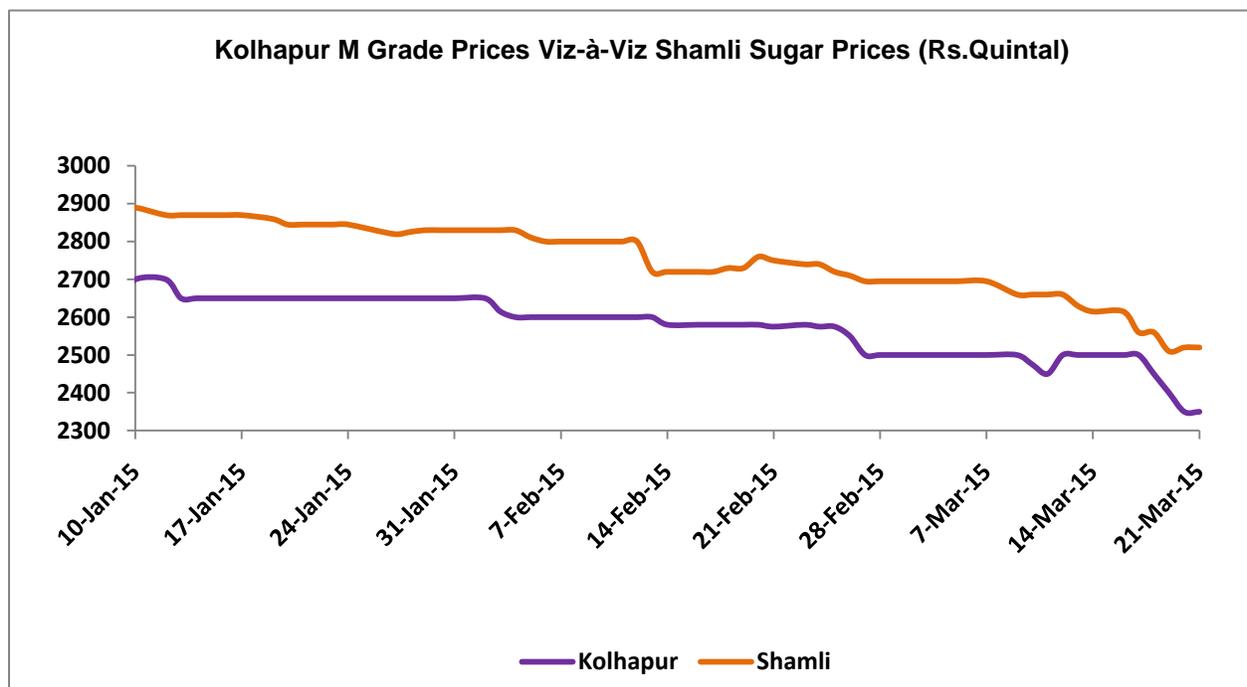


Sugar Price Trend and Outlook:

Sugar prices fell down drastically this week touching a lower limit of somewhat Rs 2350/quintal in key Kolhapur market. This was mainly due to an excess supply in the domestic sugar market accompanied by the mounting pressure of paying pending cane arrears to the farmers. In addition, a weak Brazilian real and record production in Brazil this year further made exports unviable for the country.

Notably, the average price for sugar ‘M’ grade in key Kolhapur market settled at Rs 2425 per quintal this week compared to Rs 2488 per quintal the previous week. Similarly, sugar prices for the same variety/grade in Shamli district fell by 3.78% to reach Rs 2520 per quintal for the week.



Price Outlook:

Sugar prices are likely to improve in the weeks ahead as the Indian millers are about to finish the crushing for the season which could lower down the burden of surplus production within the country. 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:

