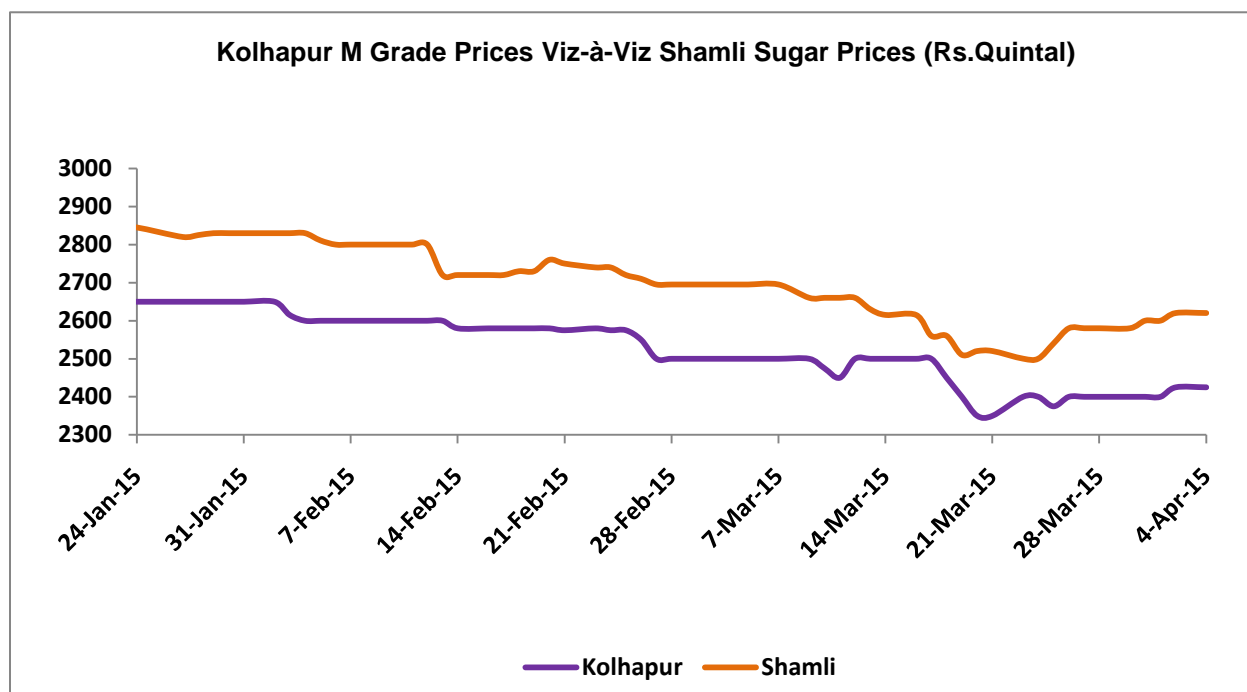


Sugar Price Trend and Outlook:

Sugar prices rose marginally this week as speculators created fresh positions amid rising demand at spot markets for the summer season but adequate stocks position capped the gain.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 2410 per quintal this week compared to Rs 2396 per quintal the previous week. Similarly, sugar prices for the same variety/grade in Shamli district rose by 2.25% from Rs 2547 per quintal last week to Rs 2604 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:

- In a bid to bridge the gap between production and selling cost of sugar in Maharashtra, the state govt. is planning to adopt dual price mechanism for purchase of sugar; wherein the sugar purchased for commercial use will be charged higher compared to that meant for domestic use. Notably, a major share (75%) of the state's total sugar production is used for commercial purpose while a relatively smaller proportion (25%) is used for household consumption.
- 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 \$434.20 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$394.14 per ton Kolhapur based.

