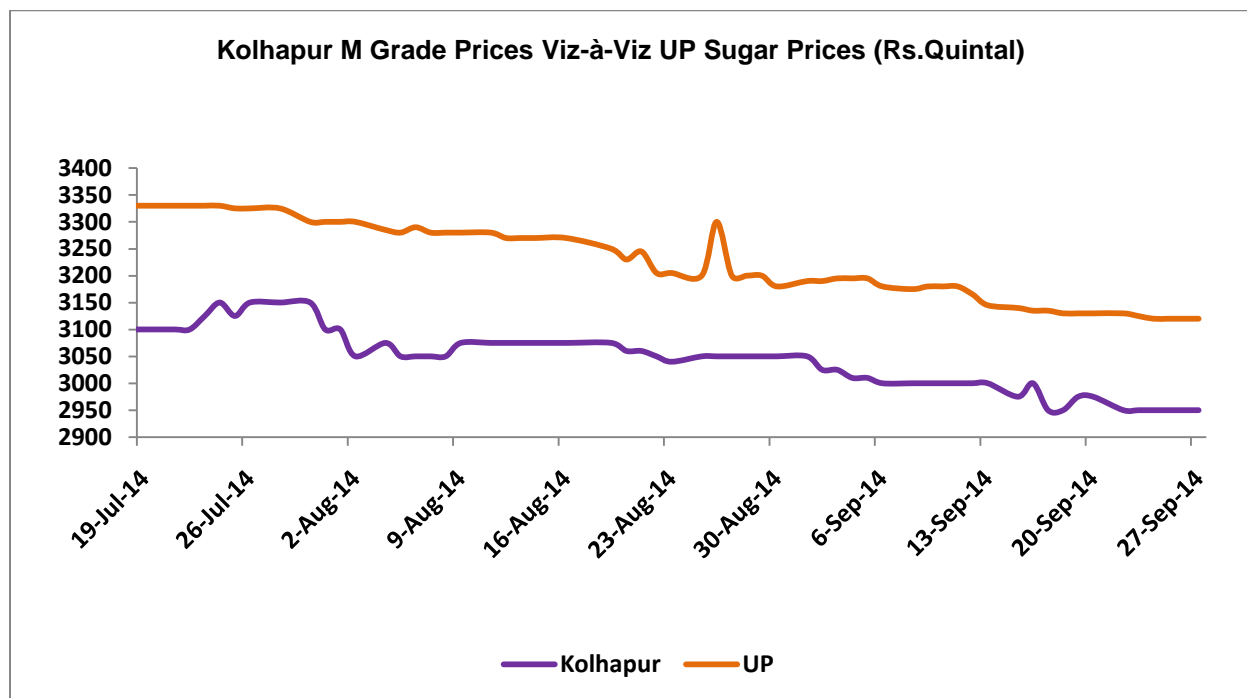


Sugar Price Trend and Outlook:

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 hovering 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 \$508.13 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$487.05 per ton Kolhapur based.

On International front, Brazil sugar FOB prices quoted at \$426.25/ Ton.

Comparative sugar FOB prices from various sugar sourcing countries to India are mentioned in the table below:

Indicative Sugar FOB Prices (USD/MT) (\$=Rs.61.39) till 27 th Sep, 2014			
	Brazil	Thailand (100 Icumsa Oct Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$426.25	\$422.40/428.10	\$487.05

Sugarcane Crop Update

Maharashtra:

- Cane quality is presently good with sufficient water availability 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 water logging 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:

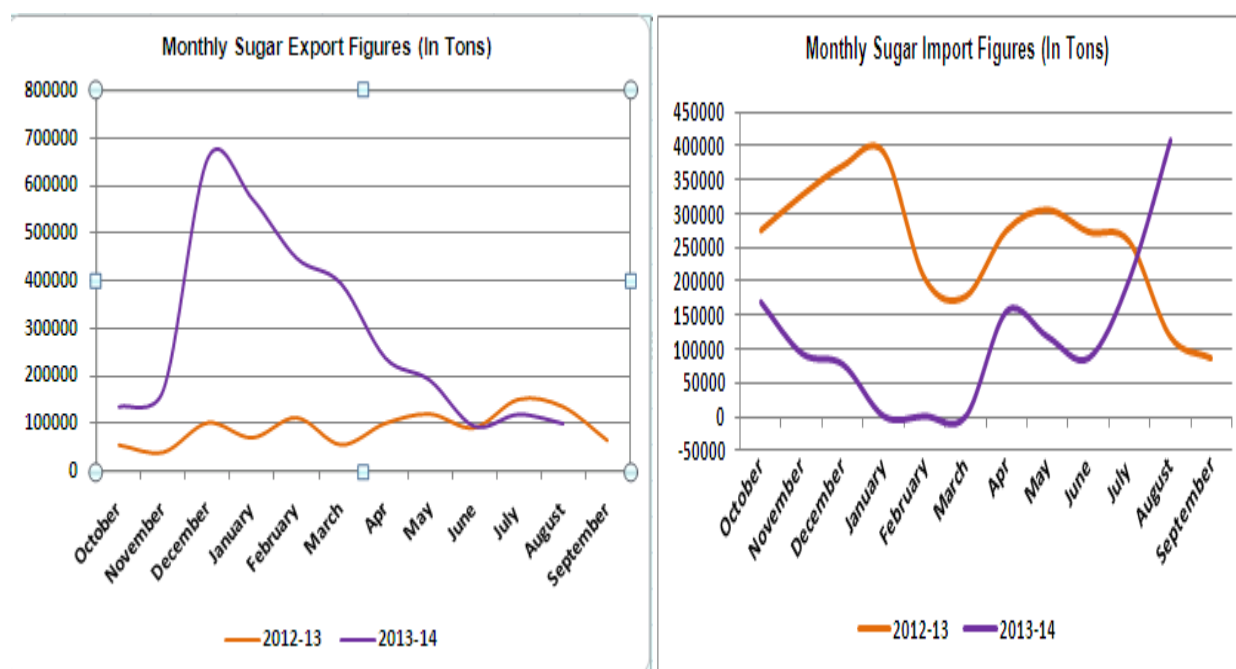
- Three new variety sugarcane seed Co0403, Co06027, and Co06030 had been developed by the Sugarcane Breeding Institute (SBI), Coimbatore to enhance cane productivity in the area. The variety has been tested well across the nation and is found fruitful in almost all the regions.

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	20th Sept.- 26th Sept.	13th Sept.- 19th Sept.	Change
Sugar	Delhi - Grade M	3155	3177	-22
	Delhi - Grade S	3075	3104	-29
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	3200	3238	-38
	UP- Ramala Grade M	3110	3158	-48
	UP- Dhampur Grade M Ex-Mill	3121	3153	-32
	UP- Dhampur Grade S Ex-Mill	3101	3133	-32
	UP- Dhampur Grade L Ex-Mill	3171	3203	-32
	Mumbai –Grade M	3199	3255	-56
	Mumbai –Grade S	3052	3082	-30
	Kolhapur – Grade M	2954	2975	-21
	Kolhapur – Grade S	2858	2875	-17
	Guhawati – Grade S	3165	3182	-17
	Shillong – Grade S	3178	3195	-17
	Vijayawada – Grade M	3480	3497	-17
	Vijayawada- Grade S	3380	3397	-17
	Nagpur – Grade M	3250	3267	-17
	Nagpur – Grade S	3150	3153	-3
	Kolkata – Grade M	NA	3300	-
	Chennai - Grade S	3017	3050	-33
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3161	3161	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3135	3135	Unch

