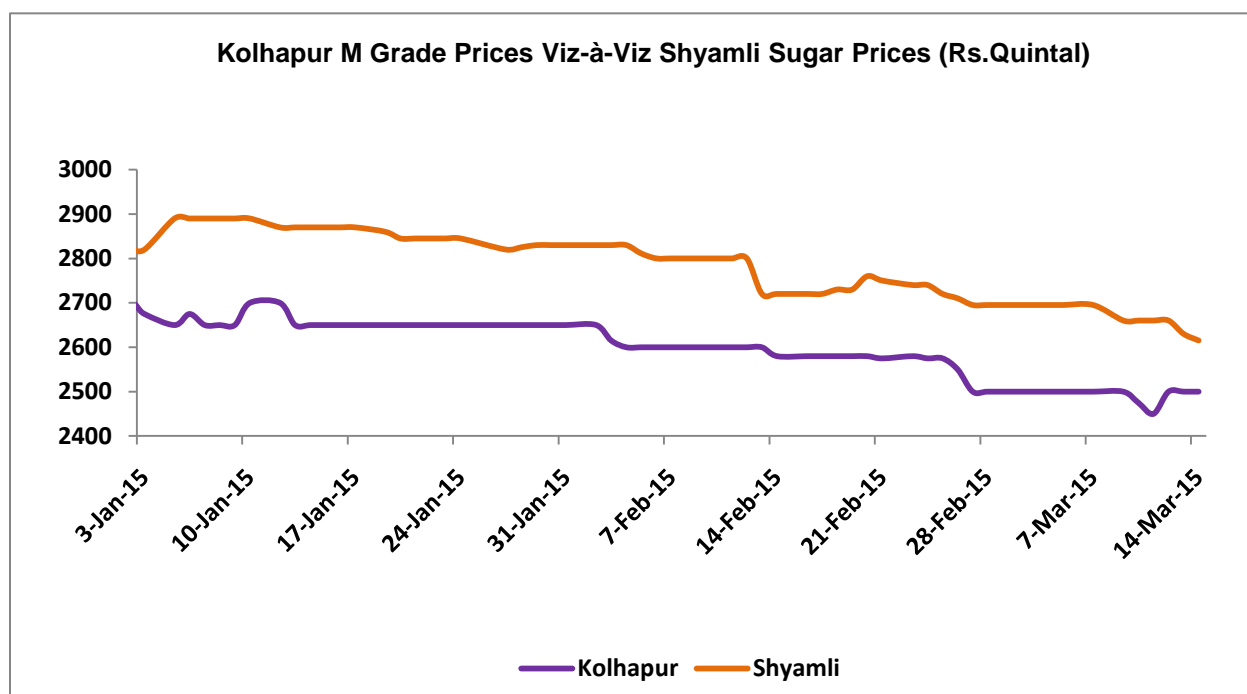


Sugar Price Trend and Outlook:

Distress sale of sugar stock, particularly in Maharashtra continued this week leading to a fall in average sugar price within the country. Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 2488 per quintal last week compared to Rs 2500 per quintal in the previous week. Similarly, sugar prices for the same variety/grade in Shyamli district fell by 1.8% to Rs 2648 per quintal last week.

However, the market is expected to improve in the weeks ahead as the Maharashtra govt. is planning to provide an additional financial assistance of Rs. 1000/ ton in addition to the subsidy of Rs 4000/ton announced by union govt. for the export of raw sugar. This will help the domestic millers to divert more of their production towards raw sugar thus lowering out the huge stockpile of white refined sugar in the country.



Price Outlook:

Sugar prices are likely to improve in the weeks ahead as the Indian millers are almost done with 70% of cane crushing for the season and are planning to fasten the remaining crushing so as to shut down early for the year. In addition, global sugar supply is also expected to shrink down as the major producer Brazil had entered the intra harvest period and is no more left with enough sugarcane to crush.

