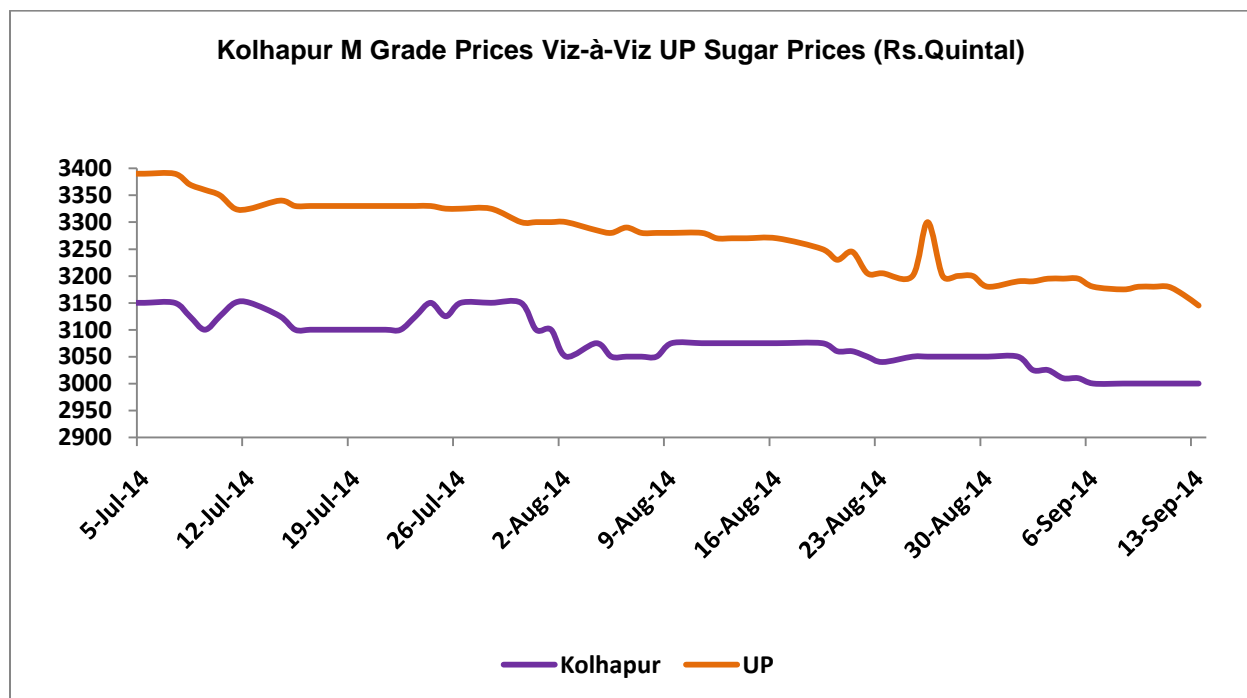


Sugar Price Trend and Outlook:

Sugar industry remained dormant with price sliding down its all time low in four years. Higher Indian sugar production estimates for 2014-15 and weak international sugar prices became the major influencing factor driving the prices down for the period.

However, prices are expected to improve marginally in the weeks ahead amidst proximity to the forthcoming festive season in the country.



Price Outlook:

Sugar prices are currently moving in a range with weaker tone due to lackluster trade. However, upcoming festive demand likely to increase sugar prices in the medium term as expected.

News Highlights:

- Haryana govt. raised the State Advised Price (SAP) of sugarcane to Rs.310/quintal (early varieties), Rs.305/quintal (mid varieties) and Rs.300/quintal (late varieties) for the forthcoming season 2014-15. Notably, the cane price fixed by the Haryana govt. is the highest in the country and is expected to promote cane cultivation in the area.
- U.P govt announced an additional rebate of Rs6/quintal (on sugarcane) as a spurring step to promote crushing in the state. Reportedly, the millers are now supposed to pay their pending cane arrears at a rate of Rs 280/quintal by end of September.

