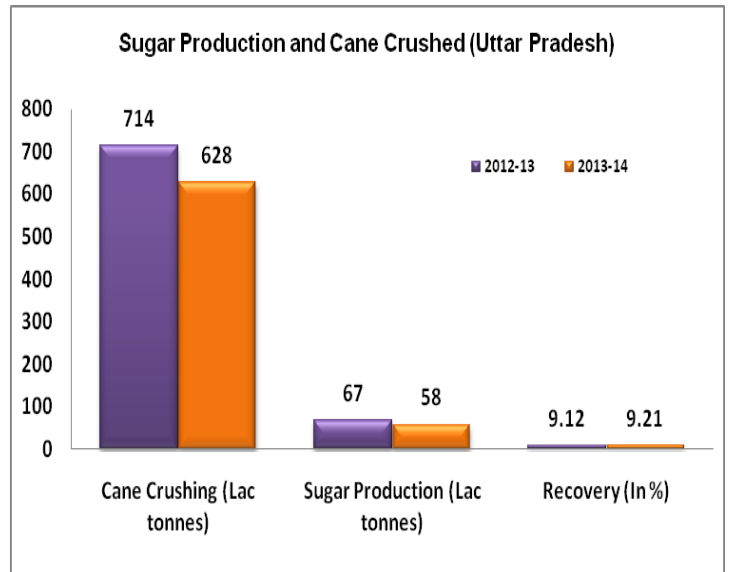
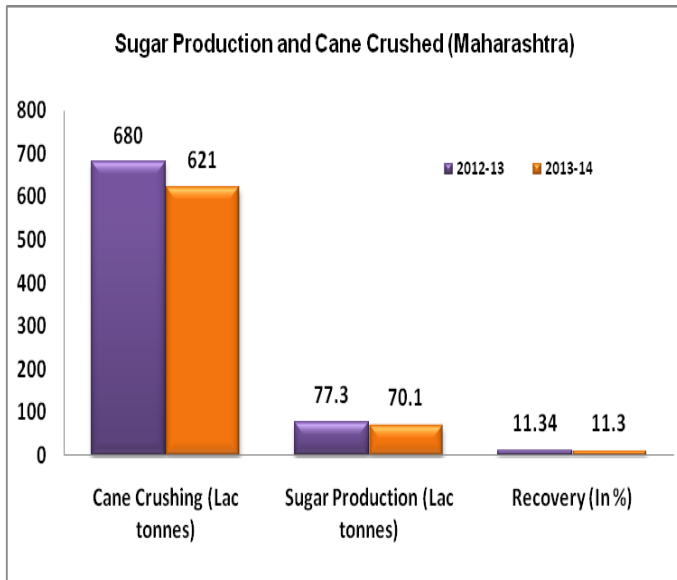
Also, there are some yield loss in cane reported in Maharashtra which ultimately decrease the sugarcane and sugar. Low sunshine curb the photosynthesis process in sugarcane which ultimately decrease the yield in June-Aug period as reported.

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) (Average)				
Commodity	Centre	19th April-25th April	12th April-17th April	Change
Sugar	Delhi - Grade M	3350	3362	-12
	Delhi - Grade S	3288	3285	3
	Delhi - Grade L	3408	3405	3
	UP- Khatauli Grade M	3520	3517	3
	UP- Ramala Grade M	3320	No Sale	-
	UP- Dhampur Grade M Ex-Mill	3348	3376	-28
	UP- Dhampur Grade S Ex-Mill	3328	3356	-28
	UP- Dhampur Grade L Ex-Mill	3398	3426	-28
	Mumbai –Grade M	3492	3469	23
	Mumbai –Grade S	3312	3292	20
	Kolhapur – Grade M	3260	3290	-30
	Kolhapur – Grade S	3120	3170	-50
	Guhawati – Grade S	2903	3481	-578
	Shillong – Grade S	2920	3490	-570
	Vijayawada – Grade M	3690	3700	-10
	Vijayawada- Grade S	3525	3500	25
	Nagpur – Grade M	3450	3450	Unch
	Nagpur – Grade S	3300	3280	20
	Kolkata – Grade M	3426	3388	38
	Chennai - Grade S	3260	3263	-3
Ambikapur (Chattisgarh)-Grade M (Without Duty)	3128	2985	143	
Ambikapur (Chattisgarh)-Grade S (Without Duty)	3158	2975	183	