- With an increase in sugarcane area, especially under the high yielding cane variety; the sugar commissionerate of Maharashtra predicted the state to crush 875 lakh tons of sugarcane this season to generate approximately 100 lakh tons of sugar in 2014-15.
- With a view to reduce sugar production cost in Maharashtra, the state govt. is planning to raise the subsidy rate on sugarcane harvesters from 25 per cent at present to 40 per cent.
- India produced 221.8 lakh tons of sugar in 2014-15 (1st Oct, 2014- 15th Mar, 2015) which was 14.4% higher than the production made last year during the same period.
- 170 sugar mills in Maharashtra continued their crushing operation so far and had churned around 84.07 lakh tons of sugar till 15th Mar, 2015 as against 64.1 lakh tons sugar last year during the corresponding period.
- Sugar production rose 10.9% this season in Uttar Pradesh, which produced 56.25 lakh tons of sugar in 2014-15 (1st Oct, 2014- 15th Mar, 2015) compared to 50.7 lakh tons in 2013-14 (1st Oct, 2013- 15th Mar, 2014).
- Sugar production surged up by 3.5 lakh tons in Karnataka which produced 38 lakh tons of sugar in 2014-15 (1st Oct, 2014- 15th Mar, 2015) as against 34.5 lakh tons sugar during the same interval last year.
- The southern states of Tamil Nadu & Andhra Pradesh (including Telengana) had churned around 6.2 & 8.1 lakh tons of sugar respectively in 2014-15 (1st Oct, 2014- 15th Mar, 2015).
- The combined sugar production in Madhya Pradesh and Chhattisgarh lies at 3.1 lakh tons this season, 2014-15 (1st Oct, 2014- 15th Mar, 2015).
- Bihar churned around 5.2 lakh tons of sugar in 2014-15 (1st Oct, 2014- 15th Mar, 2015). While the northern states of Punjab & Haryana crushed around 4.25 & 4.00 lakh tons of sugar respectively in 2014-15 (1st Oct, 2014- 15th Mar, 2015).
- The westernmost state of India, Gujarat produced 9.5 lakh tons of sugar in 2014-15 (1st Oct, 2014- 15th Mar, 2015) while Uttarakhand crushed 2.6 lakh tons of sugar during the same period.
- NCDEX launched future contract trading for sugar 'S' grade in the country with Kolhapur as the main delivery centre and Belgaum, Solapur, Sangli, Pune, Kolkata and Delhi representing the additional one.

Indian Sugar Production Scenario Up to 15th March, 2015:

States	Sugar Produced (Lakh Tons)	
	2014-15	2013-14
Maharashtra	84.1	64.1
Uttar Pradesh	56.3	50.7
Karnataka	38.0	34.5
Tamil Nadu	6.2	-
Bihar	5.2	-
Andhra Pradesh + Telengana	8.1	-
All India	221.8	193.8

Raw Sugar Import/Export Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$444.54 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$398.01 per ton Kolhapur based.

