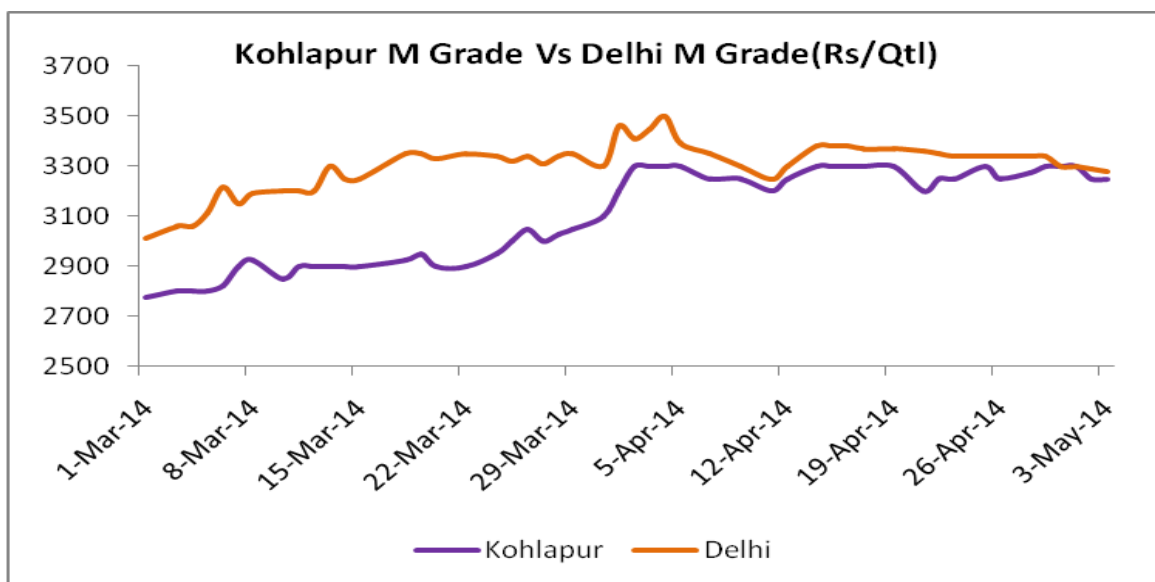


Sugar Price Trend and Outlook:

Higher area coverage led the sugar prices down from last couple of weeks, apart from demand in summer season sugar prices took correction in last week and hover in the range of Rs.3100-3500/Qtl at various spot markets.

India, the world's second-largest sugar producer and the biggest consumer, exported 1.45 million tonnes of both raw and refined sugar during the October-March period.

**Price Outlook:**

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

News Highlights:

- Monsoon rainfall is likely to be below average this year, the India Meteorological Department (IMD) said on Thursday in a forecast, which, if it proves to be correct, could jeopardize a fragile economic recovery, push up food prices and quickly make life difficult for the next government.
- As per by ISMA, India, the world's second-largest sugar producer and biggest consumer, exported 8, 00,000 tonne of raw sweetener between October and March, compared with a paltry 4,000 tonne a year before.
- 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.