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		26-Sep-14	19-Sep-14	26-Aug-14	26-Sep-13
Sugar	Delhi - Grade M	3140	3180	3260	3150
	Delhi - Grade S	3040	3100	3200	3060
	Delhi - Grade L	NA	NA	NA	3180
	UP- Khatauli Grade M	3200	3200	3300	3100
	UP- Ramala Grade M	3100	3140	3235	3050
	UP- Dhampur Grade M Ex-Mill	3140	3140	3215	3000
	UP- Dhampur Grade S Ex-Mill	3120	3120	3195	2980
	UP- Dhampur Grade L Ex-Mill	3190	3190	3265	3050
	Mumbai –Grade M	3166	3252	3340	3241
	Mumbai –Grade S	3056	3066	3172	3052
	Kolhapur – Grade M	2950	2975	3050	2950
	Kolhapur – Grade S	2850	2875	2950	2850
	Guhawati – Grade S	3157	3182	3258	3110
	Shillong – Grade S	3170	3195	3270	3170
	Vijayawada – Grade M	3480	3480	3540	3550
	Vijayawada- Grade S	3380	3380	3440	3320
	Nagpur – Grade M	3250	3250	3350	3250
	Nagpur – Grade S	3150	3150	3150	3100
	Kolkata – Grade M	NA	NA	3330	3180
	Chennai - Grade S	3000	3050	3100	3075
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3161	3161	3171	3100
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3135	3135	3135	NR

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 deteriorate in the week ahead.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	20th Sept.- 26th Sept.	13th Sept.- 19th Sept.	Change
Muzaffar Nagar	Chaku	2756	2823	-67
	Chaku (Arrival)	NA	NA	-
	Khurpa	NA	NA	-
	Laddoo	NA	NA	-
	Rascut	2652	2687	-35
Hapur	Chaurasa	NA	NA	-
	Balti	NA	NA	-
Maharashtra	Latur(Lal Variety)	2858	3129	-271
Bangalore	Achhu	NA	NA	-
	Mudde	3500	4200	-700
Belgaum	Mudde	1433	2833	-1400
Belthangadi	Yellow (Average)	1675	3400	-1725
Bijapur	Achhu	2471	3000	-529
Gulbarga	Other (Average)	2108	3146	-1038
Mahalingapura	Penti (Average)	1947	2950	-1003
Mandya	Achhu (Medium)	1427	2918	-1491
	Kurikatu (Medium)	NA	2400	-
	Other (Medium)	1349	2738	-1390
	Yellow (Medium)	1436	2900	-1465
Shimoga	Achhu (Average)	2800	3340	-540

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		26-Sep-14	19-Sep-14	26-Aug-14	26-Sep-13
Muzaffar Nagar	Chaku	2725	2825	2875	3063
	Khurpa	NA	NA	2950	NR
	Laddu	NA	NA	3000	NR
	Rascut	2500	2700	2700	2650
Hapur	Chaurasa	NA	NA	NA	NR
	Balti	NA	NA	NA	NR
Maharashtra	Latur(Lal Variety)	2850	3050	3250	3250
Bangalore	Achhu	NA	NA	NA	3500
	Mudde	4200	4200	4200	3800
Belgaum	Mudde	NA	NA	NA	2800
Belthangadi	Yellow (Average)	NA	3400	NA	2850
Bijapur	Achhu	3000	NA	3050	3200
Gulbarga	Other (Average)	3150	3130	3170	2250
Mahalingapura	Penti (Average)	2950	NA	2940	3110
Mandya	Achhu (Medium)	NA	NA	3129	2950
	Kurikatu (Medium)	NA	NA	NA	2400
	Other (Medium)	NA	NA	2794	2450
	Yellow (Medium)	NA	NA	3030	2850
Shimoga	Achhu (Average)	3400	3300	NA	3475

Commodity: Sugar
Contract: October

Exchange: NCDEX
Expiry: Oct 20, 2014

SUGAR (Weekly Oct Contract Chart)



Technical Commentary:

- Sugar prices are increasing while volume and O.I declines down for the week.
- RSI is hovering into a neutral zone.
- Last candlestick depicts bullishness.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Oct	2800	2818	2886	2952	2978
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Oct	Buy	Above 2885	2903	2905	2867

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

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: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Nov	932.5	958.5	979.5	997	2010.5
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Nov	Buy	Above 984	1000	1002.5	974.5