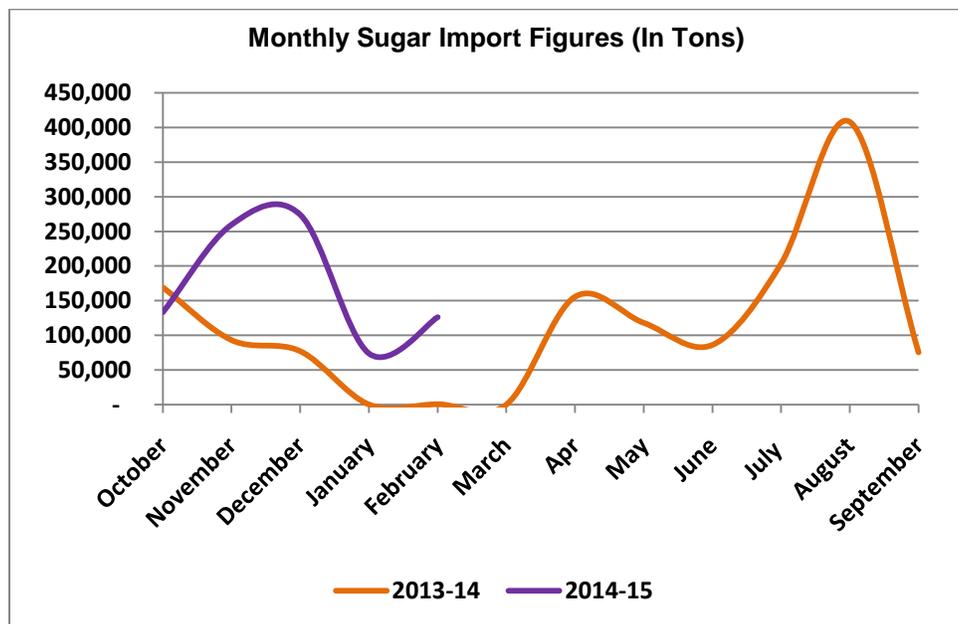
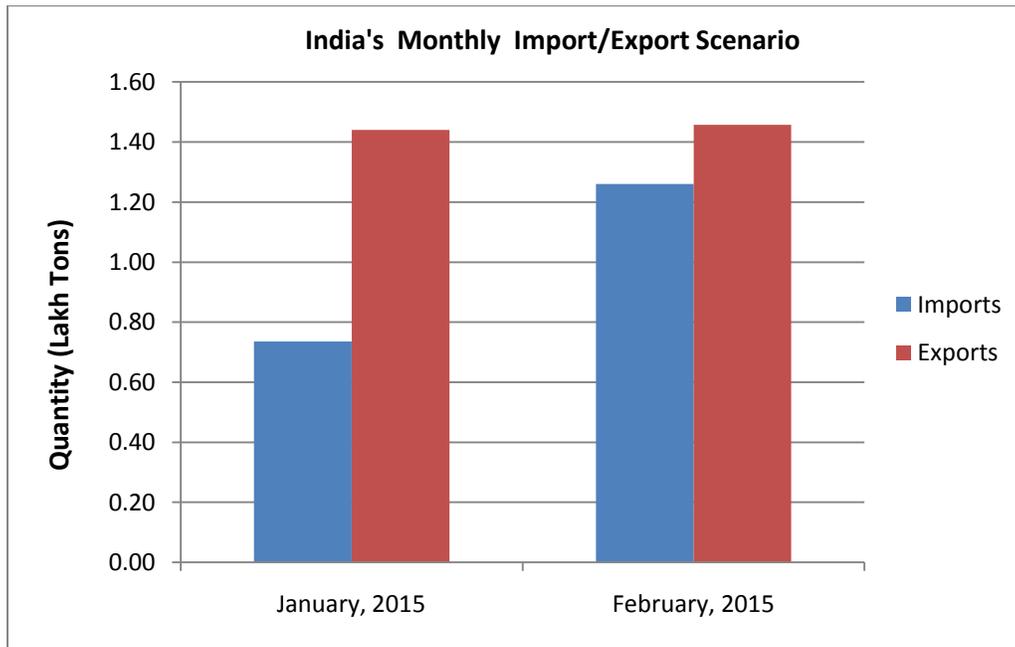
On International front, Brazil sugar FOB prices quoted at \$349.75/ Ton.

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

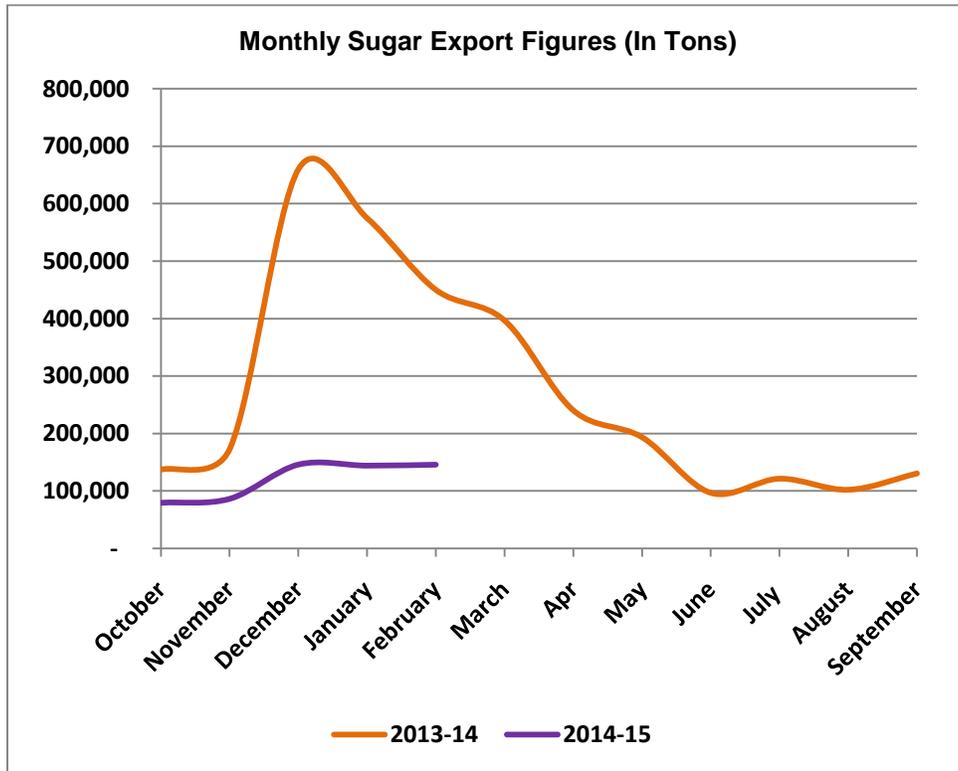
Indicative Sugar FOB Prices (USD/MT) (\$=Rs.62.31) till 23 rd Mar, 2015			
	Brazil	Thailand (100 Icumsa Oct Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$349.75	\$380.35/363.70	\$398.01

