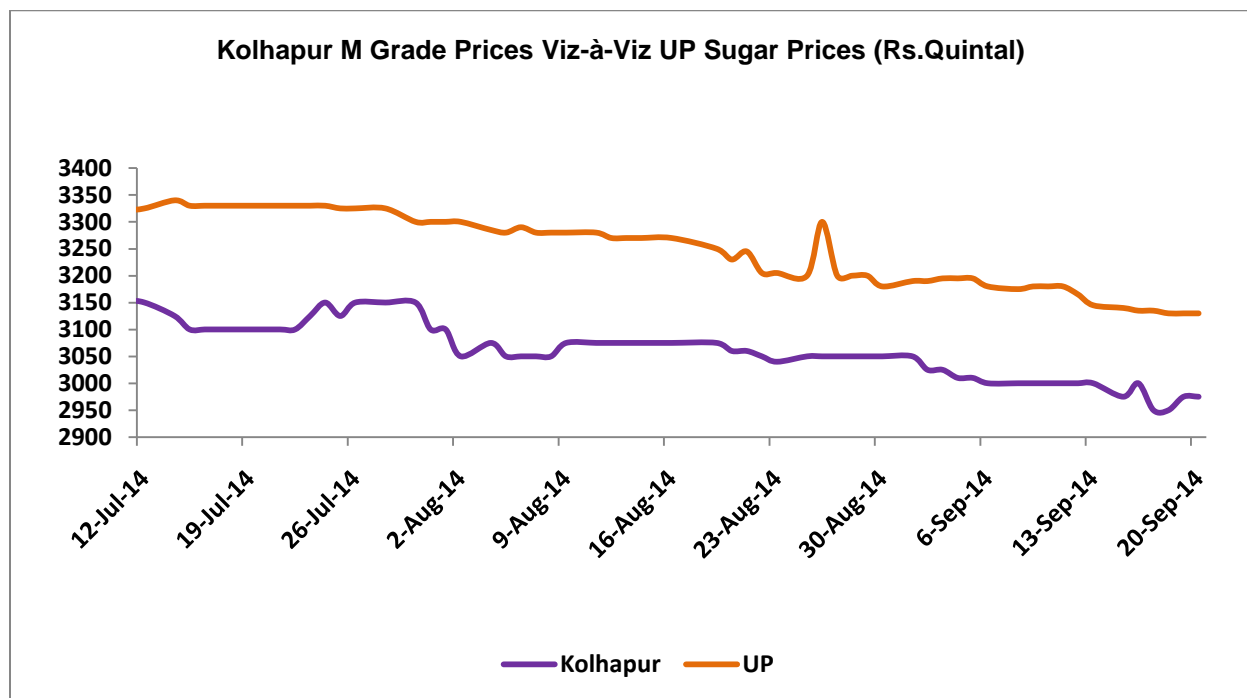


## Sugar Price Trend and Outlook:

Sugar prices continued to trade low amidst huge stock availability and sluggish domestic/global demand this week. In addition, higher Indian sugar production estimates for 2014-15 and weak international sugar prices further landed support to the prevailing downtrend.

However, prices are expected to improve marginally in the weeks ahead with 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:

- Karnataka govt. had given its approval for constitution of an expert committee, called Sugarcane Control Board under the new amended Karnataka Sugarcane (Regulation of Purchase and Supply) Act, 2014. The amended act is expected to ensure better transparency in sale and purchase of sugarcane as the newly constituted committee will calculate actual realization by millers' vis-à-vis report submitted by them.
- As per the new estimates by ISMA, sugar production in the country is likely to range in between 250-255 lakh tons for 2014-15. However, a consolidated figure will be released soon, after making careful evaluation of monsoonal impact on the crop.

- NCDEX will be launching forward trading in sugar contract from 25th Sep 2014 wherein the quality, grade and other norms will be decided at the time of signing the contract. In addition, a new category namely, 'Commodity Participant Members (CPM)' will be introduced wherein any farmer or processor could avail membership to the exchange by paying a one-time admission fee of Rs 50,000 and an annual membership fee of Rs 10,000 respectively.

### Raw Sugar Import/Export Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$493.17 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$495.64 per ton Kolhapur based.

