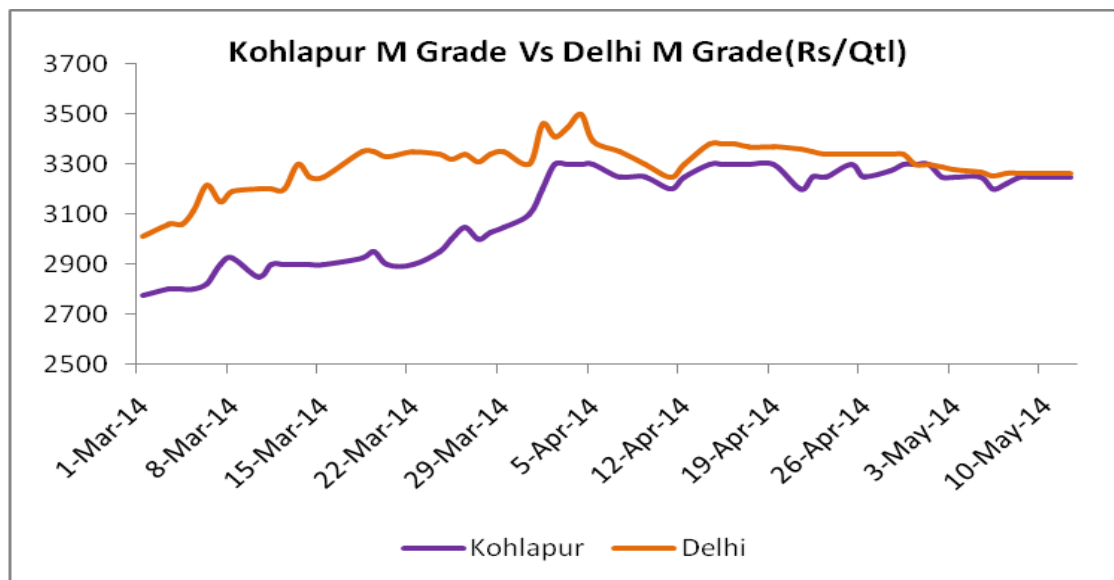


Sugar Price Trend and Outlook:

Below Given graph presents Sugar M grade price in Delhi and Kolhapur markets, in previous week Delhi price was ruling higher than Kolhapur markets, however now it is in the same range of approx Rs.3260-3270/quintal.



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.
- In the current cane-crushing season, sugar output has dropped 13 per cent to 6.42 million tonnes (mt) in Uttar Pradesh. With the crushing season about to end soon, it is expected the final data for production will not see much change, as only a handful of the 119 sugar mills in the state are operational. During 2011-12 and 2012-13, sugar production in the state stood at 6.97 mt and 7.4 mt, respectively
- 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.

Sugar output dipped 3.45% to 23.75 mt in Oct-April: The country's sugar production fell 3.45% to 23.75 million tonne (mt) in the first seven months of the 2013-14 season as output declined in key states, as per by ISMA latest report.