- As of 28th Aug, 2014, total area occupied under cane cultivation in India has been reached to 4.72 million hectare, down by 6.2% on y-o-y comparison.

Raw Sugar Import/Export Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$502.7 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$499.9 per ton Kolhapur based.

On International front, Brazil sugar FOB prices quoted at \$430/ 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.60.81) till 13 th Sep, 2014 | | | |
|--|--------|---|--------------------|
| | Brazil | Thailand (100 Icumsa Oct Contract/45 Icumsa Spot) | India (100 Icumsa) |
| Comparative Sugar FOB Prices | \$430 | \$420.80/396.40 | \$499.9 |

Sugarcane Crop Update

Maharashtra:

- Cane quality is presently good with ample rainfall especially in South Maharashtra.
- Also good agricultural practices on cane (like proper implementation of fertilizers, crop rotation) by farmers this year support the cane yield and recovery.
- We also find an increase in Adsali (18 month crop) this year compared to prior year which generally gives very good yield as well as recovery which is beneficiary for both millers and farmers.

Uttar Pradesh:

- Crop is presently in a good state with ample amount of artificial irrigation facilities available in UP.
- Also, less rainfall this year in the major growing regions also likely to boost the cane yield for the coming marketing year. It is notable that excess rainfall in UP increase the possibilities of diseases and increases the waterlogging situation in low-lying areas.

- Presently, crop is in Elongation phase and cane millers are presently expecting good cane yield. If rainfall happens in Mid Sept-October month then it will also boost the sucrose content in cane as reported.

Tamil Nadu:

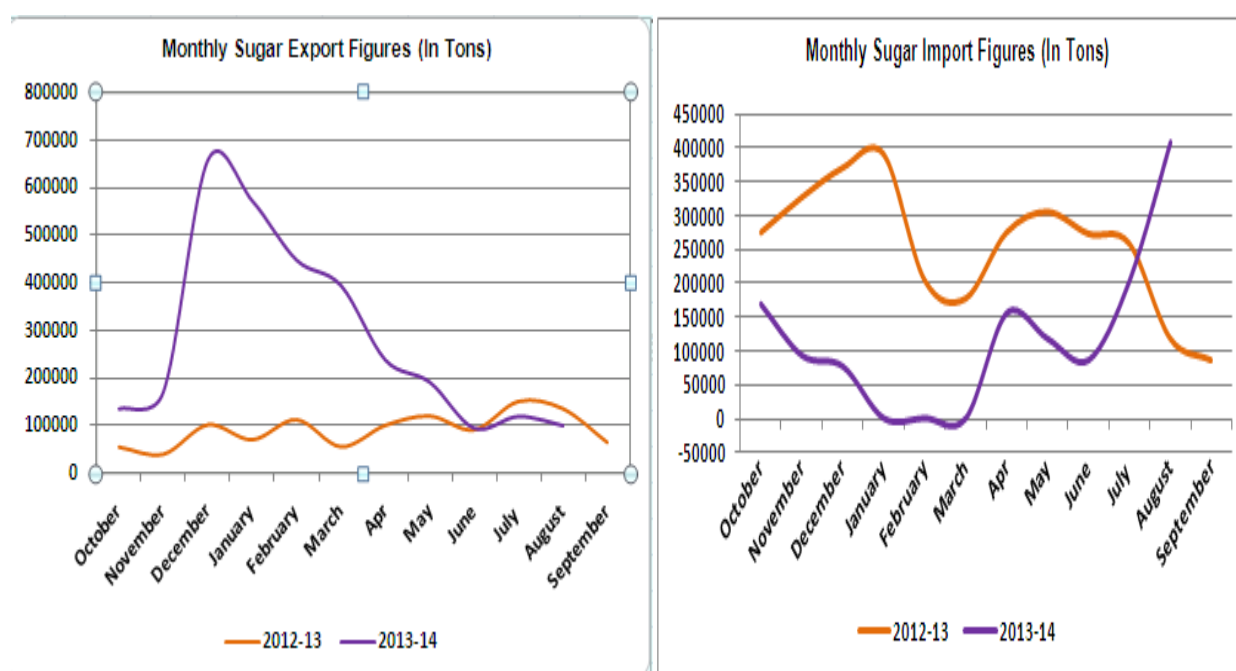
- Three new variety sugarcane seed Co0403, Co06027, and Co06030 had been developed by the Sugarcane Breeding Institute (SBI), Coimbatore to enhance cane productivity in the area. The variety has been tested well across the nation and is found fruitful in almost all the regions.

