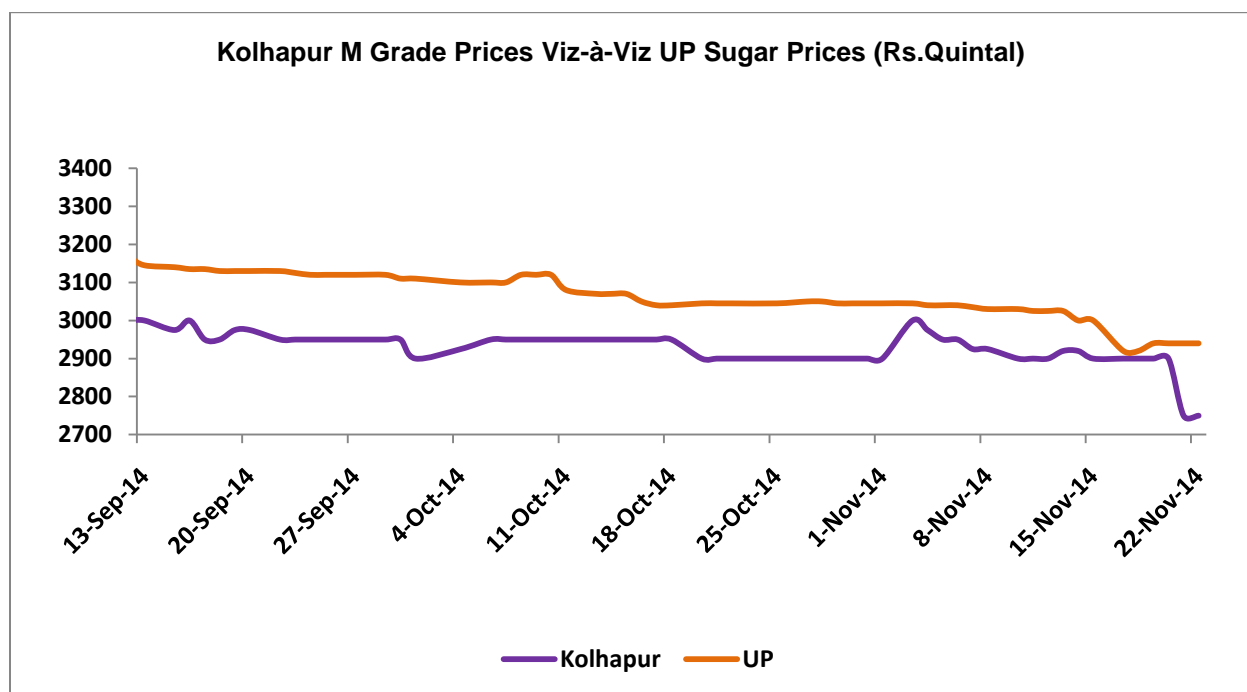


Sugar Price Trend and Outlook:

Sugar prices dropped sharply this week as selling pressure increased and producers started selling old stocks at lower rates. In addition, higher Indian sugar production estimates for 2014-15 and weak international sugar prices landed support to the prevailing downtrend.

Prices in benchmark Kolhapur market also fell down to its eight month low amid sluggish domestic demand and stock of unsold sugar in the godowns. Similarly, prices in Uttar Pradesh market too hovered in between a range of Rs2920- Rs 2940 per quintal 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 ISMA report, sugar production in the country for 2014-15(till 15th Nov, 2014) stand out at 5.6 lakh tons as against 4.6 lakh tones during the same period. So far, the data collected was from 141 sugar mills mostly operating in Maharashtra, Karnataka and Gujarat while crushing process is still pending in states like Uttar Pradesh.

- Sugarcane SAP in Punjab had been raised to Rs 285/quintal (normal variety), Rs 295/quintal (early ripening variety) and Rs 280/quintal (late variety) for MY 2014-15. Notably, the revision (of Rs5/quintal on all variety) had been made after considering farmers' plea of rising input cost in production.
- U.P govt. declared cane SAP of Rs 280/quintal (normal variety), Rs 290/quintal (early ripening variety) and Rs 275/quintal (late variety) for marketing year 2014-15; which are similar to the rate fixed last year. The govt. had also made it compulsory for the millers to pay the first installment of Rs 240/quintal within 14 days of procurement while the remaining amount needs to be paid within three months of completion of crushing.

Raw Sugar Import/Export Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$505.62 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$452.19 per ton Kolhapur based.

