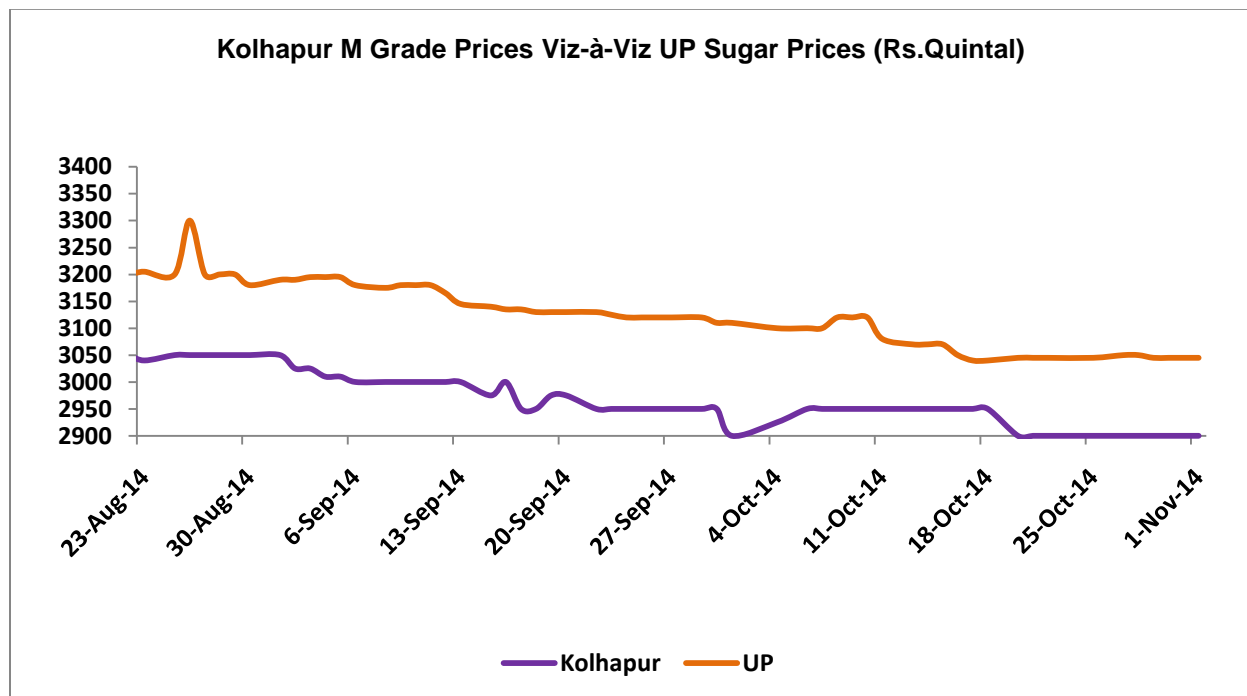


Sugar Price Trend and Outlook:

Sugar prices declined in the domestic market on persistent selling by stockiest amid lower demand and adequate supply position. In addition, higher Indian sugar production estimates for 2014-15 and weak international sugar prices further landed support to the prevailing downtrend.

Prices fell down to seven-month low in key Kolhapur market while U.P sugar prices strengthened a bit giving its way to a broader stretch this week.



Price Outlook:

Sugar prices are currently hovering in a range with weaker tone due to lackluster trade. However, lower expected yield in Brazil due to persistent dry weather condition and lengthening of intra-harvest period could stimulate prices in near future.

News Highlights:

- As per the data released by govt., India is expected to produce around 25.04 million tons of sugar for 2014-15, which is 2% higher than the figure achieved last year. Similarly, states govt. of the country turned around with a calculated figure of 25.5 million tons at the national level. While, sugar industry body ISMA projected the production to lay in between 25-25.5 million tons for 2014-15.

- Sugarcane commissions of Maharashtra, U.P and Karnataka estimated a sugar production of 9.1, 6.2 and 4.2 million tons this marketing year 2014-15. Also, the total Indian production for the same period is evaluated out at 25.5 million tons by the commissions.
- On the wake of finding minimal/no solution to the centre and state cane pricing policy, farmers in U.P started selling off their cane to the alternative jaggery units called Kolhus in the state. Reportedly, farmers are selling one of the premium quality cane at a price of Rs 180/quintal when the FRP had been fixed at Rs.220/quintal for 2014-15.

Raw Sugar Import/Export Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$510.63 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$477.89 per ton Kolhapur based.

On International front, Brazil sugar FOB prices quoted at \$423.50/ 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.61.52) till 03 rd Nov, 2014			
	Brazil	Thailand (100 Icumsa Oct Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$423.50	\$449.40/427.60	\$477.89

Sugarcane Crop Update

Maharashtra:

- As per the govt. sources; the net sown area under cane cultivation till 26th Sep, 2014 in Maharashtra was 9.23 lakh hectares.
- 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:

- Around 21.41 lakh hectares of land area in U.P was brought under cane cultivation till 26th Sep, 2014.
- 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.