On International front, Brazil sugar FOB prices quoted at \$412.25/ 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.60.83) till 20 <sup>th</sup> Sep, 2014			
	Brazil	Thailand (100 Icumsa Oct Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$412.25	\$409.60/409.50	\$495.64

### 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:

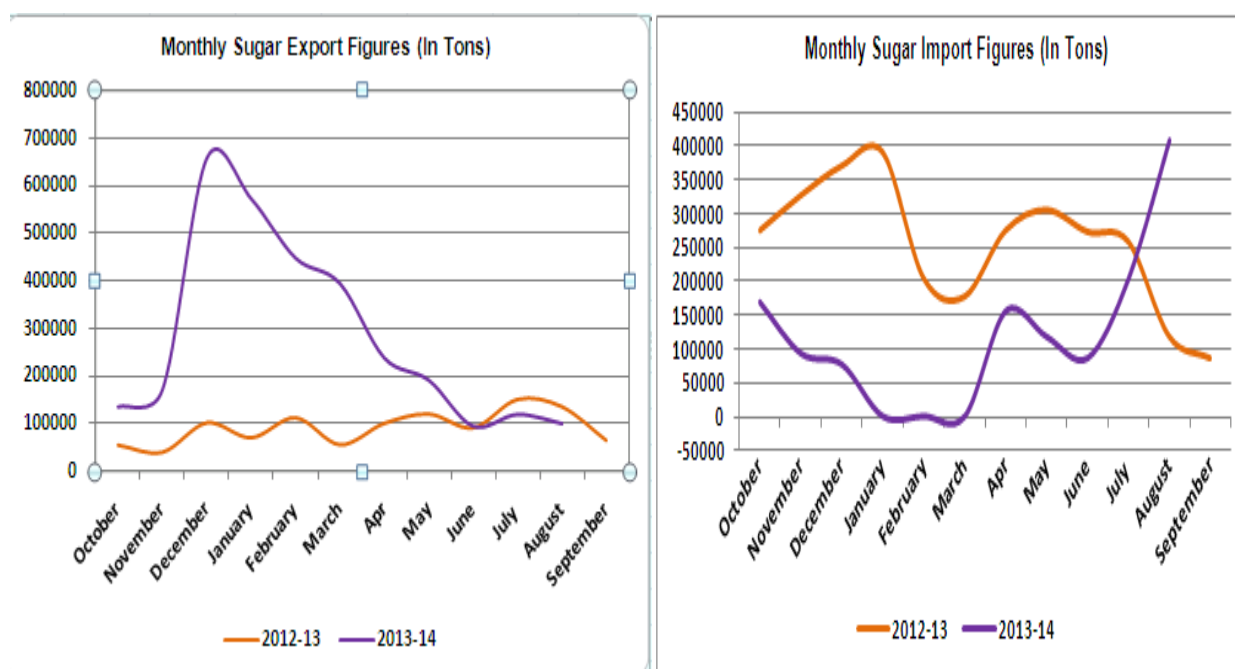
- Three new variety sugarcane seed Co0403, Co06027, and Co06030 had been developed by the Sugarcane Breeding Institute (SBI), Coimbatore to enhance cane productivity in the area. The variety has been tested well across the nation and is found fruitful in almost all the regions.

### 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	13th Sep-19th Sep	6th Sep-12th Sep	Change
Sugar	Delhi - Grade M	3177	3334	-157
	Delhi - Grade S	3104	3254	-150
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	3238	3410	-172
	UP- Ramala Grade M	3158	3280	-122
	UP- Dhampur Grade M Ex-Mill	3153	3325	-172
	UP- Dhampur Grade S Ex-Mill	3133	3305	-172
	UP- Dhampur Grade L Ex-Mill	3203	3375	-172
	Mumbai –Grade M	3255	3328	-73
	Mumbai –Grade S	3082	3189	-107
	Kolhapur – Grade M	2975	3130	-155
	Kolhapur – Grade S	2875	2990	-115
	Guhawati – Grade S	3182	3298	-116
	Shillong – Grade S	3195	3310	-115
	Vijayawada – Grade M	3497	3562	-65
	Vijayawada- Grade S	3397	3454	-57
	Nagpur – Grade M	3267	3350	-83
	Nagpur – Grade S	3153	3150	3
	Kolkata – Grade M	3300	3302	-2
	Chennai - Grade S	3050	3100	-50
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3161	3125	36
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3135	NA	-