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	14th March 2015 to 20th March 2015	7th March 2015 to 13th March 2015	Change
Sugar	Delhi - Grade M	2644	2712	-68
	Delhi - Grade S	2613	2667	-54
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	2665	2751	-86
	UP- Ramala Grade M	2610	2688	-78
	UP- Dhampur Grade M Ex-Mill	2578	2647	-69
	UP- Dhampur Grade S Ex-Mill	2558	2627	-69
	UP- Dhampur Grade L Ex-Mill	2628	2697	-69
	Mumbai –Grade M	2776	2826	-50
	Mumbai –Grade S	2575	2631	-56
	Kolhapur – Grade M	2450	2488	-38
	Kolhapur – Grade S	2350	2388	-38
	Guhawati – Grade S	2649	2687	-38
	Shillong – Grade S	2670	2708	-38
	Vijayawada – Grade M	3000	3007	-7
	Vijayawada- Grade S	2900	2907	-7
	Nagpur – Grade M	2767	2883	-116
	Nagpur – Grade S	2600	2617	-17
	Kolkata – Grade M	2707	2744	-37
	Chennai - Grade S	2503	2541	-38
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
		20-Mar-15	13-Mar-15	20-Feb-15	20-Mar-14
Sugar	Delhi - Grade M	2605	2700	2820	3350
	Delhi - Grade S	2580	2670	2780	3170
	Delhi - Grade L	NA	NA	NA	NA
	UP- Khatauli Grade M	NA	2695	NA	NA
	UP- Ramala Grade M	NA	2660	2770	3280
	UP- Dhampur Grade M Ex-Mill	2540	2630	2660	3200
	UP- Dhampur Grade S Ex-Mill	2520	2610	2640	3180
	UP- Dhampur Grade L Ex-Mill	2590	2680	2710	3250
	Mumbai –Grade M	2736	2812	2910	3130
	Mumbai –Grade S	2550	2602	2712	3000
	Kolhapur – Grade M	2350	2500	2580	2900
	Kolhapur – Grade S	2250	2400	2480	2800
	Guhawati – Grade S	2548	2700	2776	3106
	Shillong – Grade S	2570	2720	2795	3120
	Vijayawada – Grade M	3000	3000	3070	3450
	Vijayawada- Grade S	2900	2900	2970	3250
	Nagpur – Grade M	2750	2850	3000	3150
	Nagpur – Grade S	2600	2600	2750	3030
	Kolkata – Grade M	NR	2730	2880	3240
	Chennai - Grade S	3035	2525	2600	3000
Ambikapur (Chattisgarh)- Grade M (Without Duty)	3035	3035	3035	2925	
Ambikapur (Chattisgarh)- Grade S (Without Duty)	2480	3035	3035	2915	

Gur Market Scenario and Outlook

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

The Chaku variety of gur in key Muzaffar Nagar market settled at Rs 2205 per quintal this week, which was Rs 125 less than the price quoted last week for the same variety. Similarly, Khurpa and Laddoo variety of gur fell down by Rs 110 & Rs 161 per quintal this week and were sold at a rate of Rs 2063 and Rs 2190 per quintal respectively.