Sugar Import and Export Scenario:

India emerged out as the major sugar importer marking a total imports of 4.07 lac tons this month, which was 240% higher than the level achieved last year in August.

A depreciating Indian currency and EID Parry to sugar import together contributed their bit for the mass purchase made. However, as for now, India had imported a total of 13.10 lac tons of sugar in 2013-14; which is much lower in comparison to the figure achieved last year i.e. 29.91 lac tons.

India Sugar Export Scenario:



On the other hand, lower comparative competitiveness in production and higher domestic consumption resulted into a fall in export from 1.21 lacs tons last month to 1.02 lacs tons in August. It is notable that majority of the export made had been to the Mid-East countries with Sudan topping the list with an import of 23.6 thousand tons.

However, the picture is different when it comes to the total export made in 2013-14, where India's exported around 31.4 lac tons of sugar compared to 10.2 lac tons in 2012-13.

Spot Sugar Prices Scenario (Weekly)

| Spot Sugar Prices Scenario (Weekly) (Average) | | | | |
|---|---|------------------------------|---------------------------|--------|
| Commodity | Centre | 6th September-12th September | 30th August-5th September | Change |
| Sugar | Delhi - Grade M | 3227 | 3243 | -16 |
| | Delhi - Grade S | 3167 | 3253 | -86 |
| | Delhi - Grade L | 3200 | 3200 | Unch |
| | UP- Khatauli Grade M | 3285 | 3277 | 8 |
| | UP- Ramala Grade M | 3170 | 3200 | -30 |
| | UP- Dhampur Grade M Ex-Mill | 3187 | 3220 | -33 |
| | UP- Dhampur Grade S Ex-Mill | 3167 | 3200 | -33 |
| | UP- Dhampur Grade L Ex-Mill | 3237 | 3270 | -33 |
| | Mumbai –Grade M | 3265 | 3258 | 7 |
| | Mumbai –Grade S | 3115 | 3167 | -52 |
| | Kolhapur – Grade M | 3000 | 3024 | -24 |
| | Kolhapur – Grade S | 2900 | 2924 | -24 |
| | Guhawati – Grade S | 3207 | 3232 | -25 |
| | Shillong – Grade S | 3220 | 3244 | -24 |
| | Vijayawada – Grade M | 3523 | 3540 | -17 |
| | Vijayawada- Grade S | 3423 | 3440 | -17 |
| | Nagpur – Grade M | 3333 | 3350 | -17 |
| | Nagpur – Grade S | 3190 | 3192 | -2 |
| | Kolkata – Grade M | 3339 | NA | - |
| | Chennai - Grade S | 3057 | 3079 | -22 |
| | Ambikapur (Chattisgarh)- Grade M (Without Duty) | 3161 | 3163 | -2 |
| | Ambikapur (Chattisgarh)- Grade S (Without Duty) | 3135 | 3135 | Unch |