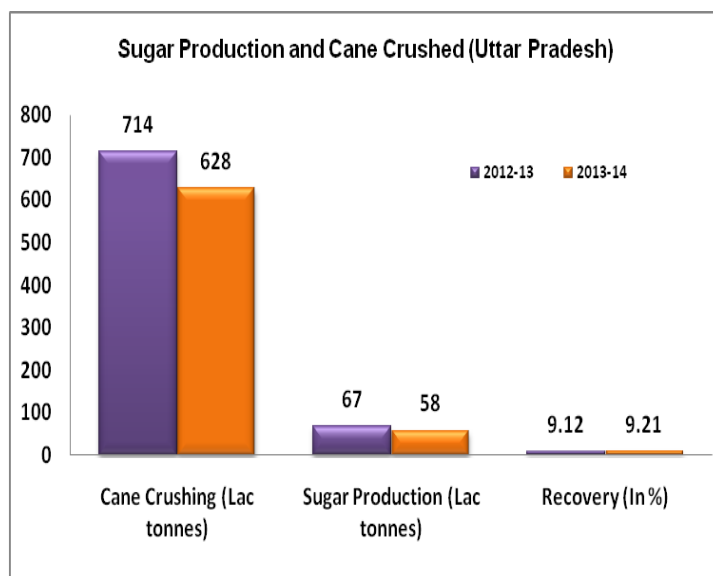
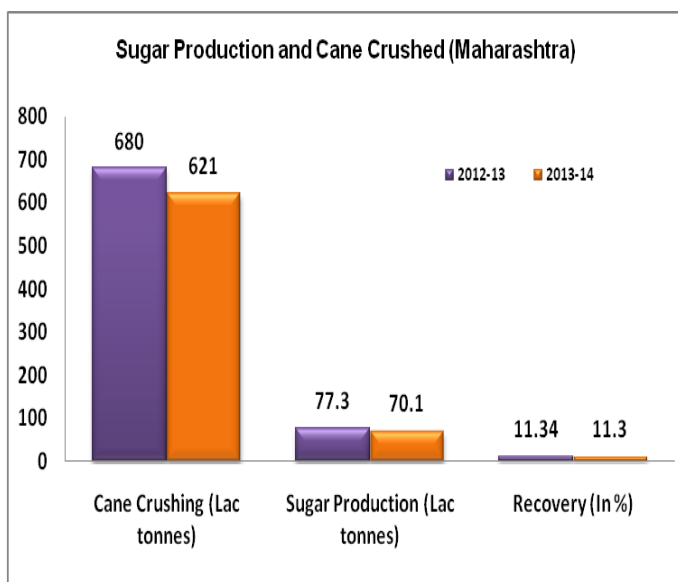
Also, there are some yield loss in cane reported in Maharashtra which ultimately decrease the sugarcane and sugar. Low sunshine curb the photosynthesis process in sugarcane which ultimately decrease the yield in June-Aug period as reported.

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)				
Commo dity	Centre	26th April-2ed May	19th April-25th April	Chan ge
Sugar	Delhi - Grade M	3318	3350	-32
	Delhi - Grade S	3266	3288	-22
	Delhi - Grade L	3373	3408	-35
	UP- Khatauli Grade M	3233	3520	-287
	UP- Ramala Grade M	3348	3320	28
	UP- Dhampur Grade M Ex-Mill	3313	3348	-35
	UP- Dhampur Grade S Ex-Mill	3293	3328	-35
	UP- Dhampur Grade L Ex-Mill	3363	3398	-35
	Mumbai –Grade M	3476	3492	-16
	Mumbai –Grade S	3310	3312	-2
	Kolhapur – Grade M	3288	3260	28
	Kolhapur – Grade S	3142	3120	22
	Guhawati – Grade S	3453	2903	550
	Shillong – Grade S	3462	2920	542
	Vijayawada – Grade M	3675	3690	-15
	Vijayawada- Grade S	3547	3525	22
	Nagpur – Grade M	3450	3450	Unch
	Nagpur – Grade S	3300	3300	Unch
	Kolkata – Grade M	3452	3426	26
	Chennai - Grade S	3205	3260	-55
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3183	3128	55
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3158	3158	Unch

Spot Sugar Prices Scenario (Weekly)					
Commo dity	Centre	Today	Week Ago	Month Ago	Year Ago
		2-May-14	25-Apr-14	2-Apr-14	2-May-13
Sugar	Delhi - Grade M	3290	3340	3410	3290
	Delhi - Grade S	3240	3285	3400	3210
	Delhi - Grade L	3340	3400	3460	3310
	UP- Khatauli Grade M	3250	NR	3560	3250
	UP- Ramala Grade M	3350	3360	3400	3230
	UP- Dhampur Grade M Ex-Mill	3310	3320	3300	3120

UP- Dhampur Grade S Ex-Mill	3290	3300	3280	3100
UP- Dhampur Grade L Ex-Mill	3360	3370	3350	3170
Mumbai –Grade M	3476	3476	3362	3381
Mumbai –Grade S	3302	3312	3206	3182
Kolhapur – Grade M	3250	3300	3200	3025
Kolhapur – Grade S	3100	3150	3050	2925
Guhawati – Grade S	3410	3461	3360	NR
Shillong – Grade S	3420	3470	3370	NR
Vijayawada – Grade M	3650	3680	3650	3520
Vijayawada- Grade S	3530	3550	3450	3420
Nagpur – Grade M	3450	3450	3450	NR
Nagpur – Grade S	3300	3300	3250	NR
Kolkata – Grade M	3475	3430	3270	3370
Chennai - Grade S	3175	3200	3100	3050
Ambikapur (Chattisgarh)- Grade M (Without Duty)	3200	3200	2925	3015
Ambikapur (Chattisgarh)- Grade S (Without Duty)	3175	3175	2915	3000