However, Mudde variety of gur in Bangalore market rose by Rs 303 per quintal settling at Rs 4020/quintal for the week. Similarly, Kurikatu (Medium) variety of gur in Mandya district rose by Rs 70/quintal from Rs 2230/quintal to Rs 2300/quintal for the week.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	14th March 2015 to 20th March 2015	7th March 2015 to 13th March 2015	Change
Muzaffar Nagar	Chaku	2205	2330	-125
	Chaku (Arrival)	44000	11000	33000
	Khurpa	2063	2173	-110
	Laddoo	2190	2351	-161
	Rascut	NA	NA	-
Hapur	Chaurasa	2060	2115	-55
	Balti	2043	2090	-47
Maharashtra	Latur(Lal Variety)	2258	2275	-17
Bangalore	Mudde	4020	3717	303
Belgaum	Mudde	2340	2500	-160
Belthangadi	Yellow (Average)	NA	3100	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	2595	2645	-50
Mahalingapura	Penti (Average)	2625	2769	-144
Mandya	Achhu (Medium)	2720	2868	-148
	Kurikatu (Medium)	2300	2230	70
	Other	2470	2380	90

	(Medium)			
	Yellow (Medium)	2680	2620	60
Shimoga	Achhu (Average)	2917	2900	17

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		20-Mar-15	13-Mar-15	20-Feb-15	20-Mar-14
Muzaffar Nagar	Chaku	2125	2375	2413	2750
	Khurpa	2025	2175	2113	2500
	Laddu	2150	2328	2300	2675
	Rascut	NA	NA	NA	2525
Hapur	Chaurasa	2000	2125	2140	2325
	Balti	2000	2125	2125	2363
Maharashtra	Latur(Lal Variety)	2150	2300	2400	2800
Bangalore	Mudde	4200	3700	4000	3100
Belgaum	Mudde	2300	2700	2600	2700
Belthangadi	Yellow (Average)	NA	3050	3100	3300
Bijapur	Achhu	NA	NA	NA	3000
Gulbarga	Other (Average)	NA	2610	2525	2600
Mahalingapura	Penti (Average)	NA	2545	2380	2910
Mandya	Achhu (Medium)	2700	2900	2400	2650
	Kurikatu (Medium)	2300	2250	2200	2300
	Other (Medium)	2450	2500	2250	2500
	Yellow (Medium)	2700	2600	2400	2600
Shimoga	Achhu (Average)	2900	NA	2900	2900

Commodity: Sugar
Contract: May

Exchange: NCDEX
Expiry: May 20, 2015

SUGAR (May Weekly Chart)



Technical Commentary:

- Sugar prices and O.I are falling while volume surges up for the day.
- 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	May	2200	2270	2360	2500	2580
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Sell	Below 2365	2345	2335	2377

International Scenario

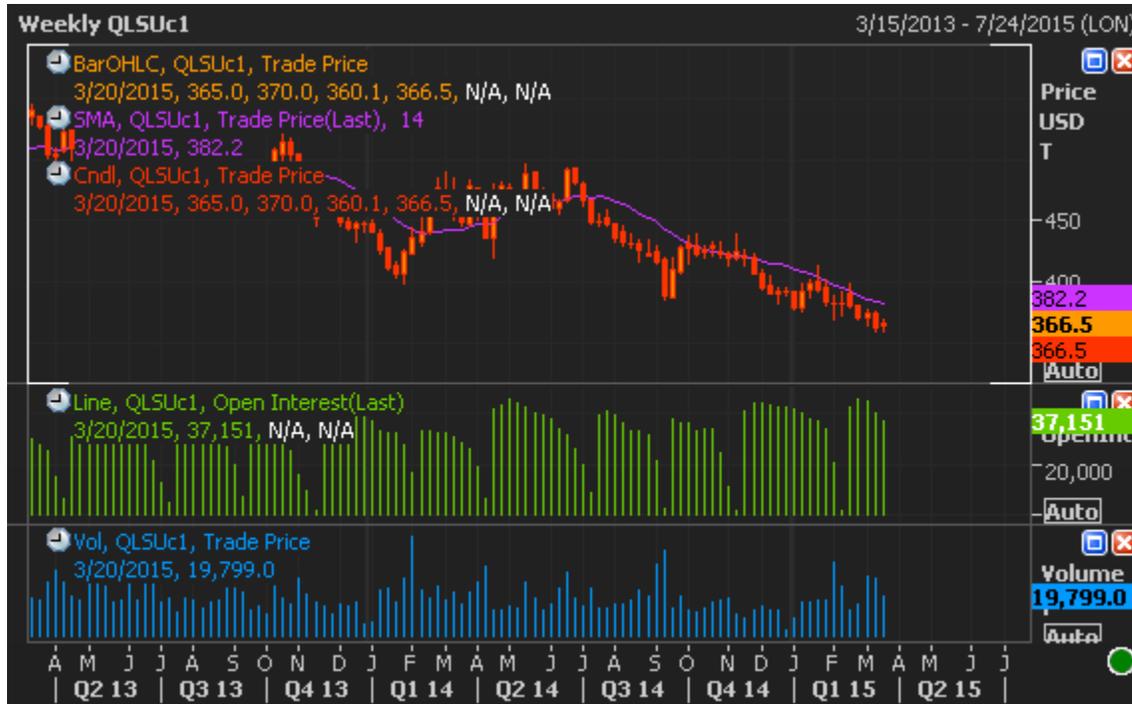
International sugar prices remained subdued amid ample supplies and higher current stock availability worldwide. However, medium term prices looks bullish due to overall sugar deficit globally for 2014-15.