| Spot Sugar Prices Scenario (Weekly) | | | | | |
|-------------------------------------|---|-----------|----------|-----------|-----------|
| Commodity | Centre | Today | Week Ago | Month Ago | Year Ago |
| | | 12-Sep-14 | 5-Sep-14 | 12-Aug-14 | 12-Sep-13 |
| Sugar | Delhi - Grade M | 3200 | 3240 | 3300 | 3170 |
| | Delhi - Grade S | 3100 | 3200 | 3220 | 3115 |
| | Delhi - Grade L | NA | NA | NA | NA |
| | UP- Khatauli Grade M | 3270 | 3275 | 3350 | NA |
| | UP- Ramala Grade M | 3150 | 3200 | 3250 | NA |
| | UP- Dhampur Grade M Ex-Mill | 3180 | 3220 | 3270 | 3025 |
| | UP- Dhampur Grade S Ex-Mill | 3160 | 3200 | 3250 | 3005 |
| | UP- Dhampur Grade L Ex-Mill | 3230 | 3270 | 3320 | 3075 |
| | Mumbai –Grade M | 3260 | 3266 | 3336 | 3386 |
| | Mumbai –Grade S | 3102 | 3162 | 3186 | 3086 |
| | Kolhapur – Grade M | 3000 | 3010 | 3075 | 3025 |
| | Kolhapur – Grade S | 2900 | 2910 | 2975 | 2925 |
| | Guhawati – Grade S | 3207 | 3218 | 3284 | 3233 |
| | Shillong – Grade S | 3220 | 3230 | 3295 | 3245 |
| | Vijayawada – Grade M | 3520 | 3540 | 3550 | 3580 |
| | Vijayawada- Grade S | 3420 | 3440 | 3450 | 3380 |
| | Nagpur – Grade M | 3300 | 3350 | 3350 | 3250 |
| | Nagpur – Grade S | 3170 | 3200 | 3150 | 3150 |
| | Kolkata – Grade M | NA | NA | 3330 | NA |
| | Chennai - Grade S | 3050 | 3161 | 3100 | 3100 |
| | Ambikapur (Chattisgarh)- Grade M (Without Duty) | 3161 | 3135 | 3125 | 3100 |
| | Ambikapur (Chattisgarh)- Grade S (Without Duty) | 3135 | 3070 | NA | NA |

Gur Market Scenario and Outlook

Gur prices witness sharp decline due to good stock availability in the Maharashtra markets. It is notable that cane has diverted more towards gur production in Pune and Sangli area this year. In addition to it, market participants is expecting early arrivals of gur for the next marketing year which drive the prices southwards in the medium term.

Thus, prices of gur are likely to improve with decreasing sugar prices in the coming week.

Spot Jaggery (Gur) Prices Scenario (Weekly)

| Spot Jaggery(Gur) Prices Scenario (Weekly) (Average) | | | | |
|--|--------------------|------------------------------|---------------------------|--------|
| Markets | Variety | 6th September-12th September | 30th August-5th September | Change |
| Muzaffar Nagar | Chaku | 2771 | 2788 | -17 |
| | Chaku (Arrival) | NA | NA | - |
| | Khurpa | 2604 | 2700 | -96 |
| | Laddoo | 2900 | 2878 | 22 |
| | Rascut | 2583 | 2596 | -13 |
| Hapur | Chaurasa | NA | NA | - |
| | Balti | NA | NA | - |
| Maharashtra | Latur(Lal Variety) | 3229 | 3250 | -21 |
| Bangalore | Achhu | NA | NA | - |
| | Mudde | 4033 | 4180 | -147 |
| Belgaum | Mudde | 2900 | 2800 | 100 |
| Belthangadi | Yellow (Average) | 3400 | 3400 | Unch |
| Bijapur | Achhu | 2880 | 3001 | -121 |
| Gulbarga | Other (Average) | 3184 | 3163 | 21 |
| Mahalingapura | Penti (Average) | 3093 | 3170 | -77 |
| Mandya | Achhu (Medium) | NA | NA | - |
| | Kurikatu (Medium) | NA | NA | - |
| | Other (Medium) | NA | NA | - |
| | Yellow (Medium) | NA | NA | - |
| Shimoga | Achhu (Average) | 3483 | 3417 | 66 |