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		25-Apr-14	17-Apr-14	25-Mar-14	25-Apr-13
Sugar	Delhi - Grade M	3340	3370	3320	3300
	Delhi - Grade S	3285	3300	3115	3230
	Delhi - Grade L	3400	3425	3320	3330
	UP- Khatauli Grade M	NR	3520	NR	3240
	UP- Ramala Grade M	3360	NR	NR	3260
	UP- Dhampur Grade M Ex-Mill	3320	3390	3200	3225

UP- Dhampur Grade S Ex-Mill	3300	3370	3180	3205
UP- Dhampur Grade L Ex-Mill	3370	3440	3250	3275
Mumbai –Grade M	3476	3492	3142	3321
Mumbai –Grade S	3312	3322	3016	3126
Kolhapur – Grade M	3300	3300	3000	3000
Kolhapur – Grade S	3150	3200	2900	2925
Guhawati – Grade S	3461	3512	3207	NR
Shillong – Grade S	3470	3520	3220	NR
Vijayawada – Grade M	3680	3700	3470	3550
Vijayawada- Grade S	3550	3500	3270	3450
Nagpur – Grade M	3450	3450	3150	NR
Nagpur – Grade S	3300	3300	3030	NR
Kolkata – Grade M	3430	3440	3300	NA
Chennai - Grade S	3200	3275	3000	3050
Ambikapur (Chattisgarh)- Grade M (Without Duty)	3200	2985	2925	3165
Ambikapur (Chattisgarh)- Grade S (Without Duty)	3175	2975	2915	3150

Gur Market Scenario and Outlook

Gur prices are moving upward from last week, due to seasonal demand from various consuming sector like Beverages industries and cornering stock by stockiest in anticipation of higher prices in the months ahead.

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	19th April-25th April	12th April-17th April	Change
Muzaffar Nagar	Chaku	2800	2669	131
	Chaku (Arrival)	39000	46000	-7000

	Khurpa	2592	2538	54
	Laddoo	2729	2663	66
	Rascut	2329	2281	48
Hapur	Chaurasa	2470	2232	238
	Balti	2410	2357	53
	Latur(Lal Variety)	2933	2980	-47
Maharashtra	Achhu	NR	NR	-
	Mudde	3117	3100	17
Bangalore	Mudde	3140	3000	140
Belthangadi	Yellow (Average)	3133	3200	-67
Bijapur	Achhu	2810	2800	10
Gulbarga	Other (Average)	2933	2750	183
Mahalingapur	Penti (Average)	2926	2910	16
Mandya	Achhu (Medium)	2467	2600	-133
	Kurikatu (Medium)	2200	2200	Unch
	Other (Medium)	2358	2450	-92
	Yellow (Medium)	2400	2500	-100
Shimoga	Achhu (Average)	3483	3400	83

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		25-Apr-14	17-Apr-14	25-Mar-14	25-Apr-13
Muzaffar Nagar	Chaku	2775	2663	2710	3000
	Khurpa(New)	2325	2600	2375	2828
	Laddu(New)	2625	2575	2600	2950
	Rascut	2750	2250	2375	2750
Hapur	Chaurasa	2500	2325	2350	NR
	Balti	2488	2362	2450	NR
Maharashtra	Latur(Lal Variety)	3000	3000	3000	3050
Bangalore	Achhu	NR	NR	NR	3000
	Mudde	3000	3100	3100	3200
Belgaum	Mudde	3100	3000	2800	3000
Belthangadi	Yellow (Average)	3200	3200	3300	3300
Bijapur	Achhu	3000	2800	2725	3100
Gulbarga	Other (Average)	2950	2700	2750	2950
Mahalingapur	Penti (Average)	2840	2880	2940	3040

a					
Mandya	Achhu (Medium)	2450	2600	2600	3200
	Kurikatu (Medium)	2200	2200	2300	2600
	Other (Medium)	2350	2450	2550	2700
	Yellow (Medium)	2350	2500	2550	3100
Shimoga	Achhu (Average)	3400	3400	2900	3350