International Scenario

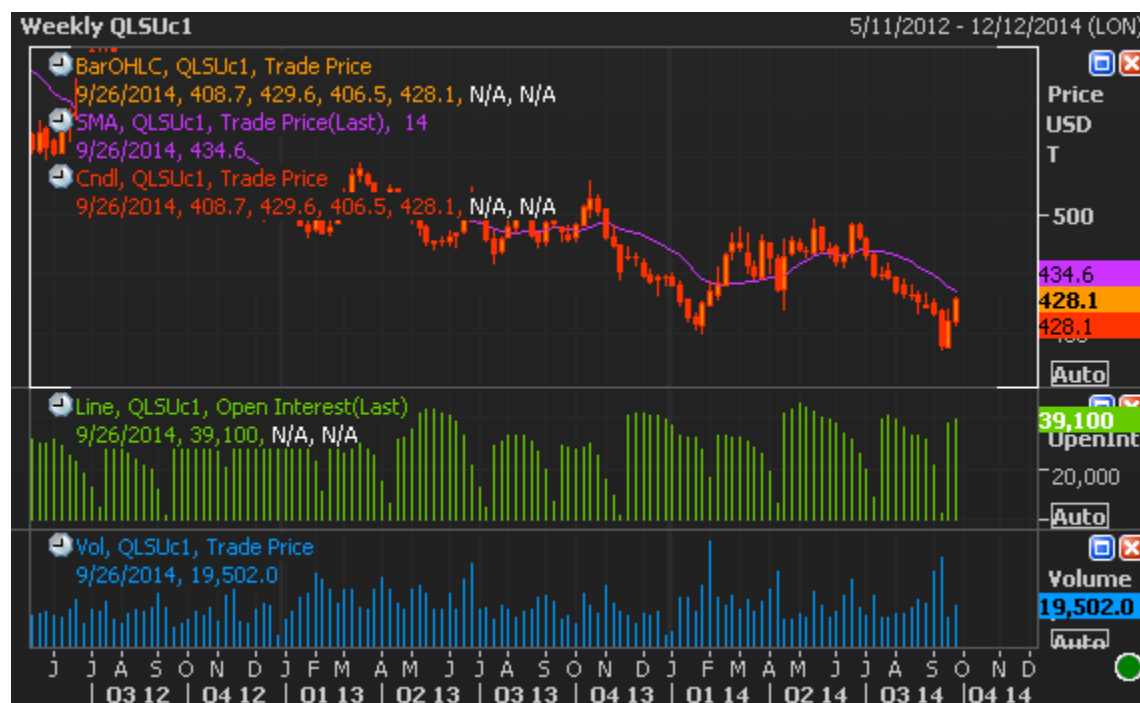
International sugar prices remained subdued amid ample supplies and higher current stock availability worldwide. However, medium term prices looks bullish due to overall sugar deficit globally for 2014-15.

International Market News Highlights:

- Brazil's centre south region (that accounts for 90% of country's cane production) witnessed a 17% decline in sugar production from 3.02 million tons (second half of august) to 2.5 million tons in the first half of September 2014. Slowdown in cane crushing in the area and a diversion of harvested cane towards ethanol production could be cited responsible for this fall.
- 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. Currently, Thai domestic retail sugar price is hovering at 23.5 baht (\$0.73) per kg; which is about 5 baht higher than the 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 by the country is likely to increase from 2.8 million tons (in 2014) to 3.6 million metric tons by 2015.

International Sugar Prices (Weekly)				
	Contract Month	25-Sep-14	18-Sep-14	Change
ICE Sugar #11 (US Cent/lb)	14-Oct	14.7	13.79	0.91
	15-Mar	16.08	15.95	0.13
	15-May	16.35	16.39	-0.04
LIFFE Sugar (US \$/MT)	14-Dec	418.5	413.6	4.90
	14-Mar	429.5	425.7	3.80
	14-May	437.8	435.6	2.20

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



Technical Commentary:

- LIFE future market marginally trends up for this week.
 - The last candlestick depicts bullishness in the market.
- Strategy: Buy at 428.5 with a target of 446.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'14	428.5	446

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



Technical Commentary:

- ICE raw sugar futures are moving downwards.
 - Last candlestick depicts bullishness in the market.
- Strategy: Buy at 15.41 with target of 15.70

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'14	15.41	15.70

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