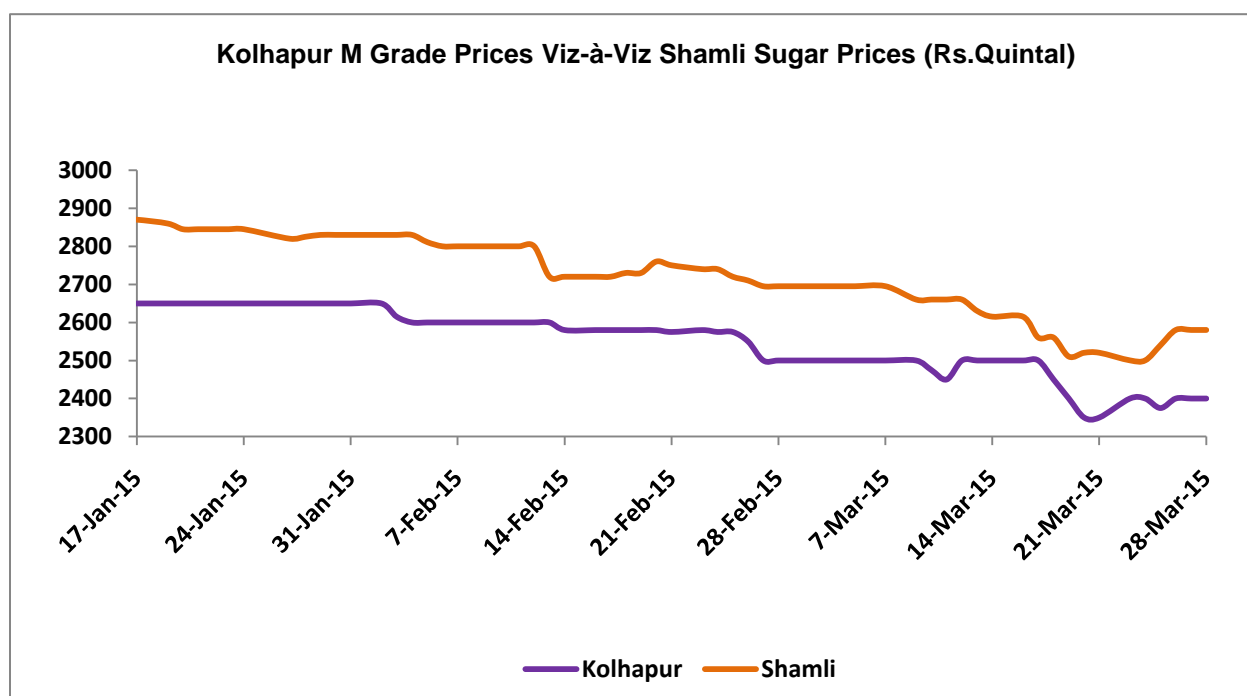


### Sugar Price Trend and Outlook:

Sugar prices deteriorated further in key Kolhapur market where the average prices hovered somewhat around Rs 2396 per quintal for the week. 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 2396 per quintal this week compared to Rs 2425 per quintal the previous week. Similarly, sugar prices for the same variety/grade in Shamli district fell down marginally to reach at Rs 2547 per quintal this week.



### Price Outlook:

Sugar prices are expected to improve, as India will finish its crushing operation soon that could reduce sugar surplus in the market

**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 15<sup>th</sup> 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	-
<b>All India</b>	<b>221.8</b>	<b>193.8</b>

### Raw Sugar Import/Export Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$430.44 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$389.01 per ton Kolhapur based.