| Spot Jaggery(Gur) Prices Scenario (Weekly) | | | | | |
|--|--------------------|-----------|----------|-----------|-----------|
| Markets | Variety | Today | Week Ago | Month Ago | Year Ago |
| | | 12-Sep-14 | 5-Sep-14 | 12-Aug-14 | 12-Sep-13 |
| Muzaffar Nagar | Chaku | 2775 | 2775 | 2975 | 2850 |
| | Khurpa | NA | 2625 | 2800 | 2500 |
| | Laddu | NA | 2775 | 3000 | 2800 |
| | Rascut | 2650 | 2625 | 2750 | 2600 |
| Hapur | Chaursa | NA | NA | NA | NA |
| | Balti | NA | NA | NA | NA |
| Maharashtra | Latur(Lal Variety) | 3225 | 3250 | 3200 | 3250 |
| Bangalore | Achhu | NA | NA | NA | 3000 |
| | Mudde | 4200 | 4200 | 4300 | 3600 |
| Belgaum | Mudde | NA | 2800 | NA | 2800 |
| Belthangadi | Yellow (Average) | 3400 | NA | 3400 | 2800 |
| Bijapur | Achhu | 3150 | 3040 | NA | 3200 |
| Gulbarga | Other (Average) | 3150 | 3150 | 3175 | 3150 |
| Mahalingapura | Penti (Average) | 3080 | NA | NA | 3100 |
| Mandya | Achhu (Medium) | NA | NA | 2500 | 2950 |
| | Kurikatu (Medium) | NA | NA | 2200 | 2450 |
| | Other (Medium) | NA | NA | 2400 | 2400 |
| | Yellow (Medium) | NA | NA | 2450 | 2850 |
| Shimoga | Achhu (Average) | 3500 | 3400 | 3500 | NA |

Commodity: Sugar
Contract: October

Exchange: NCDEX
Expiry: Oct 20, 2014

SUGAR (Weekly Sept Contract Chart)



Technical Commentary:

- Sugar prices are falling down while volume and O.I surges up indicating short build up in the market.
- Last candlestick depicts bearishness.
- RSI is hovering into a neutral zone.

Strategy: Buy

| Weekly Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|-------------------------------|-------|------|------|------------|------|------|------|
| Sugar | NCDEX | Sept | 2750 | 2780 | 2864 | 2900 | 2978 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Sugar | NCDEX | Sept | Buy | Above 2860 | 2884 | 2892 | 2846 |

Commodity: Gur
Contract: November
Exchange: NCDEX
Expiry: Nov 20, 2014
GUR (Sept Weekly Chart)

Technical Commentary:

- Gur prices, volume and O.I are increasing indicating long build up in the market.
- Last candlestick depicts bullishness.
- However, RSI is hovering into a neutral zone.

Strategy: Sell

| Weekly Supports & Resistances | | | S2 | S1 | PCP | R1 | R2 |
|-------------------------------|-------|------|-------------|------------|--------|-------|--------|
| Gur | NCDEX | Sept | 962.5 | 985.5 | 1005.5 | 1026 | 1146.5 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Gur | NCDEX | Sept | Sell | Below 1005 | 987 | 985.5 | 1015.5 |