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		19-Sep-14	12-Sep-14	19-Aug-14	19-Sep-13
Sugar	Delhi - Grade M	3180	3200	3275	3140
	Delhi - Grade S	3100	3100	3225	3100
	Delhi - Grade L	NA	NA	NA	3260
	UP- Khatauli Grade M	3200	3270	3355	3135
	UP- Ramala Grade M	3140	3150	3240	3060
	UP- Dhampur Grade M Ex-Mill	3140	3180	3240	3000
	UP- Dhampur Grade S Ex-Mill	3120	3160	3220	2980
	UP- Dhampur Grade L Ex-Mill	3190	3230	3290	3050
	Mumbai –Grade M	3252	3260	3336	3272
	Mumbai –Grade S	3066	3102	3172	3072
	Kolhapur – Grade M	2975	3000	3075	3000
	Kolhapur – Grade S	2875	2900	2975	2900
	Guhawati – Grade S	3182	3207	3284	3207
	Shillong – Grade S	3195	3220	3295	3220
	Vijayawada – Grade M	3480	3520	3550	3580
	Vijayawada- Grade S	3380	3420	3450	3360
	Nagpur – Grade M	3250	3300	3350	3225
	Nagpur – Grade S	3150	3170	3150	3125
	Kolkata – Grade M	NA	NA	NA	3390
	Chennai - Grade S	3050	3050	3220	3100
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3161	3161	3125	3100
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3135	3135	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	13th Sep-19th Sep	6th Sep-12th Sep	Change
Muzaffar Nagar	Chaku	2823	2771	52
	Chaku (Arrival)	NA	NA	-
	Khurpa	NA	2604	-
	Laddoo	NA	2900	-
	Rascut	2687	2583	104
Hapur Maharashtra	Chaurasa	NA	NA	-
	Balti	NA	NA	-
	Latur(Lal Variety)	3129	3229	-100
Bangalore	Achhu	NA	NA	-
	Mudde	4200	4033	167
Belgaum	Mudde	2833	2900	-67
Belthangadi	Yellow (Average)	3400	3400	Unch
Bijapur	Achhu	3000	2880	120
Gulbarga	Other (Average)	3146	3184	-38
Mahalingapura	Penti (Average)	2950	3093	-143
Mandya	Achhu (Medium)	2918	NA	-
	Kurikatu (Medium)	2400	NA	-
	Other (Medium)	2738	NA	-
	Yellow (Medium)	2900	NA	-
Shimoga	Achhu (Average)	3340	3483	-143

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		19-Sep-14	12-Sep-14	19-Aug-14	19-Sep-13
<b>Muzaffar Nagar</b>	Chaku	2825	2775	2938	2900
	Khurpa	NA	NA	2750	NA
	Laddu	NA	NA	3025	2950
	Rascut	2700	2650	2750	2613
<b>Hapur</b>	Chaurasa	NA	NA	NA	NA
	Balti	NA	NA	NA	NA
<b>Maharashtra</b>	Latur(Lal Variety)	3050	3225	3200	3250
<b>Bangalore</b>	Achhu	NA	NA	NA	3400
	Mudde	4200	4200	4200	3600
<b>Belgaum</b>	Mudde	NA	NA	2800	2800
<b>Belthangadi</b>	Yellow (Average)	3400	3400	3400	2850
<b>Bijapur</b>	Achhu	NA	3150	3100	3100
<b>Gulbarga</b>	Other (Average)	3130	3150	3211	3050
<b>Mahalingapura</b>	Penti (Average)	NA	3080	3010	3080
<b>Mandya</b>	Achhu (Medium)	NA	NA	2697	2950
	Kurikatu (Medium)	NA	NA	2200	2400
	Other (Medium)	NA	NA	2815	2450
	Yellow (Medium)	NA	NA	3039	2850
<b>Shimoga</b>	Achhu (Average)	3300	3500	3500	3625

**Commodity: Sugar**  
**Contract: October**
**Exchange: NCDEX**  
**Expiry: Oct 20, 2014**
**SUGAR (Weekly Sept Contract Chart)**

**Technical Commentary:**

- Sugar prices, volume and O.I are declining indicating consolidation in the market.
- RSI is hovering into a neutral zone.
- Last candlestick depicts bullishness.