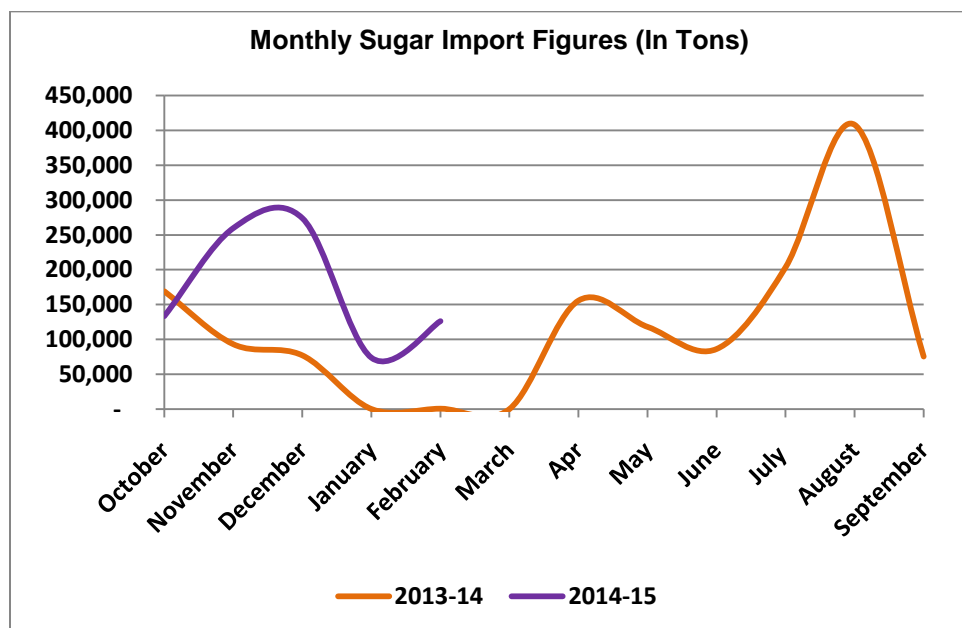
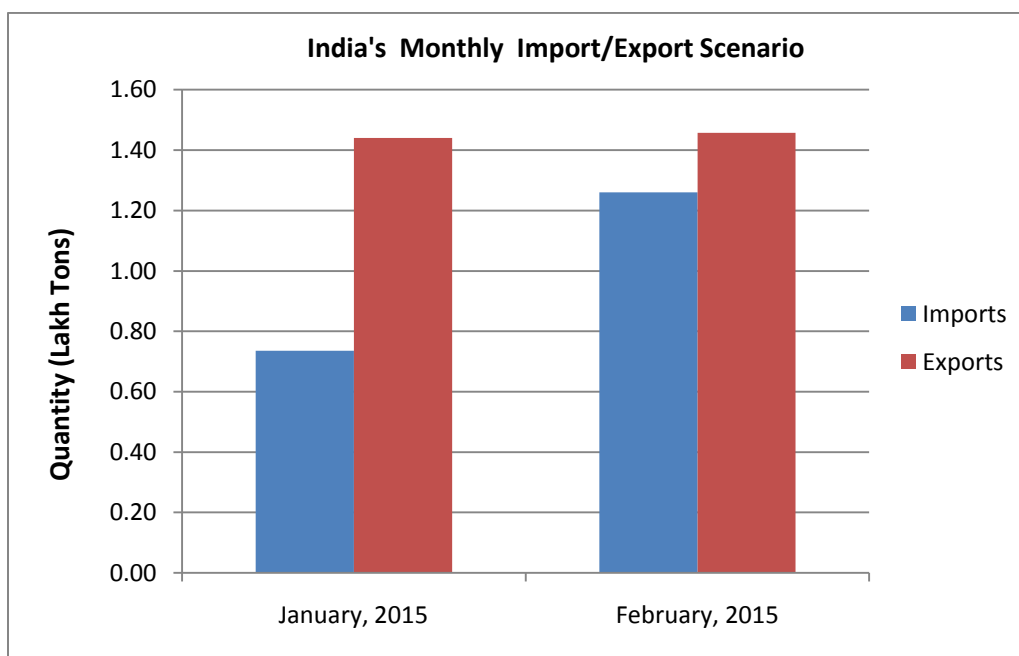
On International front, Brazil sugar FOB prices quoted at \$338.75/ Ton.

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

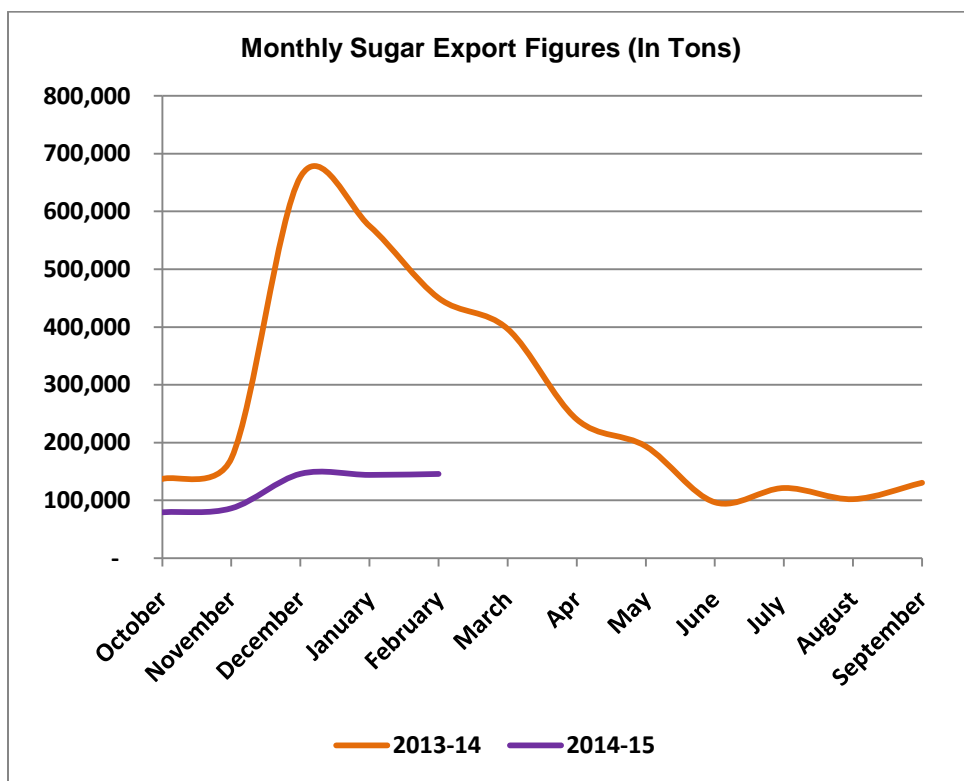
Indicative Sugar FOB Prices (USD/MT) (\$=Rs.62.16) till 06 th Apr, 2015			
	Brazil	Thailand (100 Icumsa May Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$338.75	\$372.25/358.10	\$394.14