International Scenario

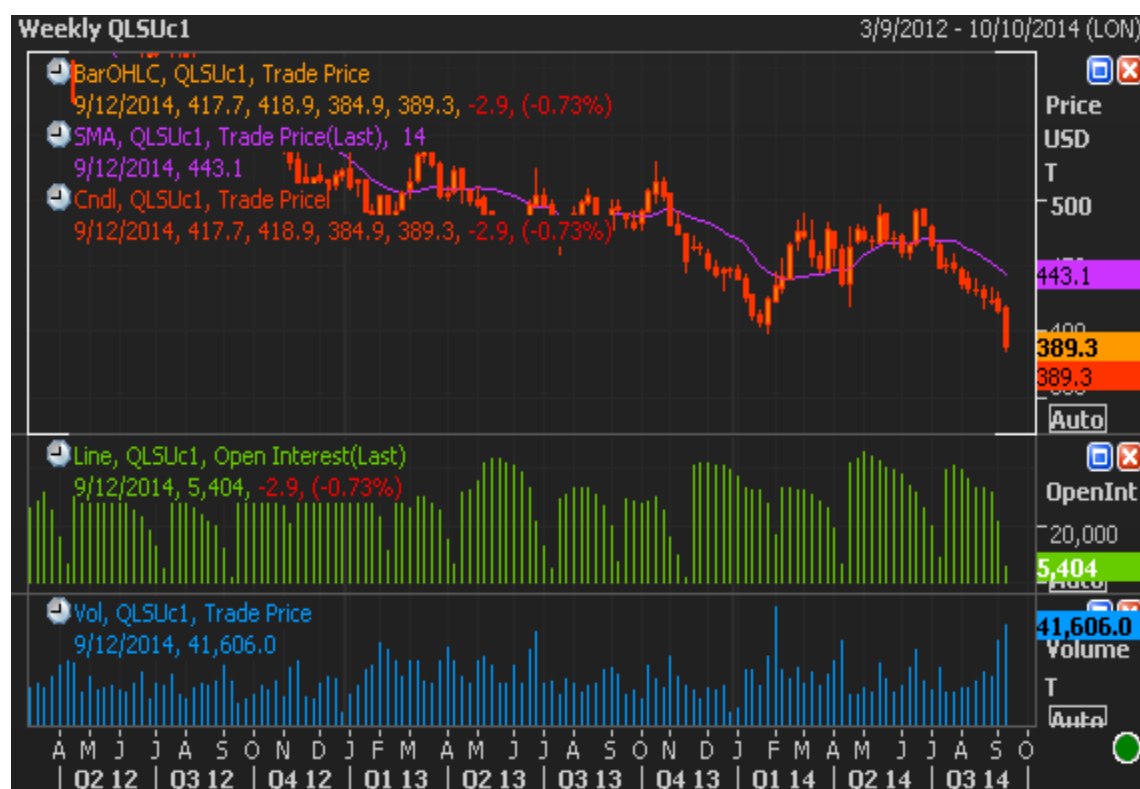
International sugar prices remained subdued amid ample supplies and higher current stock availability worldwide. However, medium term prices looks bullish due to overall sugar deficit globally for 2014-15.

International Market News Highlights:

- Raw sugar export from Brazil declined 8.46% from 2.04 million tons in July to 1.86 million tons this month. The situation is much graving when compared on y-o-y basis, where sugar export turned around 2.68 million tons in Aug, 2013.
- Thailand reduced its sugar consumption quota from 2.4 million tons to 2.5 million tons for 2013-14. The move was taken in an attempt to increase sugar export from the country at a tone of 8.8 million tons for marketing year 2014.
- With a 29% surge in import, Indonesia is likely to emerge as the top raw sugar importer in the world by 2015. Moreover, import shipment of 3.6 million metric tons of sugar to the country is expected in 2015 as compared to 2.8 million tons this year.

| International Sugar Prices (Weekly) | | | | |
|-------------------------------------|----------------|-----------|----------|--------|
| | Contract Month | 12-Sep-14 | 5-Sep-14 | Change |
| ICE Sugar #11 (US Cent/lb) | 14-Oct | 14.36 | 15.00 | -0.64 |
| | 15-Mar | 16.63 | 17.23 | -0.60 |
| | 15-May | 17.13 | 17.77 | -0.64 |
| LIFFE Sugar (US \$/MT) | 14-Oct | 417.4 | 433.4 | -16.00 |
| | 14-Dec | 437.2 | 451.8 | -14.60 |
| | 15-Mar | 448.8 | 463.6 | -14.80 |