News Highlights:

- The Indian Food Ministry projected the country's total sugar production at 26.5 million tons for MY 2014-15 (Oct – Sep) which was 0.5 million tons higher than the production forecast made by the Indian Sugar Mills Association (ISMA).
- In a bid to support current raw sugar export from the country, the Indian govt. is planning to make subsidy payment (to the domestic millers) for the export subsidy announced last year in 2013-14. Notably, the govt. is expected to release the subsidy amount worth Rs 247 crore in coming two weeks of the month.
- 511 sugar mills in India had produced 194 lakh tons of sugar till 28th Feb, 2015 for MY 2014-15 which was 13.8% higher than the production made last year during the same interval.
- A higher sugarcane recovery in U.P caused the state to produce 49.6 lakh tons of sugar in 2014-15 (till 28th Feb, 2015) which was 6.2 lakh tons more than the sugar produced in the corresponding period last year.
- The largest sugar producer, Maharashtra had churned around 74 lakh tons of sugar this season (till 28th Feb, 2015) compared to 57.5 lakh tons of sugar last year during the same corresponding period. The state also saw a surge in number of sugar mills operating from 129 last year (till 28th Feb, 2014) to 177 mills (till 28th Feb, 2015) this year.
- Karnataka sugar production rose by 6.01% with the state producing 32.80 lakh tons of sugar till 28th Feb, 2015 compared to 30.94 lakh tons last year for the same interval.
- The combined sugar production in Andhra Pradesh & Telengana slows down this month with only 23 sugar mills participating in the crushing process yielding a mere production of 7.3 lakh tons of sugar in 2014-15 (till 28th Feb, 2015) compared to 7.72 lakh ton in 2013-14 (till 28th Feb, 2014).
- Sugar production declined 29% in Tamil Nadu which produced 4.6 lakh tons of sugar in 2014-15 (1st Oct, 2014- 28th Feb, 2015) compared to 6.5 lakh tons in 2013-14 (1st Oct, 2013- 28th Feb, 2014).
- Sugar production in Gujarat declined 2.8 % with the state producing 8.4 lakh tons of sugar this season (1st Oct, 2014- 28th Feb, 2015) compared to 8.64 lakh tons last year (1st Oct, 2013- 28th Feb, 2014)
- A positive production growth rate (27.3%) was seen in Bihar which produced 4.75 lakh tons of sugar in 2014-15 (1st Oct, 2014- 28th Feb, 2015) compared to 3.73 lakh tons in 2013-14 (1st Oct, 2013- 28th Feb, 2014).
- Production growth rate remained approximately unchanged in Punjab with the state producing 3.7 lakh tons of sugar this year (1st Oct, 2014- 28th Feb, 2015) relative to what it produced last year for the same duration.

Indian Sugar Production Scenario Up to 28th February, 2015:

States	Sugar Produced (Lakh Tons)	
	2014-15	2013-14
Maharashtra	74.0	57.5
Uttar Pradesh	49.6	43.4
Karnataka	32.8	30.9
Tamil Nadu	4.6	6.5
Bihar	4.8	3.7
Andhra Pradesh + Telengana	7.3	7.7
All India	194.0	170.4

Raw Sugar Import/Export Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$453.62 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$401.84 per ton Kolhapur based.