On International front, Brazil sugar FOB prices quoted at \$415/ 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.61.70) till 24 th Nov, 2014			
	Brazil	Thailand (100 Icumsa Oct Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$415	\$428.40/421.70	\$452.19

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:

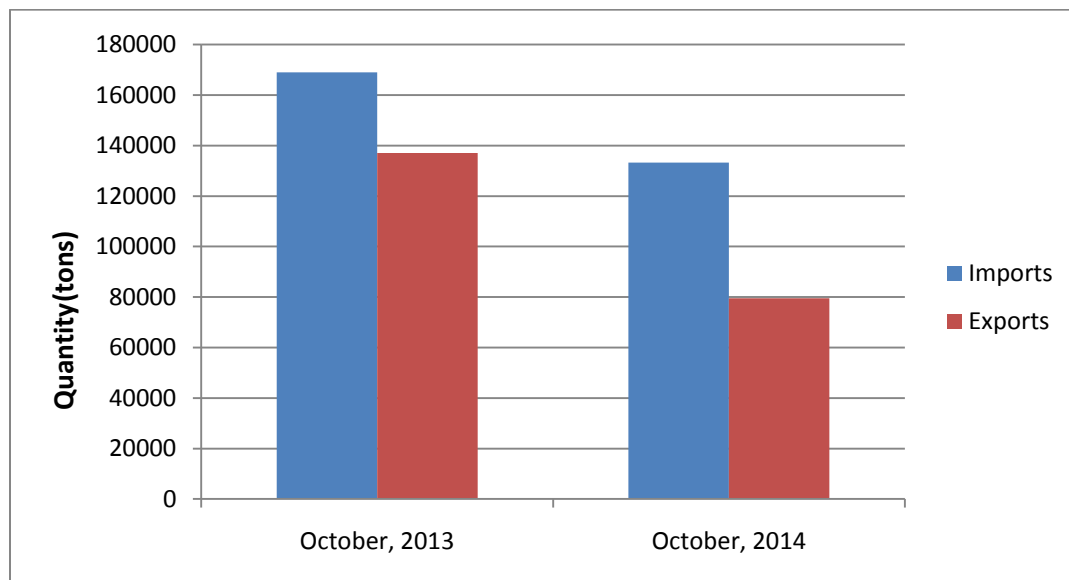
- Around 21.41 lakh hectares of land area in U.P was brought under cane cultivation till 26th Sep, 2014.
- Crop is presently in a good state with ample amount of artificial irrigation facilities available in UP.
- Also, less rainfall this year in the major growing regions also likely to boost the cane 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 trade scenario remained subdued amid falling sugar export/import this October, when compared on y-o-y basis. Reportedly, India exported/imported 0.79/1.33 lacs million tons of sugar in October, 2014 compared to 1.37/1.69 lacs million tons in October, 2013.



Similarly, the country also witnessed a 41% fall in export when made comparison to the previous month. However, the rampant was majorly observed in the last week of October when exports fall all together from 16.1 thousand tons to 9.6 thousand tons. This was primarily due to the strengthening of Indian rupee and a sudden surge in Brazilian crushing process amid favorable weather condition in the country.

It is notable that majority of the exports made in October had been to the Mid-East countries with Sudan topping the list with an import of 24.2 thousand tons followed by UAE and Djibouti which imported 13.2 and 8.7 thousand tons of sugar respectively.

On the other hand, sugar imports by the country rose 77% from 0.75 lacs tons in the month of September to 1.33 lacs tons this month. This was due to the weak sugar prices prevailing in the international market and EID parry to sugar import by the country.

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	15th Nov to 21 Nov 14	8th Nov to 14 Nov14	Change
Sugar	Delhi - Grade M	2973	3033	-60
	Delhi - Grade S	2903	2991	-88
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	3071	3124	-53
	UP- Ramala Grade M	2910	2958	-48
	UP- Dhampur Grade M Ex-Mill	2892	3013	-121
	UP- Dhampur Grade S Ex-Mill	2872	2957	-85
	UP- Dhampur Grade L Ex-Mill	2942	3027	-85
	Mumbai –Grade M	3195	3170	25
	Mumbai –Grade S	2887	2963	-76
	Kolhapur – Grade M	2875	2911	-36
	Kolhapur – Grade S	2775	2811	-36
	Guhawati – Grade S	3081	3117	-36
	Shillong – Grade S	3095	3131	-36
	Vijayawada – Grade M	3408	3450	-42
	Vijayawada- Grade S	3225	3350	-125
	Nagpur – Grade M	3100	3152	-52
	Nagpur – Grade S	2992	2973	19
	Kolkata – Grade M	3120	3125	-5
	Chennai - Grade S	2908	2917	-9
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	NA	NA	-
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	-