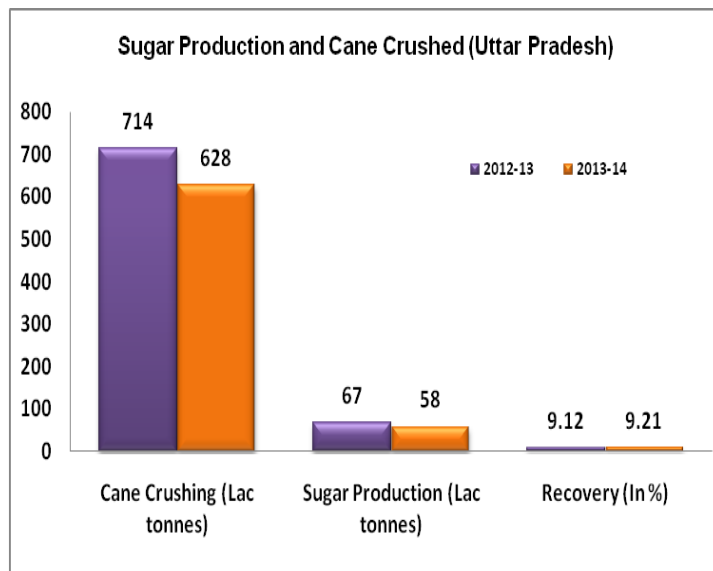
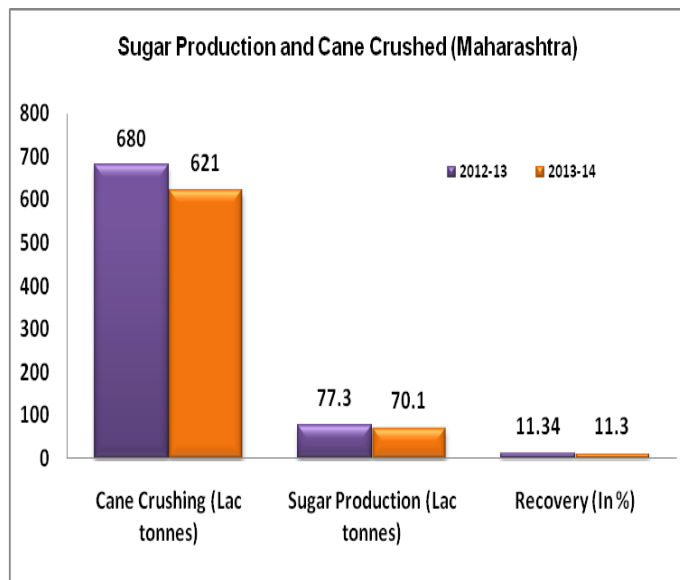
Mills produced 23.75 mt of sugar till April of the October-September season compared with 24.6 mt in the corresponding period last year. The current sugar crushing season has almost come to an end and only about 80 of the country's 504 mills operated on April 30, it said in a statement.

ISMA has pegged sugar output at 23.8 mt for this season compared with 25.1 mt last year.

Output in Maharashtra, the leading sugar producing state, fell to 7.65 mt till April from 7.98 mt in the year-ago period, according to ISMA data. The rate of sugar recovery from crushed cane was 11.4%.

In Uttar Pradesh, the country's second-biggest producer, output declined sharply to 6.41 mt from 7.48 mt. Sugar recovery was 9.27%.

Production in Karnataka was the highest ever at 4.17 mt as against 3.4 mt a year earlier. Sugar recovery in the state was 10.99%. Sugar production in Gujarat rose 4% to 1.18 mt till April, while output in Andhra Pradesh touched last year's level of 9,90,000 tonne, ISMA said. Production in Tamil Nadu was down 30% at 1.08 mt so far this season.



Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	3ed May-9th May	26th April-2ed May	Change
Sugar	Delhi - Grade M	3267	3318	-51
	Delhi - Grade S	3200	3266	-66
	Delhi - Grade L	3317	3373	-56
	UP- Khatauli Grade M	3386	3233	153
	UP- Ramala Grade M	3313	3348	-35
	UP- Dhampur Grade M Ex-Mill	3300	3313	-13
	UP- Dhampur Grade S Ex-Mill	3280	3293	-13
	UP- Dhampur Grade L Ex-Mill	3350	3363	-13
	Mumbai –Grade M	3460	3476	-16
	Mumbai –Grade S	3282	3310	-28

Kolhapur – Grade M	3238	3288	-50
Kolhapur – Grade S	3104	3142	-38
Guhawati – Grade S	3415	3453	-38
Shillong – Grade S	3424	3462	-38
Vijayawada – Grade M	3647	3675	-28
Vijayawada- Grade S	3528	3547	-19
Nagpur – Grade M	3442	3450	-8
Nagpur – Grade S	3300	3300	Unch
Kolkata – Grade M	3419	3452	-33
Chennai - Grade S	3175	3205	-30
Ambikapur (Chattisgarh)- Grade M (Without Duty)	3175	3183	-8
Ambikapur (Chattisgarh)- Grade S (Without Duty)	3150	3158	-8