**Strategy: Buy**

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Oct	2753	2800	2860	2910	2972
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Oct	Buy	Above 2855	2895	2897	2831



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

GURCHMUZR 1411(NCCHMX4)2014/09/14 - Weekly B:984.50 A:986.00  
 O 995.00 H 1008.00 L 983.00 C 986.00 ↓ V 11,850 I 3,370 -19.5 -1.94%


**Technical Commentary:**

- Gur prices, volume and O.I are declining indicating consolidation in the market.
- Last candlestick depicts bearishness.
- However, RSI is hovering into a neutral zone.

**Strategy: Sell**

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Nov	932.5	945.5	986	1030.5	1146
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Nov	<b>Sell</b>	Below 986	974	972.5	993

**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:**

- Brazilian sugar production continued to gear up high amidst favorable dry weather condition prevailing in the country. Reportedly, Brazil had produced about 20.93 million tons of sugar from 372.7 million tons of cane till 31st August, 2014.
- Mounting piles of unsold stock and prompt supply from global market may pressurize Thai govt. to lower its retail sugar prices in the month ahead. The Thai domestic retail sugar price is currently at 23.5 baht (\$0.73) per kg; about 5 baht higher than it should be, based on a global price of 15 baht.
- 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	9/18//2014	12-Sep-14	Change
ICE Sugar #11 (US Cent/lb)	14-Mar	18.26	14.36	3.9
	14-May	18.35	16.63	1.72
	14-Jul	18.44	17.13	1.31
LIFFE Sugar (US \$/MT)	14-Aug	440.62	417.4	23.22
	14-Oct	449.68	437.2	12.48
	14-Dec	459.18	448.8	10.38

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

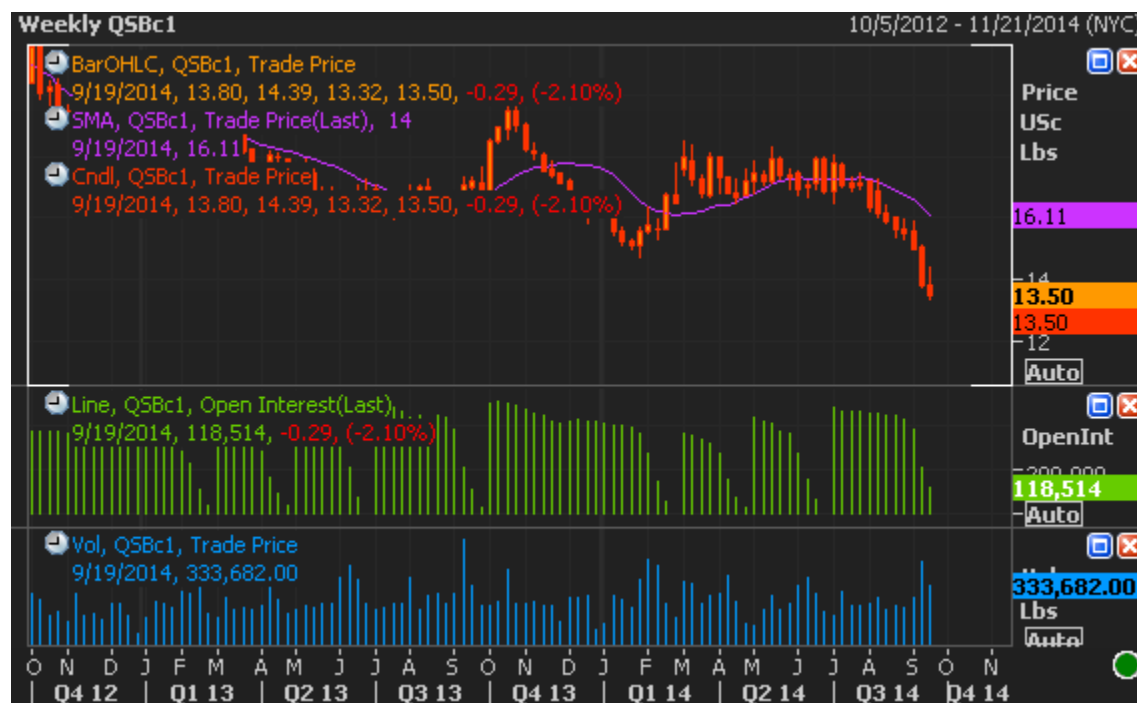


### Technical Commentary:

- LIFE future market is trending downward for this week.
  - The last candlestick depicts bullishness in the market.
- Strategy: Buy at 409.5 with a target of 417.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'14	409.5	417

**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: Sell at 13.40 with target of 13.00

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'14	13.40	13.00

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