Gur Market Scenario and Outlook

Gur prices are mixed trend 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	26th April-2ed May	19th April-25th April	Change
Muzaffar Nagar	Chaku	2904	2800	104
	Chaku (Arrival)	12700	39000	-26300
	Khurpa	2813	2592	221
	Laddoo	2892	2729	163
	Rascut	2396	2329	67

Hapur	Chaursa	2538	2470	68
	Balti	2558	2410	148
Maharashtra	Latur(Lal Variety)	3000	2933	67
Bangalore	Achhu	2900	NR	-
	Mudde	3000	3117	-117
Belgaum	Mudde	2867	3140	-273
Belthangadi	Yellow (Average)	3200	3133	67
Bijapur	Achhu	2850	2810	40
Gulbarga	Other (Average)	2950	2933	17
Mahalingapura	Penti (Average)	2895	2926	-31
Mandya	Achhu (Medium)	2433	2467	-34
	Kurikatu (Medium)	2200	2200	Unch
	Other (Medium)	2350	2358	-8
	Yellow (Medium)	2350	2400	-50
Shimoga	Achhu (Average)	3613	3483	130

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		2-May-14	25-Apr-14	2-Apr-14	2-May-13
Muzaffar Nagar	Chaku	3200	2775	2625	3075
	Khurpa(New)	2875	2325	2525	2850
	Laddu(New)	3000	2625	2675	3025
	Rascut	2425	2750	2250	2750
Hapur	Chaursa	2600	2500	2338	NR
	Balti	2600	2488	2400	NR
Maharashtra	Latur(Lal Variety)	3000	3000	3000	3075
Bangalore	Achhu	NR	NR	NR	3000
	Mudde	NR	3000	3100	3200
Belgaum	Mudde	NR	3100	3000	3000
Belthangadi	Yellow (Average)	NR	3200	3300	3400
Bijapur	Achhu	NR	3000	2750	2950
Gulbarga	Other (Average)	NR	2950	2800	2950
Mahalingapura	Penti (Average)	NR	2840	2940	3080
Mandya	Achhu (Medium)	NR	2450	2600	3000
	Kurikatu (Medium)	NR	2200	2200	2550
	Other (Medium)	NR	2350	2500	2500