Spot Sugar Prices Scenario (Weekly)					
Commo dity	Centre	Today	Week Ago	Month Ago	Year Ago
		9-May-14	2-May-14	9-Apr-14	9-May-13
Sugar	Delhi - Grade M	3265	3290	3300	3270
	Delhi - Grade S	3195	3240	3200	3200
	Delhi - Grade L	3315	3340	3350	3305
	UP- Khatauli Grade M	3350	3250	3525	3235
	UP- Ramala Grade M	3300	3350	3400	3200
	UP- Dhampur Grade M Ex-Mill	3300	3310	3350	3120
	UP- Dhampur Grade S Ex-Mill	3280	3290	3330	3100
	UP- Dhampur Grade L Ex-Mill	3350	3360	3400	3170
	Mumbai –Grade M	3442	3476	3476	NR
	Mumbai –Grade S	3262	3302	3256	NR
	Kolhapur – Grade M	3250	3250	3250	3050
	Kolhapur – Grade S	3100	3100	3100	2950
	Guhawati – Grade S	3410	3410	3410	NR
	Shillong – Grade S	3420	3420	3420	NR
	Vijayawada – Grade M	3630	3650	3750	3500
	Vijayawada- Grade S	3520	3530	3550	3400
	Nagpur – Grade M	3400	3450	3450	NR
	Nagpur – Grade S	3300	3300	3250	NR
	Kolkata – Grade M	3420	3475	3370	3320
	Chennai - Grade S	3175	3175	3250	3050

	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3200	3200	2985	3015
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3175	3175	2975	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. Price is likely to rule steady to firm in coming 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.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	3ed May-9th May	26th April-2ed May	Change
Muzaffar Nagar	Chaku	3196	2904	292
	Chaku (Arrival)	7200	12700	-5500
	Khurpa	2902	2813	89
	Laddoo	3090	2892	198
	Rascut	2400	2396	4
Hapur Maharashtra	Chaurasa	2621	2538	83
	Balti	2798	2558	240
	Latur(Lal Variety)	3000	3000	Unch
Bangalore	Achhu	NR	2900	-
	Mudde	3200	3000	200
Belgaum	Mudde	2780	2867	-87
Belthangadi	Yellow (Average)	3140	3200	-60
Bijapur	Achhu	2680	2850	-170
Gulbarga	Other (Average)	3008	2950	58
Mahalingapura	Penti (Average)	3067	2895	172
Mandya	Achhu (Medium)	2425	2433	-8
	Kurikatu (Medium)	2200	2200	Unch
	Other (Medium)	2350	2350	Unch
	Yellow (Medium)	2350	2350	Unch



Shimoga	Achhu (Average)	3608	3613	-5
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Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		9-May-14	2-May-14	9-Apr-14	9-May-13
Muzaffar Nagar	Chaku	3275	3200	2725	3138
	Khurpa(New)	2950	2875	2625	2750
	Laddu(New)	3100	3000	2875	3000
	Rascut	2400	2425	2375	2825
Hapur	Chaurasa	2650	2600	2413	NR
	Balti	3000	2600	2475	NR
Maharashtra	Latur(Lal Variety)	3000	3000	2950	3025
Bangalore	Achhu	NR	NR	NR	3000
	Mudde	3200	NR	3100	3200
Belgaum	Mudde	2700	NR	3000	3100
Belthangadi	Yellow (Average)	3100	NR	3200	3400
Bijapur	Achhu	2880	NR	2750	2950
Gulbarga	Other (Average)	3050	NR	2060	2950
Mahalingapura	Penti (Average)	3150	NR	3150	3080
Mandya	Achhu (Medium)	2450	NR	2600	2950
	Kurikatu (Medium)	2200	NR	2200	2500
	Other (Medium)	2350	NR	2400	2500
	Yellow (Medium)	2350	NR	2550	2900
Shimoga	Achhu (Average)	3650	NR	3350	3625

Commodity: Sugar
Contract: June

Exchange: NCDEX
Expiry: June 20, 2014

SUGAR (Weekly June Contract Chart)