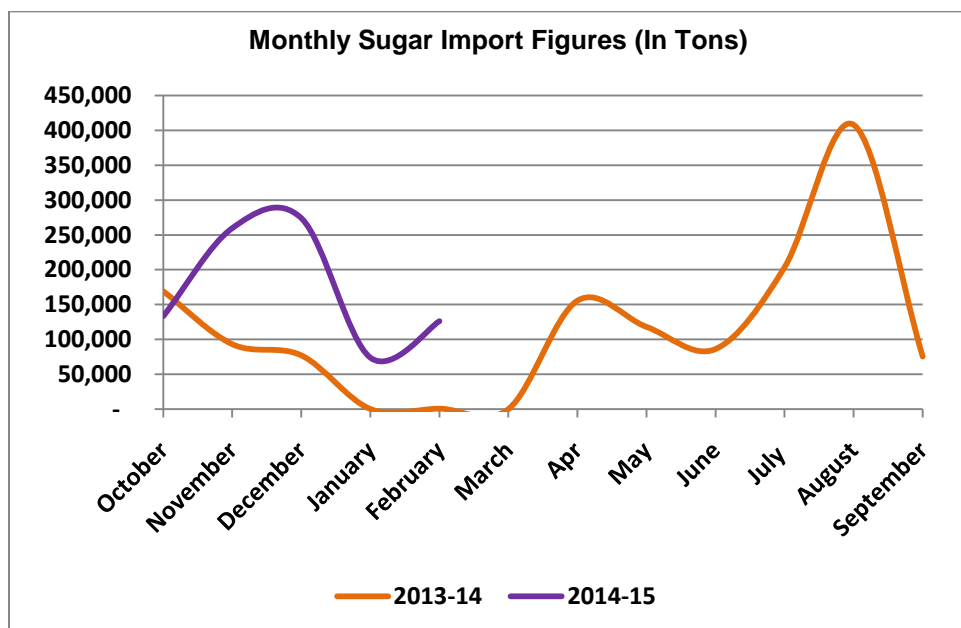
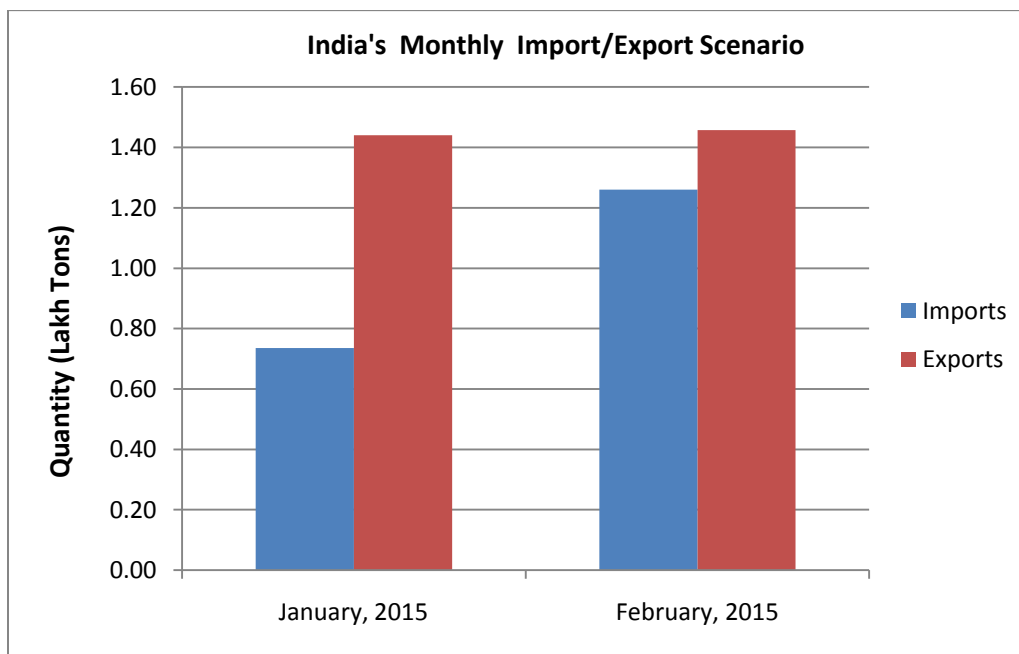
On International front, Brazil sugar FOB prices quoted at \$357.25/ Ton.

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

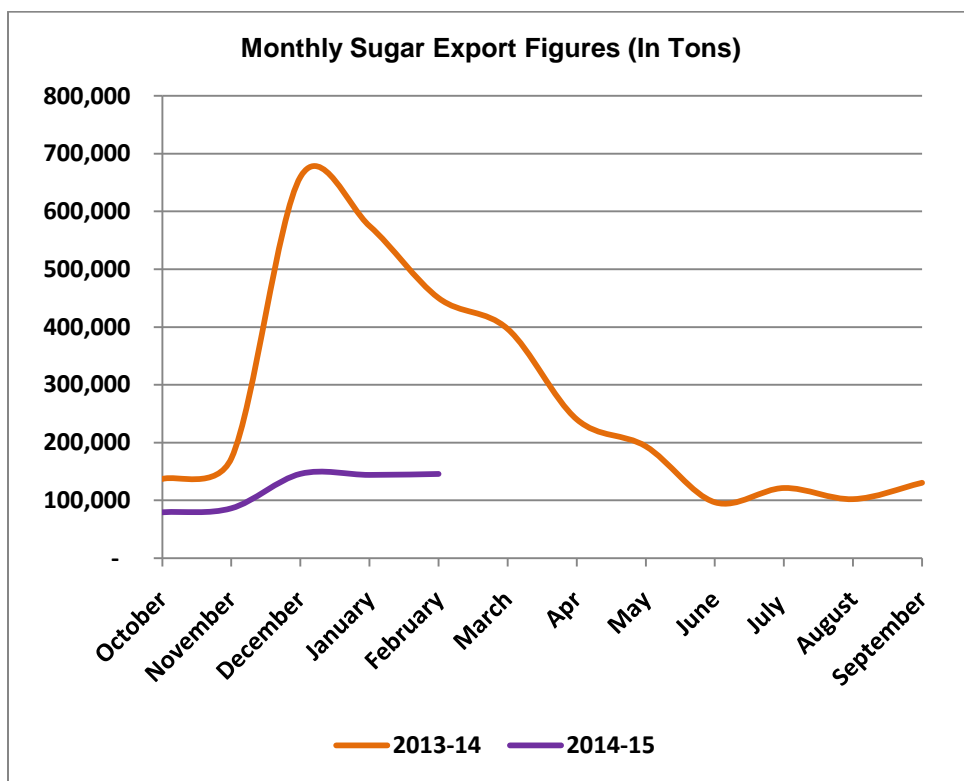
Indicative Sugar FOB Prices (USD/MT) (\$=Rs.62.91) till 16 th Mar, 2015			
	Brazil	Thailand (100 Icumsa Oct Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$357.25	\$387.85/369.50	\$401.84