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		19-Mar-15	12-Mar-15	Change
ICE Sugar #11 (US Cent/lb)	15-May	12.56	13.21	-0.65
	15-Jul	12.75	13.60	-0.85
	15-Oct	13.32	13.94	-0.62
LIFFE Sugar (US \$/MT)	15-May	363.70	371.80	-8.10
	15-Aug	360.40	367.70	-7.30
	15-Oct	362.20	370.60	-8.40

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

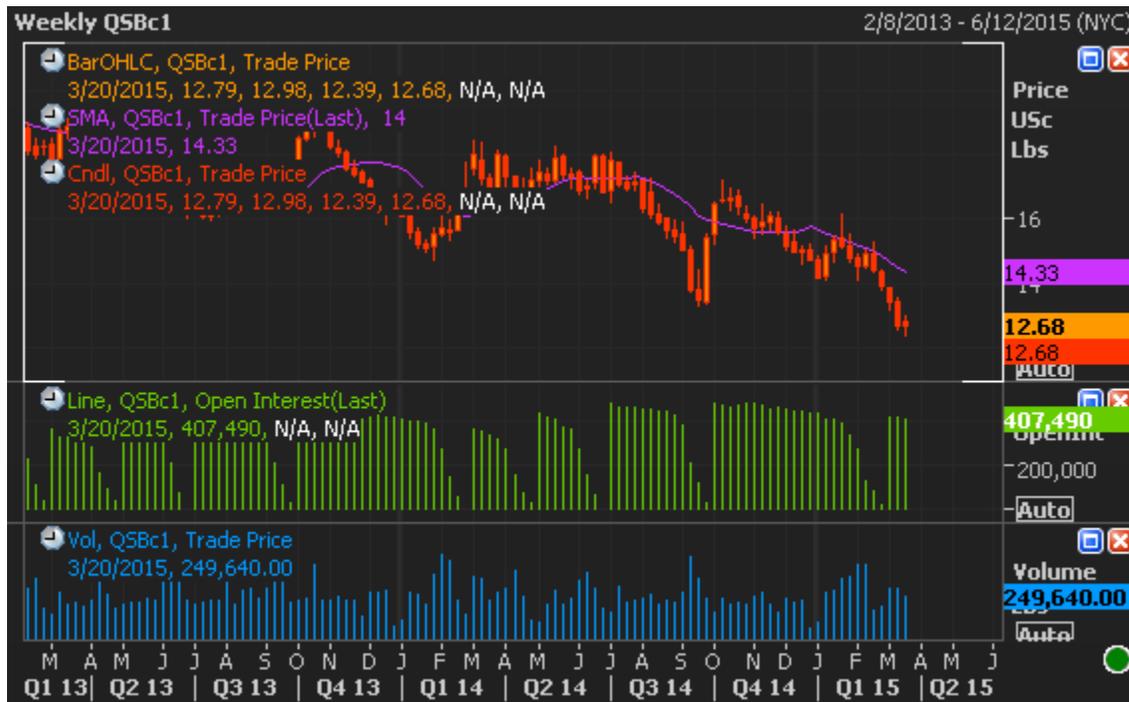


Technical Commentary:

- LIFE future market trends upward for the week.
- The last candlestick depicts bearishness in the market.
Strategy: Buy at 365 with a target of 372.9

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'15	365	372.9

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



Technical Commentary:

- ICE raw sugar futures are trending upwards.
- Last candlestick depicts bearishness in the market.
Strategy: Buy at 12.70 with target of 13.27

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'15	12.70	13.27

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