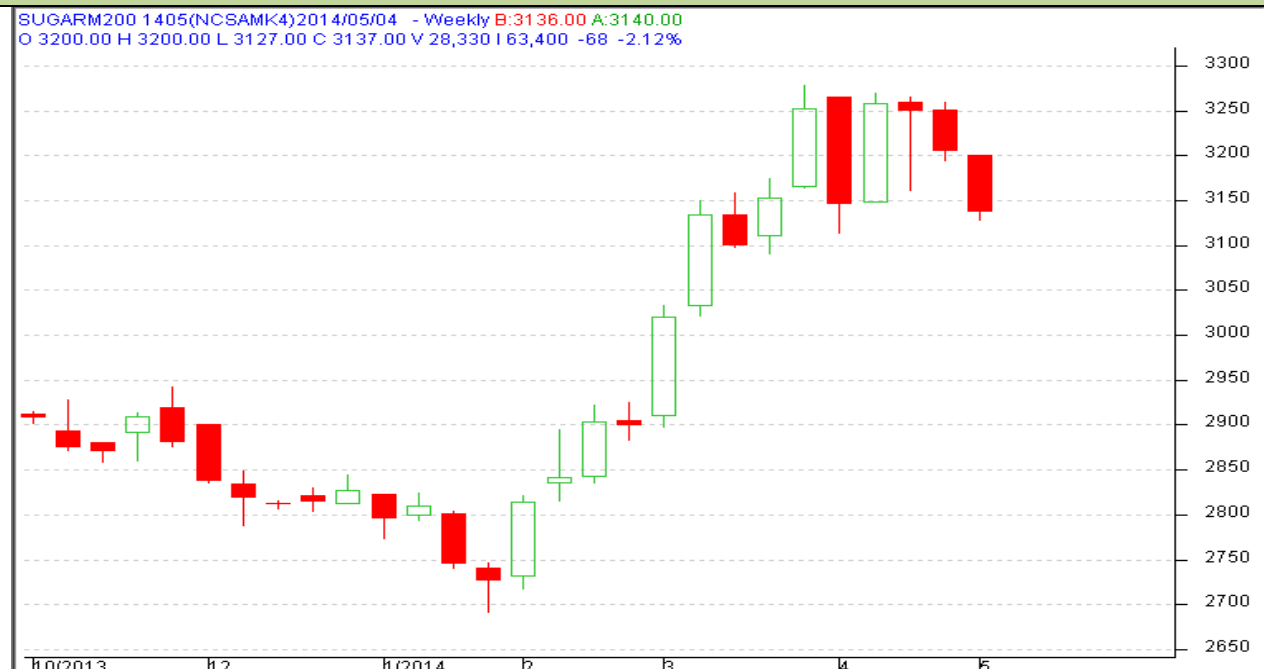


	Yellow (Medium)	NR	2350	2550	2900
Shimoga	Achhu (Average)	NR	3400	3400	3325

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	3205	3350	-
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Sell	3193	3160	3135	3200

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 neutral region.
- Profit booking occur at higher levels.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	July	1112	1155.5	1224	1270	1297.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1220	1227	1232	1215

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

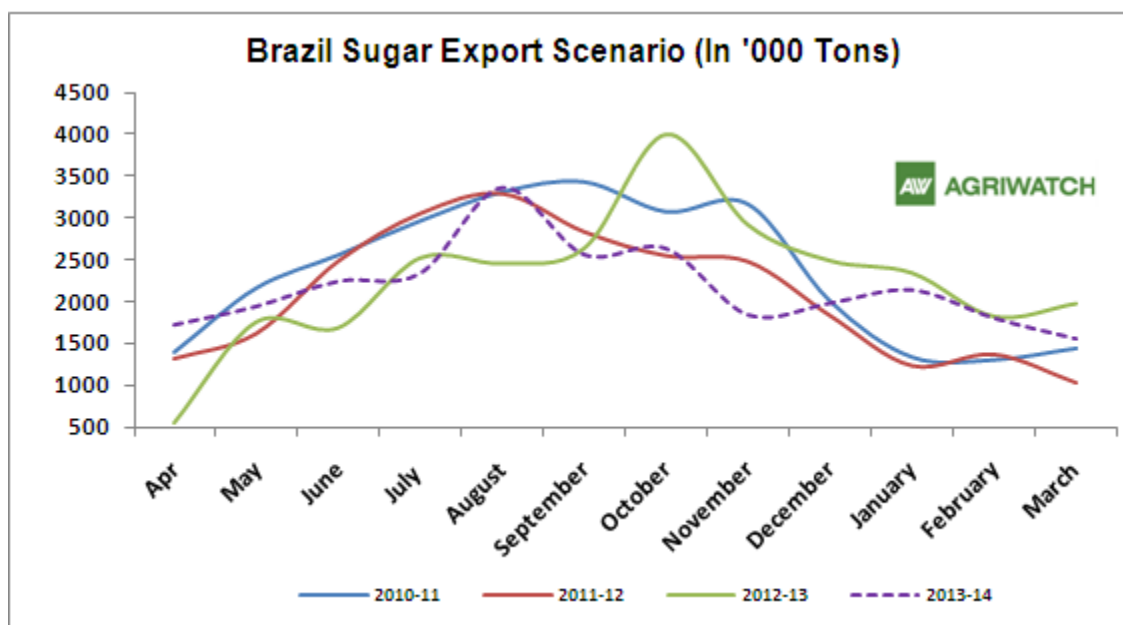
Futures + Options	Managed		Swaps		Producer	
	Net	Change	Net	Change	Net	Change
Sugar	124086	2259	155465	3575	-330533	-5414
	Other		Non-Reported		Open Interest	
	Net	Change	Net	Change	Net	Change
Sugar	42367	645	8614	-1068	976863	4085

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
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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	1-May-14	24-Apr-14	Change
ICE Sugar #11 (US Cent/lb)	14-Jul	17.8	17.74	0.06
	14-Oct	18.43	18.4	0.03
	15-Mar	19.21	19.21	Unch
LIFFE Sugar (US \$/MT)	14-Aug	478.4	476.1	2.3
	14-Oct	483.5	484.8	-1.3
	14-Dec	494.1	496.0	-1.9

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
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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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