SUGARM200 1406(NCSAMM4)2014/05/11 - Weekly B:3027.00 A:3032.00
O 3054.00 H 3065.00 L 3018.00 C 3032.00 V 22,360 I 56,500 -23 -0.75%

EMA(5) 3114.4 (6) 3121.4



Technical Commentary:

- Prices are moving in the downtrend.
- Sugar prices are hovering near to neutral region.
- Last candlestick depicts bearishness.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	June	3039	3098	3055	3350	3400
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	June	Sell	3080	3065	3055	3089

Commodity: Gur
Contract: July
Exchange: NCDEX
Expiry: July 20, 2014
GUR (July Weekly Chart)

GURCHMUZR 1407(NCCHMN4)2014/05/11 - Weekly B:1236.00 A:1237.00

O 1277.00 H 1277.00 L 1235.00 C 1235.00 V 8,530 I 8,120 -5 -0.40%

EMA(5) 1230.3 (6) 1229.2


Technical Commentary:

- Gur prices are hovering in an 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	1235	1270	1297.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	July	Buy	Above 1245	1260	1268	1236

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):

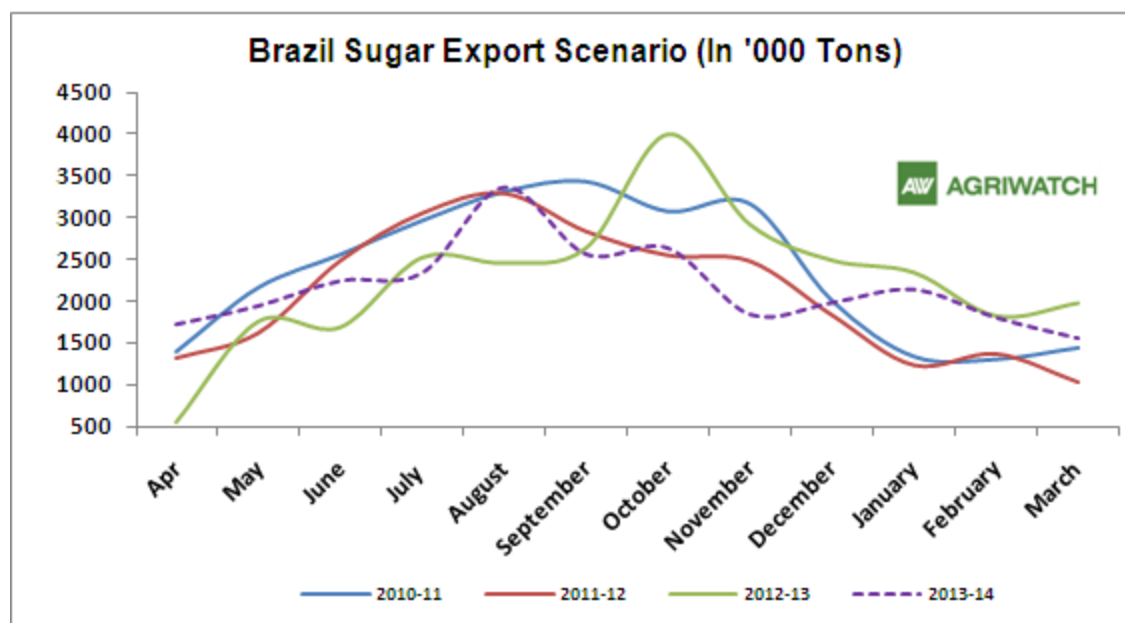
Supplemental	Non Commercial		Indexes		Commercial	
	Net	Change	Net	Change	Net	Change
Sugar	91734	3087	272929	2940	-373279	-4961

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

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	7-May-14	1-May-14	Change
ICE Sugar #11 (US Cent/lb)	14-Jul	17.26	17.8	-0.54
	14-Oct	17.96	18.43	-0.47
	15-Mar	18.78	19.21	-0.43
LIFFE Sugar (US \$/MT)	14-Aug	468.7	478.4	-9.7
	14-Oct	473.7	483.5	-9.8
	14-Dec	484.8	494.1	-9.3

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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