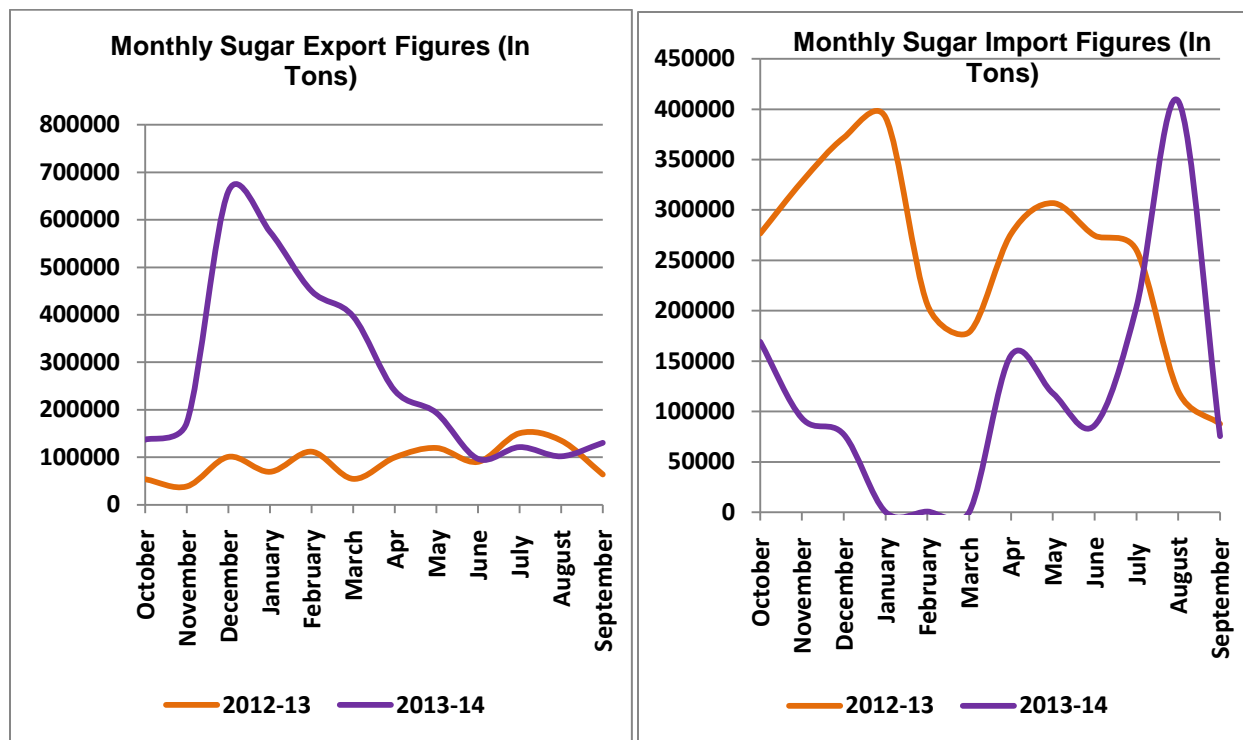
Tamil Nadu:

- The net sown area under cane cultivation in Tamil Nadu stands out at 3.39 lakh hectares as on 26th Sep, 2014.
- 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.

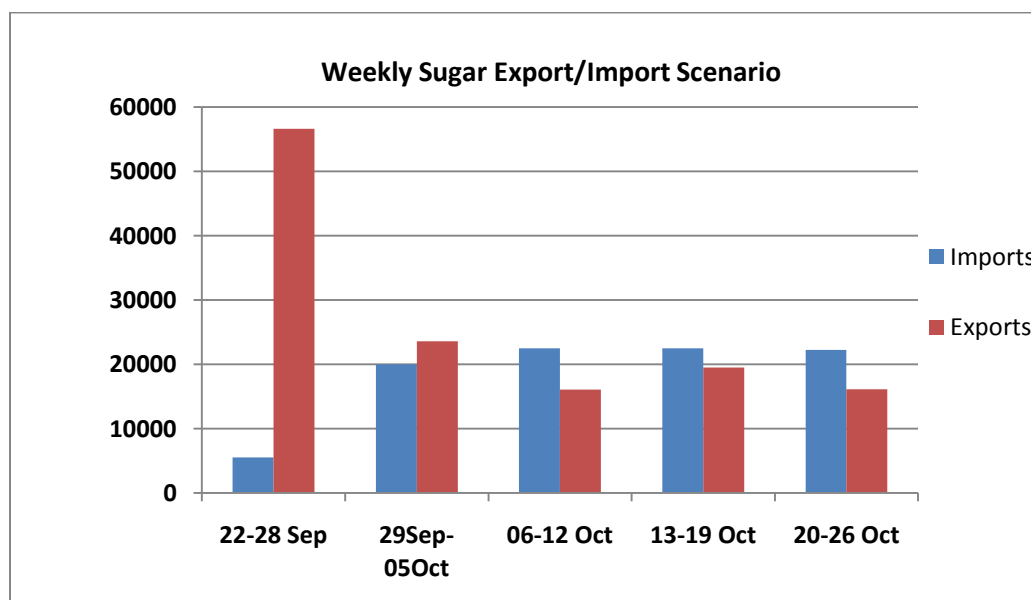
Sugar Import and Export Scenario:

Indian sugar exports rose tremendously during the last week of September marking a 148% surge from the exports made in previous week (0.23 lac tons). A depreciating Indian currency and a generous sugar supply made the exports all together viable from the country. With this, the total export made in September rose to 1.30 lacs tons compared to 1.02 lacs tons in August.

It is notable that majority of the exports made in September had been to the Mid-East countries with Sudan topping the list with an import of 38 thousand tons followed by Iran and Somalia with an import of 25.1 and 17.4 thousand tons respectively.



On the other hand, deteriorating EID parry to sugar import (due to surge in import duty to 25%) and a slacking domestic demand together attributed to the fall in imports this month. Reportedly, India had imported only 5.5 thousand tons of sugar in the last week of September compared to 50.5 thousand tons in the month's beginning. Thus, the total sugar import made in the month of September falls by 3.33 lacs tons from the figure obtained (4.08 lacs tons) last month.



As depicted in the graph above, sugar export declined 17% from 19.4 thousand tons to 16.1 thousand tons for the week ending 26th Oct 2014. Similarly, Indian imports also registered a marginal decline of 1% from 22.5 thousand tons to 22.2 thousand tons for the week.

On a whole, India imported 0.87 lacs tons of sugar till 26th Oct, 2014 while exported only 0.70 lacs tons during the period.

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	25th October-31st October	18th October-22th October	Change
Sugar	Delhi - Grade M	3102	3115	-13
	Delhi - Grade S	3051	3070	-19
	Delhi - Grade L	NA	3150	-
	UP- Khatauli Grade M	3188	3213	-25
	UP- Ramala Grade M	3009	3010	-1
	UP- Dhampur Grade M Ex-Mill	3052	NA	-
	UP- Dhampur Grade S Ex-Mill	3032	NA	-
	UP- Dhampur Grade L Ex-Mill	3102	NA	-
	Mumbai –Grade M	3175	3164	11
	Mumbai –Grade S	3023	3040	-17
	Kolhapur – Grade M	2900	2913	-13
	Kolhapur – Grade S	2800	2813	-13
	Guhawati – Grade S	3106	3119	-13
	Shillong – Grade S	3120	3133	-13
	Vijayawada – Grade M	3475	3480	-5
	Vijayawada- Grade S	3375	3380	-5
	Nagpur – Grade M	3258	3300	-42
	Nagpur – Grade S	3091	3100	-9
	Kolkata – Grade M	NA	NA	-
	Chennai - Grade S	2950	2950	Unch
	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
		31-Oct-14	22-Oct-14	30-Sep-14	31-Oct-13
Sugar	Delhi - Grade M	3090	3140	3140	3135
	Delhi - Grade S	3065	3090	3060	3085
	Delhi - Grade L	NA	3150	NA	3175
	UP- Khatauli Grade M	3165	3220	3200	3090
	UP- Ramala Grade M	3010	3010	3080	2995
	UP- Dhampur Grade M Ex-Mill	2950	NA	3100	3000
	UP- Dhampur Grade S Ex-Mill	2930	NA	3080	2980
	UP- Dhampur Grade L Ex-Mill	3000	NA	3150	3050
	Mumbai –Grade M	3182	3172	3146	3176
	Mumbai –Grade S	3012	3040	3046	2936
	Kolhapur – Grade M	2900	2900	2950	2900
	Kolhapur – Grade S	2800	2800	2850	2775
	Guhawati – Grade S	3106	3106	3157	3081
	Shillong – Grade S	3120	3120	3170	3095
	Vijayawada – Grade M	3450	3480	3480	3500
	Vijayawada- Grade S	3350	3380	3380	3250
	Nagpur – Grade M	3250	3300	3150	3250
	Nagpur – Grade S	3050	3100	3050	3050
	Kolkata – Grade M	NA	NA	NA	3230
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	2950	NA	3161	3100
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3160	3161	3135	NA
	Chennai - Grade S	3135	3135	3000	2960