Sugar Import and Export Scenario:

Indian sugar trade scenario improved this month as the country exported more sugar in comparison to the imports made during the period. Notably, the country exported 1.46 lakh tons of sugar in February, 2015 as against 1.26 lakh tons of import during the same period.



With the pending export subsidy on raw sugar and cheaper availability of Brazilian raw sugar, the Indian millers opted to import sugar from abroad and thus imported 1.26 lakh tons of sugar in February, 2015 which was 71.4% higher than the quantity imported last month in January.



While, making optimum utilization of its refinery capacity, Indian sugar mills exported 1.46 lakh tons of sugar in February, 2015 which was marginally higher (1.2%) than the sugar exported in January, 2015. Also, the bunch of exports made had been to Sudan, Sri Lanka and Somalia which imported 49.0, 40.8 and 17.3 thousand tons of sugar respectively in February, 2015.

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	7th March 2015 to 13th March 2015	28th February-5th Mar 2015	Change
Sugar	Delhi - Grade M	2712	2768	-56
	Delhi - Grade S	2667	2716	-49
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	2751	2888	-137
	UP- Ramala Grade M	2688	2770	-82
	UP- Dhampur Grade M Ex-Mill	2647	2696	-49
	UP- Dhampur Grade S Ex-Mill	2627	2676	-49
	UP- Dhampur Grade L Ex-Mill	2697	2746	-49
	Mumbai –Grade M	2826	2856	-30
	Mumbai –Grade S	2631	2659	-28
	Kolhapur – Grade M	2488	2500	-12
	Kolhapur – Grade S	2388	2400	-12
	Guhawati – Grade S	2687	2700	-13
	Shillong – Grade S	2708	2720	-12
	Vijayawada – Grade M	3007	3050	-43
	Vijayawada- Grade S	2907	2950	-43
	Nagpur – Grade M	2883	3000	-117
	Nagpur – Grade S	2617	2650	-33
	Kolkata – Grade M	2744	2810	-66
	Chennai - Grade S	2541	2568	-27
	Ambikapur (Chattisgarh)-Grade M (Without Duty)	3035	3035	Unch
	Ambikapur (Chattisgarh)-Grade S (Without Duty)	3035	3035	Unch

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		13-Mar-15	5-Mar-15	13-Feb-15	13-Mar-14
Sugar	Delhi - Grade M	2700	2765	2770	3300
	Delhi - Grade S	2670	2715	2700	3300
	Delhi - Grade L	NA	NA	NA	3400
	UP- Khatauli Grade M	2695	Closed	2950	NA
	UP- Ramala Grade M	2660	Closed	2770	3110
	UP- Dhampur Grade M Ex-Mill	2630	2600	2800	3175
	UP- Dhampur Grade S Ex-Mill	2610	2580	2780	3155
	UP- Dhampur Grade L Ex-Mill	2680	2650	2850	3225
	Mumbai –Grade M	2812	2856	2912	3086
	Mumbai –Grade S	2602	2660	2722	2902
	Kolhapur – Grade M	2500	2500	2600	2900
	Kolhapur – Grade S	2400	2400	2500	2800
	Guhawati – Grade S	2700	2700	2801	3106
	Shillong – Grade S	2720	2720	2820	3120
	Vijayawada – Grade M	3000	3040	3080	3450
	Vijayawada- Grade S	2900	2940	2980	3250
	Nagpur – Grade M	2850	3000	3000	3150
	Nagpur – Grade S	2600	2650	2800	3000
	Kolkata – Grade M	2730	2800	2900	3285
	Chennai - Grade S	2525	2560	2650	2925
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3035	3035	3035	3050
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3035	3035	3035	3050

Gur Market Scenario and Outlook

Mixed sentiments were recorded in gur spot market this week with price rising in some markets while declining on the others.