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		21-Nov-14	14-Nov-14	21-Oct-14	21-Nov-13
Sugar	Delhi - Grade M	2930	3020	3100	3125
	Delhi - Grade S	2900	2960	3070	3060
	Delhi - Grade L	NA	NA	NA	NA
	UP- Khatauli Grade M	3080	3105	3210	3075
	UP- Ramala Grade M	2930	2920	NA	3050
	UP- Dhampur Grade M Ex-Mill	2830	3010	NA	3100
	UP- Dhampur Grade S Ex-Mill	2810	2990	NA	3080
	UP- Dhampur Grade L Ex-Mill	2880	3060	NA	3150
	Mumbai –Grade M	3190	2952	3162	3206
	Mumbai –Grade S	2866	3166	3040	2922
	Kolhapur – Grade M	2750	2920	2900	2875
	Kolhapur – Grade S	2650	2820	2800	2775
	Guhawati – Grade S	2954	3126	3106	3081
	Shillong – Grade S	2970	3140	3120	3095
	Vijayawada – Grade M	3400	3450	3480	3550
	Vijayawada- Grade S	3200	3350	3380	3250
	Nagpur – Grade M	3100	3150	3300	3200
	Nagpur – Grade S	3000	2950	3100	3000
	Kolkata – Grade M	NA	NA	NA	3200
	Chennai - Grade S	2900	2900	NA	2900
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	NA	NA	3161	3100
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	3135	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 deteriorate in the week ahead.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	15th Nov to 21 Nov 14	8th Nov to 14 Nov 14	Change
Muzaffar Nagar	Chaku	2363	2386	-23
	Chaku (Arrival)	47000	48000	-1000
	Khurpa	2208	2238	-30
	Laddoo	2410	2373	37
	Rascut	NA	NA	-
Hapur	Chaurasa	2169	2167	2
	Balti	2078	2110	-32
Maharashtra	Latur(Lal Variety)	2517	2783	-266
Bangalore	Achhu	NA	NA	-
	Mudde	4167	4100	67
Belgaum	Mudde	2780	2725	55
Belthangadi	Yellow (Average)	3300	3250	50
Bijapur	Achhu	2640	2783	-143
Gulbarga	Other (Average)	2757	3044	-287
Mahalingapura	Penti (Average)	2724	2796	-72
Mandya	Achhu (Medium)	2675	2830	-155
	Kurikatu (Medium)	2325	2420	-95
	Other (Medium)	2350	2420	-70
	Yellow (Medium)	2675	2780	-105
Shimoga	Achhu (Average)	3200	3200	Unch

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		21-Nov-14	14-Nov-14	21-Oct-14	21-Nov-13
Muzaffar Nagar	Chaku	2375	2375	2875	2313
	Khurpa	2200	2200	2500	2250
	Laddu	2350	2350	2750	2413
	Rascut	NA	NA	2375	NA
Hapur (Seyana)	Chaurasa	2170	2170	2600	NA
	Balti	2100	2100	2563	NA
Maharashtra	Latur(Lal Variety)	2600	2600	3000	2650
Bangalore	Achhu	NA	NA	NA	3600
	Mudde	4100	4100	4200	3600
Belgaum	Mudde	2700	2700	NA	3100
Belthangadi	Yellow (Average)	NA	NA	NA	3000
Bijapur	Achhu	2650	2650	2900	2935
Gulbarga	Other (Average)	3050	3050	3050	3150
Mahalingapura	Penti (Average)	2710	2710	NA	2810
Mandya	Achhu (Medium)	2750	2750	NA	2800
	Kurikatu (Medium)	2400	2400	NA	2500
	Other (Medium)	2400	2400	NA	2500
	Yellow (Medium)	2700	2700	NA	2850
Shimoga	Achhu (Average)	3200	3200	3200	3225

Commodity: Sugar
Contract: December

Exchange: NCDEX
Expiry: Dec 19, 2014

SUGAR (December Weekly Chart)



Technical Commentary:

- Sugar prices and volume declines down for the week.
- RSI is hovering into a neutral zone.
- Last candlestick depicts bearishness in the market.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Dec	2655	2680	2730	2780	2805
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Sell	Below 2735	2720	2712	2743

Commodity: Gur
Contract: December

Exchange: NCDEX
Expiry: Dec 19, 2014

GUR (December Weekly Chart)



Technical Commentary:

- Volume in gur commodity market declined sharply while O.I remained stagnant at the previous level.
- RSI is also hovering into a neutral zone.
- Last candlestick depicts indecision in the market.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Gur	NCDEX	Dec	902.5	955	975	1000.5	1053
Weekly Trade Call			Call	Entry	T1	T2	SL
Gur	NCDEX	Dec	Sell	Below 973	963	958	979



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 price surges high in the international market amid lower productivity from the largest cane producer, Brazil that is facing the dual problem of draught and early closure of mills in the country. Reportedly, Brazil's main central south region produced only 2.05 MMT of sugar in the second half of October compared to 2.47 MMT last year in 2013.
- Sugar production in Thailand is expected to range in between 10- 11 million tons for MY 2014-15 against a record high of 11.3 million tons the previous year. Hot and humid climate condition coupled with scanty rainfall this year cited cues for this fall in expectation.
- 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	20-Nov-14	13-Nov-14	Change
ICE Sugar #11 (US Cent/lb)	15-Mar	16.10	16.01	0.09
	15-May	16.45	16.3	0.15
	15-Jul	16.66	16.5	0.16
LIFFE Sugar (US \$/MT)	15-Mar	421.7	420.8	0.90
	15-May	430.5	428.8	1.70
	15-Aug	441.3	440.3	1.00

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 420.7 with a target of 405.4

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'14	420.7	405.4

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



Technical Commentary:

- ICE raw sugar futures are trending upwards.
 - Last candlestick depicts bullishness in the market.
- Strategy: Buy at 16.20 with target of 16.75

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'15	16.20	16.75

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