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	3249	3350	-
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Sell	Below 3260	3250	3245	3230

Commodity: Gur
Contract: July

Exchange: NCDEX
Expiry: July 20, 2014

GUR (July Weekly Chart)

GURCHMUZR 1407(NCCHMN4)2014/04/27 - Weekly B:1218.00 A:1220.00
O 1220.00 H 1225.00 L 1212.50 C 1220.00 V 5,490 I 8,540 -3 -0.25%



Technical Commentary:

- Gur prices are hovering in a uptrend as chart depicts.
- However, RSI is hovering at neutral region.
- Profit booking occur at higher levels.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1112	1155.5	1223	1270	1297.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1210	1218	1222	1207

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
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

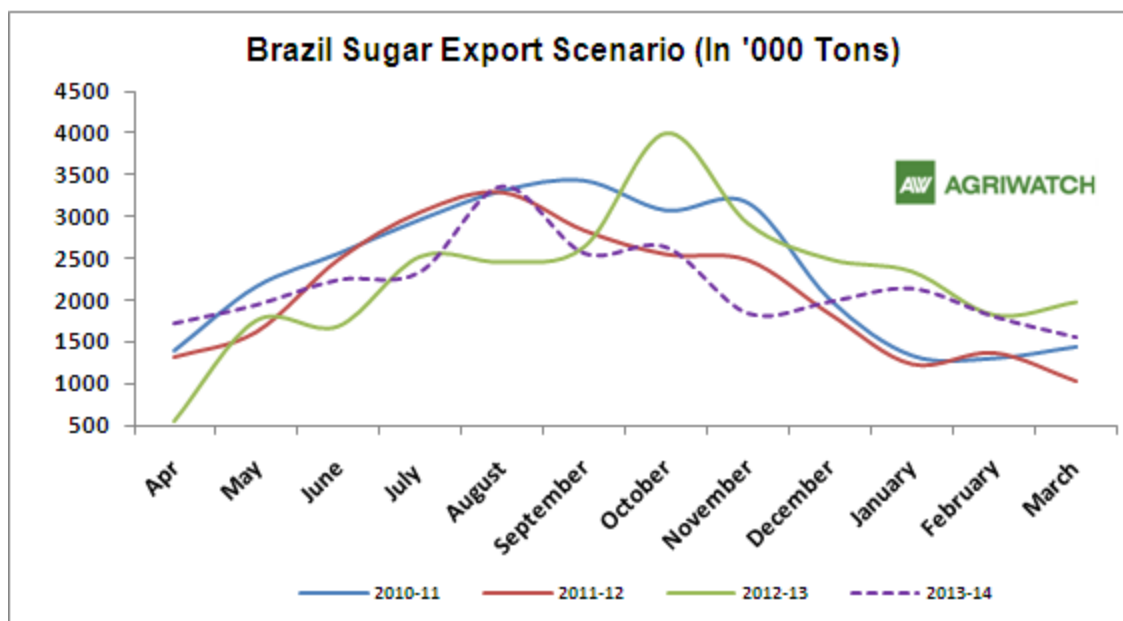
Futures + Options	Managed		Swaps		Producer	
	Net	Change	Net	Change	Net	Change
Sugar	124086	2259	155465	3575	-330533	-5414
	Other		Non-Reported		Open Interest	
	Net	Change	Net	Change	Net	Change

Sugar	42367	645	8614	-1068	976863	4085
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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	24-Apr-14	17-Apr-14	Change
ICE Sugar #11 (US Cent/lb)	14-Mar	17.12	16.66	0.46
	14-May	17.74	17.33	0.41
	14-Jul	18.4	18.02	0.38
LIFFE Sugar (US \$/MT)	14-Aug	476.1	464	12.1
	14-Oct	484.8	472.8	12
	14-Dec	496.0	484.4	11.6

LIFFE Future Market Sugar Scenario (Aug'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)	Aug'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	16.90	16.25

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