The Chaku variety of gur in key Muzaffar Nagar market settled at Rs 2330 per quintal this week, which was Rs 34 more than the price quoted last week for the same variety. Similarly, Khurpa and Laddoo variety of gur were sold at a rate of Rs 2173 and Rs 2351 per quintal respectively.

However, Mudde variety of gur in Bangalore underwent a drastic loss with its price settling at Rs 3717/quintal for the week from Rs 3980/quintal the previous week. Similarly, Chaurasa variety of gur in Hapur declined by Rs 60/quintal from Rs 2175/quintal to Rs 2115/quintal for the week.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	7th March 2015- 13th March 2015	28th February-5th Mar 2015	Change
Muzaffar Nagar	Chaku	2330	2296	34
	Chaku (Arrival)	11000	NA	-
	Khurpa	2173	2123	50
	Laddoo	2351	2258	93
	Rascut	NA	NA	-
Hapur	Chaurasa	2115	2175	-60
	Balti	2090	2045	45
Maharashtra	Latur(Lal Variety)	2275	2350	-75
Bangalore	Mudde	3717	3980	-263
Belgaum	Mudde	2500	2450	50
Belthangadi	Yellow (Average)	3100	3110	-10
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	2645	2615	30
Mahalingapura	Penti (Average)	2769	2604	165
Mandya	Achhu (Medium)	2868	2600	268
	Kurikatu (Medium)	2230	2200	30
	Other (Medium)	2380	2300	80
	Yellow (Medium)	2620	2567	53
Shimoga	Achhu (Average)	2900	2900	Unch

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		13-Mar-15	5-Mar-15	13-Feb-15	13-Mar-14
Muzaffar Nagar	Chaku	2375	2300	2375	2750
	Khurpa	2175	2163	2213	2575
	Laddu	2328	2250	2338	2650
	Rascut	NA	NA	NA	2625
Hapur	Chaurasa	2125	2100	2213	Closed
	Balti	2125	2050	2075	Closed
Maharashtra	Latur(Lal Variety)	2300	2250	NR	2950
Bangalore	Mudde	3700	3900	4000	3100
Belgaum	Mudde	2700	NA	NA	2700
Belthangadi	Yellow (Average)	3050	3100	3100	3200
Bijapur	Achhu	NA	NA	NA	2500
Gulbarga	Other (Average)	2610	2620	2640	2500
Mahalingapura	Penti (Average)	2545	2627	2491	2810
Mandya	Achhu (Medium)	2900	2600	2400	2650
	Kurikatu (Medium)	2250	2200	2200	2300
	Other (Medium)	2500	2300	2250	2550
	Yellow (Medium)	2600	2600	2400	2550
Shimoga	Achhu (Average)	NA	2900	2900	2900

Commodity: Sugar
Contract: March

Exchange: NCDEX
Expiry: Mar 20, 2015

SUGAR (Mar Weekly Chart)

SUGARM 1503(NCSMAH5)2015/03/15 - Weekly B:2480.00 A:2485.00
O 2441.00 H 2486.00 L 2441.00 C 2486.00 ↓ V 1,260 I 13,930 O +0.00%



Technical Commentary:

- Sugar prices and volume are rising while O.I falls down for the day.
- 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	Mar	2360	2400	2486	2600	2650
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Mar	Buy	Above 2465	2485	2495	2450