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

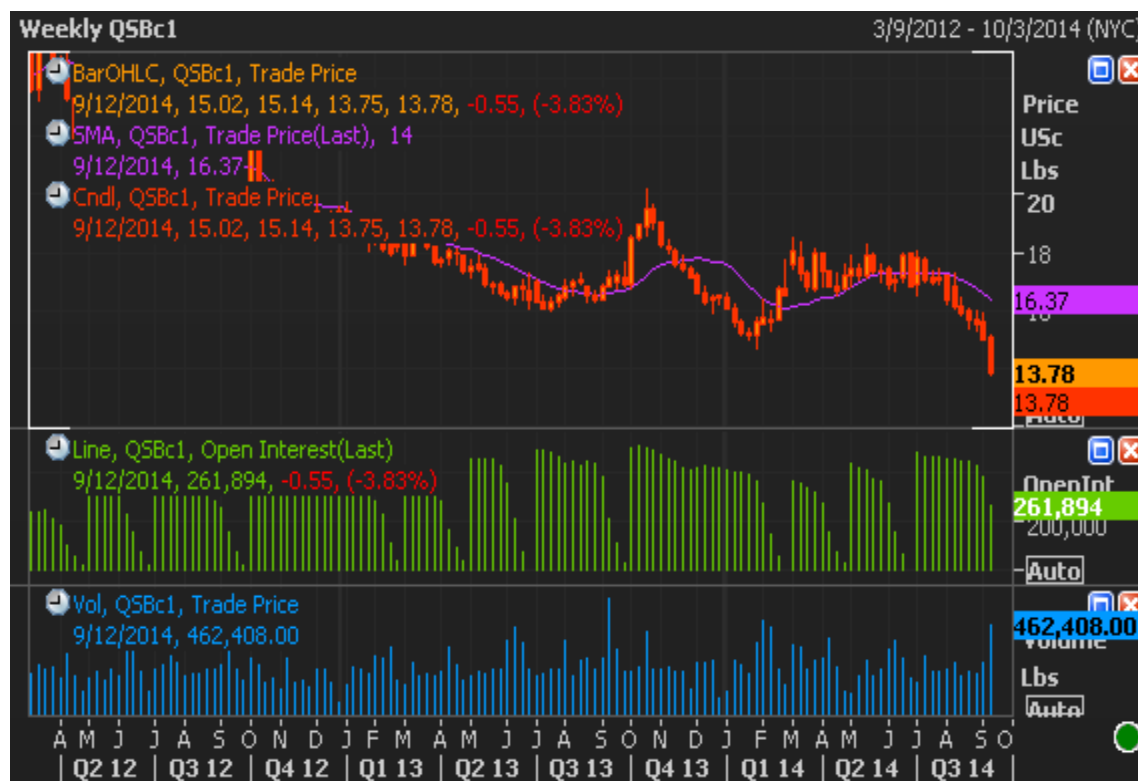


Technical Commentary:

- LIFE future market is trending downward for this week.
 - The last candlestick depicts bearishness in the market.
- Strategy: Buy at 393 with a target of 400.

| International Sugar Futures Price Projection | | | |
|--|----------------|---------------|------------------------------------|
| | Contract Month | Present Quote | Expected Price level for next week |
| LIFFE Sugar (US \$/MT) | Oct'14 | 393 | 400 |

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



Technical Commentary:

- ICE raw sugar futures are moving downwards.
 - Last candlestick depicts bearishness in the market.
- Strategy: Buy at 13.50 with target of 14.00

| International Sugar Futures Price Projection | | | |
|--|----------------|---------------|------------------------------------|
| | Contract Month | Present Quote | Expected Price level for next week |
| ICE Sugar #11 (US Cent/lb) | Oct'14 | 13.50 | 14.00 |

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