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) (Average)				
Markets	Variety	25th October-31st October	18th October-22th October	Change
Muzaffar Nagar	Chaku	2849	2989	-140
	Chaku (Arrival)	32000	26000	6000
	Khurpa	2528	2575	-47
	Laddoo	2660	2788	-128
	Rascut	2313	2375	-62
Hapur	Chaurasa	2438	2534	-96
	Balti	2438	2508	-70
Maharashtra	Latur(Lal Variety)	3050	3000	50
Bangalore	Achhu	NA	NA	-
	Mudde	4225	4200	25
Belgaum	Mudde	2825	2700	125
Belthangadi	Yellow (Average)	3250	3200	50
Bijapur	Achhu	2863	2900	-37
Gulbarga	Other (Average)	3083	3000	83
Mahalingapura	Penti (Average)	2964	NA	-
Mandya	Achhu (Medium)	3213	3150	63
	Kurikatu (Medium)	2550	2600	-50
	Other (Medium)	2738	2725	13
	Yellow (Medium)	3100	3050	50
Shimoga	Achhu (Average)	3200	3250	-50

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		31-Oct-14	22-Oct-14	30-Sep-14	31-Oct-13
Muzaffar Nagar	Chaku	2820	2875	2563	2750
	Khurpa(New)	2650	NA	NA	2375
	Laddu(New)	2650	NA	NA	2625
	Rascut	NA	2375	NA	2500
Hapur	Chaurasa	2438	2478	NA	NA
	Balti	2438	2500	NA	NA
Maharashtra	Latur(Lal Variety)	3050	3000	2750	3600
Bangalore	Achhu	NA	NA	NA	3500
	Mudde	4225	NA	4200	3950
Belgaum	Mudde	2800	NA	2900	2700
Belthangadi	Yellow (Average)	3100	NA	3200	3000
Bijapur	Achhu	2800	NA	2950	3300
Gulbarga	Other (Average)	3115	NA	3175	3150
Mahalingapura	Penti (Average)	3080	NA	2740	2960
Mandya	Achhu (Medium)	3250	NA	NA	2900
	Kurikatu (Medium)	2550	NA	NA	2500
	Other (Medium)	2700	NA	NA	2500
	Yellow (Medium)	3100	NA	NA	2900
Shimoga	Achhu (Average)	3200	NA	3400	3325

Commodity: Sugar
Contract: December

Exchange: NCDEX
Expiry: Dec 19, 2014

SUGAR (December Weekly Chart)



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Dec	2705	2743	2791	2850	2890
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Buy	Above 2795	2815	2820	2784

Commodity: Gur
Contract: November

Exchange: NCDEX
Expiry: Nov 20, 2014

GUR (November Weekly Chart)



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Nov	900.5	943	996	1040.5	1072
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Nov	Buy	Above 995	1015	1018.5	975.5

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:

- As per the UNICA report, Brazilian sugar production paced up in the first half of October as the central south region produced 2.37 million tons of sugar compared to 1.64 million tons in late September. This was due to the hot and dry weather condition prevailing in the country, which favors better cane crushing in the country. In addition to it lower cane yield urges millers to fasten their crushing operation to curb for the loss of cane recovery.
- As per the USDA report, Philippines raw sugar production is expected to reach 2.45 million tons for 2013-14 that is 2.7% higher than the figure achieved last year in 2012-13. Favorable weather conditions, higher sugar recovery (from cane) and improved farm yields this marketing year could be cited responsible for the surge.
- China's sugar import declined 39% y-o-y from 0.59 million tons to 0.36 million tons in the month of September. Similarly, a depreciating domestic currency and ample stock build up within the nation caused total imports to fall by 17.8% to 2.4 million tons in 2014(Jan-Sep).

International Sugar Prices (Weekly)				
	Contract Month	30-Oct-14	24-Oct-14	Change
ICE Sugar #11 (US Cent/lb)	15-Mar	16.30	16.23	0.07
	15-May	16.59	16.54	0.05
	15-Jul	16.85	16.82	0.03
LIFFE Sugar (US \$/MT)	14-Dec	428	429	-1.00
	15-Mar	427	429	-2.00
	15-May	435	438	-3.00

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



Technical Commentary:

- LIFE future market trends downward for the week.
- The last candlestick depicts bearishness in the market.

Strategy: Sell at 420 with a target of 408.7

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'14	420	408.7

ICE Raw Sugar Future Market Scenario (Mar'15 Contract):



Technical Commentary:

- ICE raw sugar futures are trending downwards.
 - Last candlestick depicts bearishness in the market.
- Strategy: Sell at 16.02 with target of 15.63

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'15	16.02	15.63

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