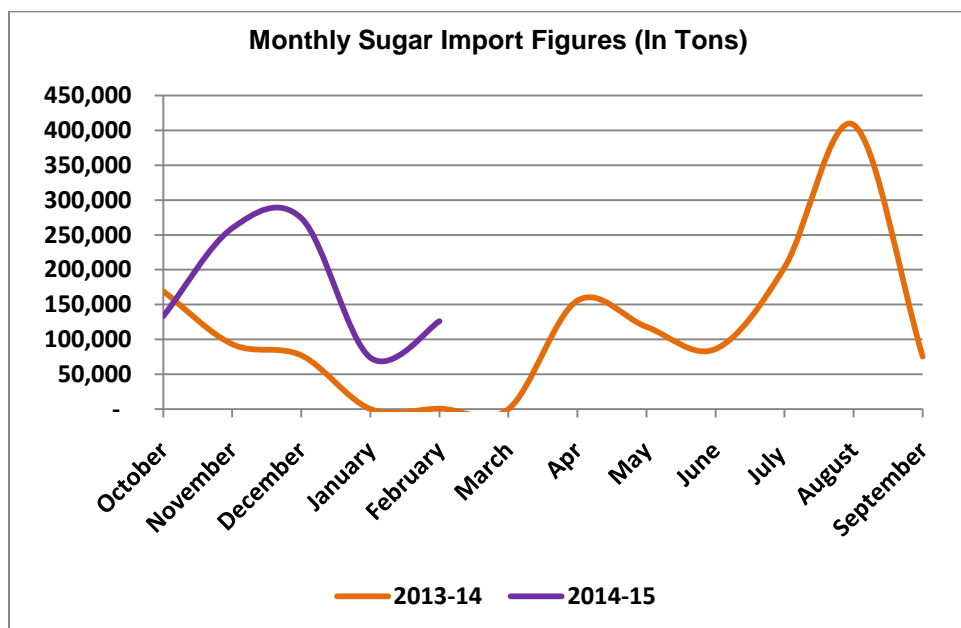
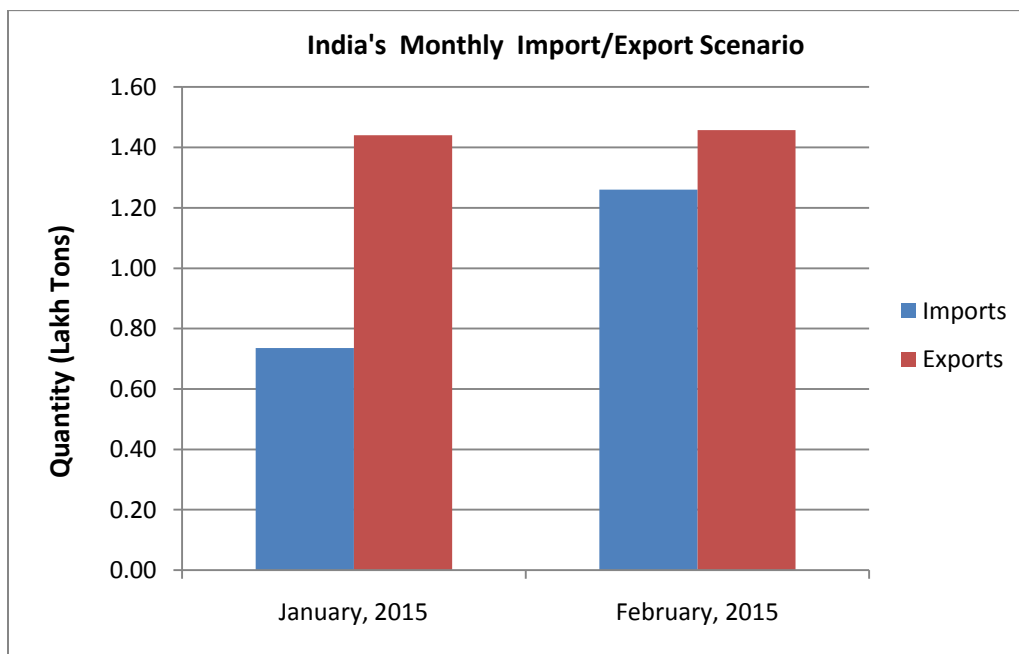
On International front, Brazil sugar FOB prices quoted at \$336.50/ Ton.

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

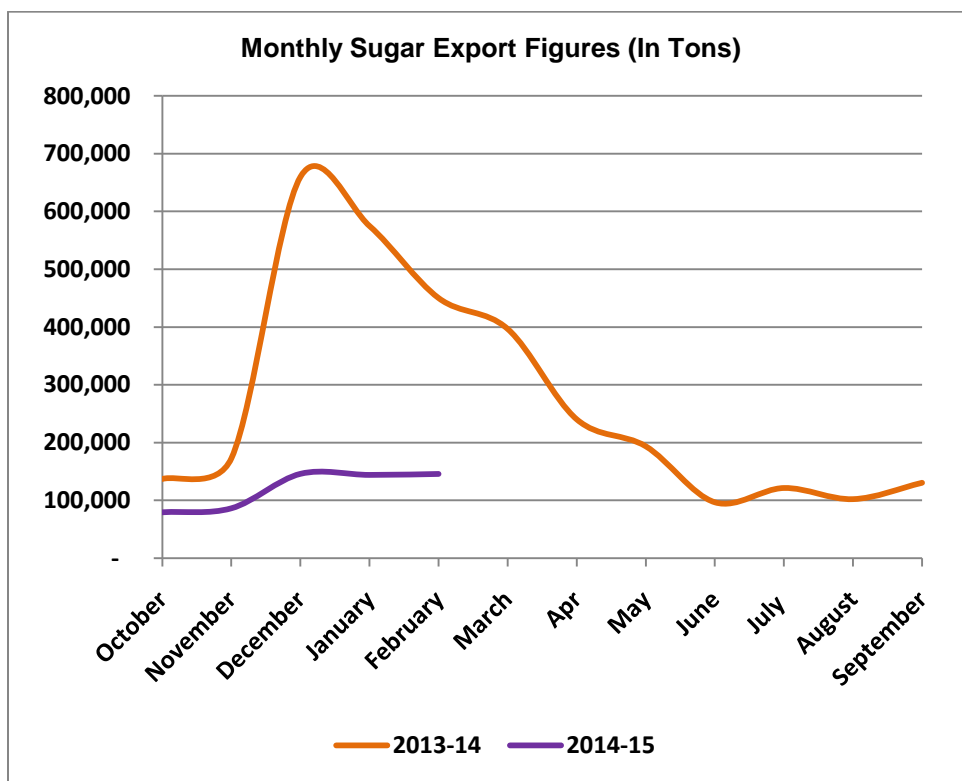
Indicative Sugar FOB Prices (USD/MT) (\$=Rs. 62.62) till 30 <sup>th</sup> Mar, 2015			
	Brazil	Thailand (100 Icumsa Oct Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$336.50	\$380.35/363.20	\$389.01