International Scenario

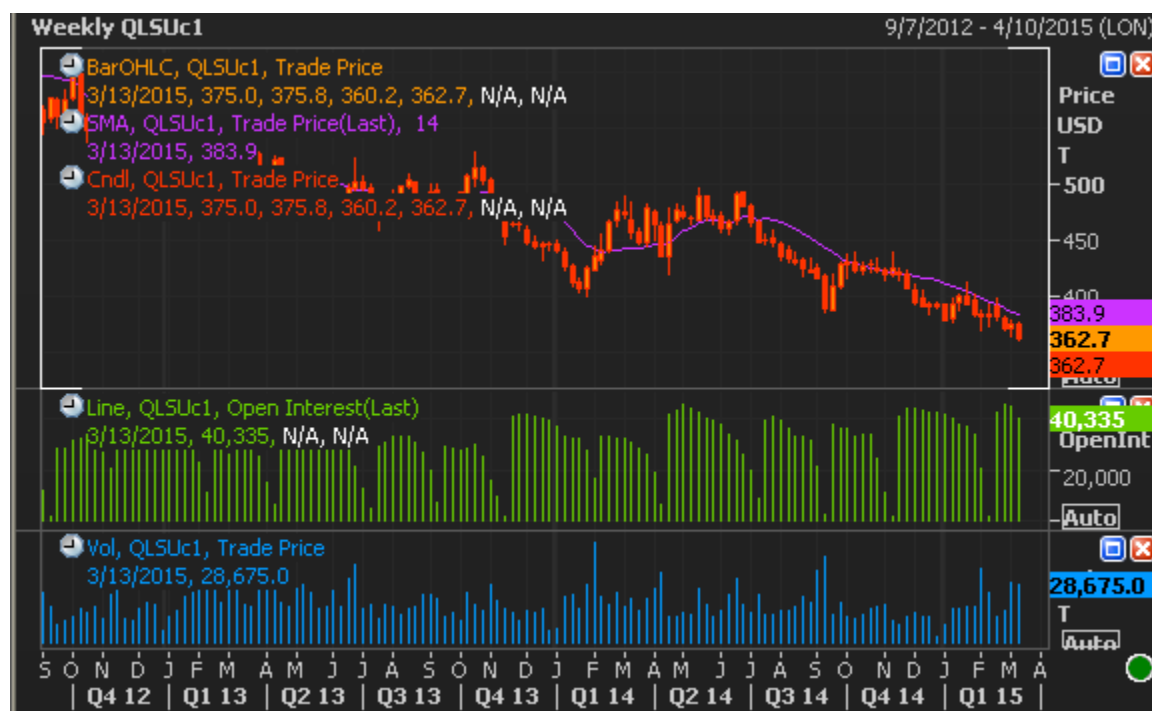
International sugar prices remained subdued amid ample supplies and higher current stock availability worldwide. However, medium term prices looks bullish due to overall sugar deficit globally for 2014-15.

International Market News Highlights:

- The Brazilian govt. is all set to raise the ethanol blending in gasoline from 25 per cent at present to 27 per cent w.e.f 16th March, 2015. Notably, the decision had been taken to help the cash starved sugar industry in the country.
- As per the UNICA report, Brazil's centre south region had churned around 4.7 thousand tons of sugar (from 464 thousand tons of sugarcane) in first two weeks of February compared to 13.5 thousand tons (from 821 thousand tons) in the second half of January, 2015.
- Sugar production in Thailand for MY 2014-15 (Nov- Jun) stands around at 9.07 MT (till 1st Mar, 2015) which was 2.3% lower than the sugar produced during the corresponding period last year.
- The Australian govt. predicted the country's total sugar production at 4.6 million tons for this marketing year 2014-15. However, the production is projected to decline next year in 2015-16 amidst rising prospects of El Nino weather event during the period.
- Brazilian agency, CONAB forecasted central south cane production to 582.9 million tons (2014-15) which is 2.8% less than the previous estimate made by it. Notably, the agency attributed the severe draught weather condition in the country for the estimation cut.
- While, cane association UNICA predicted a production of 567 million tons of sugarcane in Brazil's Central South region for 2014-15; which was 4% higher than its previous estimate of 546 million tons. The up gradation has been primarily made due to an increase in area and productivity in the regions (centre- south Brazil) affected least by the drastic draught.

International Sugar Prices (Weekly)				
Contract Month		12-Mar-15	4-Mar-15	Change
ICE Sugar #11 (US Cent/lb)	15-May	13.21	13.34	-0.13
	15-Jul	1.36	13.53	-12.17
	15-Oct	13.94	14.14	-0.20
LIFFE Sugar (US \$/MT)	15-May	371.80	369.2	2.60
	15-Aug	367.70	367.8	-0.10
	15-Oct	370.60	372.8	-2.20

LIFFE Future Market Sugar Scenario (May'15 Contract):



Technical Commentary:

- LIFE future market trends downward for the week.
 - The last candlestick depicts bearishness in the market.
- Strategy: Sell at 370 with a target of 355.2

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'15	370	355.2

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



Technical Commentary:

- ICE raw sugar futures are trending downwards.
 - Last candlestick depicts bearishness in the market.
- Strategy: Sell at 12.80 with target of 12.57

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'15	12.80	12.57

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