### 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	21th March 2015 to 27th March 2015	14th March 2015 to 20th March 2015	Change
Sugar	Delhi - Grade M	2590	2644	-54
	Delhi - Grade S	2543	2613	-70
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	2700	2665	35
	UP- Ramala Grade M	NA	2610	-
	UP- Dhampur Grade M Ex-Mill	2550	2578	-28
	UP- Dhampur Grade S Ex-Mill	2530	2558	-28
	UP- Dhampur Grade L Ex-Mill	2600	2628	-28
	Mumbai –Grade M	2713	2776	-63
	Mumbai –Grade S	2509	2575	-66
	Kolhapur – Grade M	2395	2450	-55
	Kolhapur – Grade S	2295	2350	-55
	Guhawati – Grade S	2593	2649	-56
	Shillong – Grade S	2615	2670	-55
	Vijayawada – Grade M	2966	3000	-34
	Vijayawada- Grade S	2866	2900	-34
	Nagpur – Grade M	2700	2767	-67
	Nagpur – Grade S	2550	2600	-50
	Kolkata – Grade M	2646	2707	-61
	Chennai - Grade S	2493	2503	-10
	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
		27-Mar-15	20-Mar-15	27-Feb-15	27-Mar-14
Sugar	Delhi - Grade M	2635	2700	2780	3310
	Delhi - Grade S	2570	2670	2740	3160
	Delhi - Grade L	NA	NA	NA	3390
	UP- Khatauli Grade M	NA	2695	NR	NA
	UP- Ramala Grade M	NA	2660	2770	NA
	UP- Dhampur Grade M Ex-Mill	2600	2630	2750	3200
	UP- Dhampur Grade S Ex-Mill	2580	2610	2730	3180
	UP- Dhampur Grade L Ex-Mill	2650	2680	2800	3250
	Mumbai –Grade M	2696	2812	2870	3180
	Mumbai –Grade S	2486	2602	2670	3046
	Kolhapur – Grade M	2400	2500	2500	3000
	Kolhapur – Grade S	2300	2400	2400	2900
	Guhawati – Grade S	2598	2700	2700	3207
	Shillong – Grade S	2620	2720	2720	3220
	Vijayawada – Grade M	2960	3000	3070	3470
	Vijayawada- Grade S	2860	2900	2970	3270
	Nagpur – Grade M	2700	2850	3000	3200
	Nagpur – Grade S	2550	2600	2650	3050
	Kolkata – Grade M	2690	2730	2830	3270
	Chennai - Grade S	3035	2525	2580	3000
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3035	3035	3035	2925
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	2500	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.

Owing to a higher arrival for the week, the Chaku variety of gur in key Muzaffar Nagar market settled at Rs 2175 per quintal this week, which was Rs 30 less than the price quoted last week for the same variety. Similarly, Khurpa and Laddoo variety of gur fell down by Rs 26 & Rs 46 per quintal this week and were sold at a rate of Rs 2037 and Rs 2144 per quintal respectively.

However, Mudde variety of gur in Bangalore market rose by Rs 100 per quintal settling at Rs 4120/quintal for the week. Similarly, Achhu (Medium) variety of gur in Mandya district rose by Rs 90/quintal from Rs 2720/quintal to Rs 2810/quintal this week.

## Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	21th March 2015 to 27th March 2015	14th March 2015 to 20th March 2015	Change
Muzaffar Nagar	Chaku	2175	2205	-30
	Chaku (Arrival)	47000	44000	3000
	Khurpa	2037	2063	-26
	Laddoo	2144	2190	-46
	Rascut	NA	NA	-
Hapur	Chaurasa	2043	2060	-17
	Balti	1975	2043	-68
Maharashtra	Latur(Lal Variety)	2200	2258	-58
Bangalore	Mudde	4120	4020	100
Belgaum	Mudde	2400	2340	60
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	2558	2595	-37
Mahalingapura	Penti (Average)	2596	2625	-29
Mandya	Achhu (Medium)	2810	2720	90
	Kurikatu (Medium)	2350	2300	50



	Other (Medium)	2500	2470	30
	Yellow (Medium)	2480	2680	-200
<b>Shimoga</b>	Achhu (Average)	2950	2917	33

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		27-Mar-15	20-Mar-15	27-Feb-15	27-Mar-14
<b>Muzaffar Nagar</b>	Chaku	2200	2125	2350	NA
	Khurpa	2038	2025	2125	NA
	Laddu	2038	2150	2250	NA
	Rascut	NA	NA	NA	NA
<b>Hapur</b>	Chaurasa	2080	2000	2113	2350
	Balti	2015	2000	2038	2450
<b>Maharashtra</b>	Latur(Lal Variety)	2300	2150	2250	3000
<b>Bangalore</b>	Mudde	4100	4200	4000	NA
<b>Belgaum</b>	Mudde	2400	2300	2600	2700
<b>Belthangadi</b>	Yellow (Average)	2480	NA	3150	3300
<b>Bijapur</b>	Achhu	NA	NA	NA	3000
<b>Gulbarga</b>	Other (Average)	2560	NA	2625	2750
<b>Mahalingapura</b>	Penti (Average)	2597	NA	2583	3940
<b>Mandya</b>	Achhu (Medium)	2810	2700	2450	2600
	Kurikatu (Medium)	2350	2300	2200	2300
	Other (Medium)	2500	2450	2300	2550
	Yellow (Medium)	2480	2700	2450	2550
<b>Shimoga</b>	Achhu (Average)	2950	2900	2900	2900

**Commodity: Sugar**  
**Contract: May**

**Exchange: NCDEX**  
**Expiry: May 20, 2015**

### SUGAR (May Weekly Chart)



#### Technical Commentary:

- Sugar prices are rising while volume and O.I fell 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	May	2200	2270	2379	2500	2580
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Buy	Above 2380	2400	2405	2368

## International Scenario

International sugar prices remained subdued amid ample supplies and higher current stock availability worldwide.

### International Market News Highlights:

- The Thailand govt. is planning to seek policy change in Cane and Sugar Act, which confined only one sugar factory to be located within 80kms of range within the country. Thus, the step is expected to enhance sugar production capacity of Thailand by facilitating more sugar mills within the nation.
- The Indonesian govt. had raised raw sugar import permit from 6.7 lakh tons (in first quarter of 2015) to 9.5 lakh tons for the second quarter of the year. Notably, the step has been initiated to meet huge domestic demand arising in the month of June and July due to the festivities like Ramadhan and Idul Fitr.
- Brazilian sugar mills had started their cane crushing early this season (1st Apr, 2015- 31st Mar., 2016) and had crushed around 1.24 million tons of cane (thereby churning 23.2 thousand tons of sugar) by 15th March, 2015. Reportedly, 20 Brazilian mills had participated in the crushing operation so far.
- The International Sugar Organization (ISO) expects global sugar deficit of two million tons in 2015-16 (1st Oct- 30th Sep) as against a less than one million tons sugar surplus forecast for current season, 2014-15 (1st Oct- 30th Sep).
- Market expert, F.O.Licht, predicted Brazilian Centre South region to crush 580 million tons of sugarcane in 2015-16 (1<sup>st</sup> Apr, 2015 – 31<sup>st</sup> Mar, 2016) to produce around 31.8 million tons of sugar by the season end.
- 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.
- 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.

International Sugar Prices (Weekly)				
Contract Month		26-Mar-15	19-Mar-15	Change
ICE Sugar #11 (US Cent/lb)	15-May	12.34	12.56	-0.22
	15-Jul	12.53	12.75	-0.22
	15-Oct	13.17	13.32	-0.15
LIFFE Sugar (US \$/MT)	15-May	363.20	363.7	-0.50
	15-Aug	359.30	360.4	-1.10
	15-Oct	359.50	362.2	-2.70

**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 355 with a target of 345.2

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'15	355	345.2

**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: Sell at 12.00 with target of 11.83

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'15	12.00	11.83

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