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	28th March 2015 to 2th April 2015	21th March 2015 to 27th March 2015	Change
Sugar	Delhi - Grade M	2659	2590	69
	Delhi - Grade S	2586	2543	43
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	NA	2700	-
	UP- Ramala Grade M	NA	NA	-
	UP- Dhampur Grade M Ex-Mill	2580	2550	30
	UP- Dhampur Grade S Ex-Mill	2560	2530	30
	UP- Dhampur Grade L Ex-Mill	2630	2600	30
	Mumbai –Grade M	2645	2713	-68
	Mumbai –Grade S	2497	2509	-12
	Kolhapur – Grade M	2405	2395	10
	Kolhapur – Grade S	2305	2295	10
	Guhawati – Grade S	2603	2593	10
	Shillong – Grade S	2625	2615	10
	Vijayawada – Grade M	2960	2966	-6
	Vijayawada- Grade S	2860	2866	-6
	Nagpur – Grade M	2733	2700	33
	Nagpur – Grade S	2550	2550	Unch
	Kolkata – Grade M	2695	2646	49
	Chennai - Grade S	2500	2493	7
	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
		2-Apr-15	27-Mar-15	2-Mar-15	2-Apr-14
Sugar	Delhi - Grade M	2700	2635	2780	3410
	Delhi - Grade S	2600	2570	2690	3400
	Delhi - Grade L	NA	NA	NA	3460
	UP- Khatauli Grade M	2730	NA	2900	3560
	UP- Ramala Grade M	NA	NA	2770	3400
	UP- Dhampur Grade M Ex-Mill	NA	2600	2700	3300
	UP- Dhampur Grade S Ex-Mill	NA	2580	2680	3280
	UP- Dhampur Grade L Ex-Mill	NA	2650	2750	3350
	Mumbai –Grade M	2656	2696	2862	3496
	Mumbai –Grade S	2542	2486	2660	3282
	Kolhapur – Grade M	2425	2400	2500	3300
	Kolhapur – Grade S	2325	2300	2400	3150
	Guhawati – Grade S	2624	2598	2700	3461
	Shillong – Grade S	2645	2620	2720	3470
	Vijayawada – Grade M	2960	2960	3070	3700
	Vijayawada- Grade S	2860	2860	2970	3500
	Nagpur – Grade M	NA	2700	3000	3500
	Nagpur – Grade S	2550	2550	2650	3350
	Kolkata – Grade M	NA	2690	2850	3375
	Chennai - Grade S	2500	2500	2580	3250
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3035	3035	3035	2925
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3035	3500	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 Latur (Lal variety) of gur in Maharashtra jumped Rs 100/quintal this week with pricing rising to Rs 2300/quintal from Rs 2200/quintal last week. Similarly, the Yellow (Medium) variety of gur from Mandya surged Rs105/quintal to reach at Rs 2585/ quintal this week. The Khurpa and Laddoo variety (from Muzaffarnagar) also underwent a surge of Rs 32 & Rs 50 per quintal to reach at Rs 2069 & Rs 2194 per quintal for the week.

On the other hand, the Mudde variety of gur from Belgaum ditrict declined by Rs 100 per quintal to reach at Rs 2300 per quintal this week. The Achhu (Medium) variety of gur in Mandya also fell down from Rs 2810 per quintal to Rs 2700 per quintal this week.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	28th March 2015 to 2th April 2015	21th March 2015 to 27th March 2015	Change
Muzaffar Nagar	Chaku	2175	2175	Unch
	Chaku (Arrival)	16000	47000	-31000
	Khurpa	2069	2037	32
	Laddoo	2194	2144	50
	Rascut	NA	NA	-
Hapur	Chaurasa	2050	2043	7
	Balti	2012	1975	37
Maharashtra	Latur(Lal Variety)	2300	2200	100
Bangalore	Mudde	4166	4120	46
Belgaum	Mudde	2300	2400	-100
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	2570	2558	12
Mahalingapura	Penti (Average)	2542	2596	-54
Mandya	Achhu (Medium)	2700	2810	-110
	Kurikatu	2375	2350	25

	(Medium)			
	Other (Medium)	2470	2500	-30
	Yellow (Medium)	2585	2480	105
Shimoga	Achhu (Average)	2900	2950	-50

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		2-Apr-15	27-Mar-15	2-Mar-15	2-Apr-14
Muzaffar Nagar	Chaku	NA	2200	2300	NA
	Khurpa	NA	2038	2125	NA
	Laddu	NA	2038	2250	NA
	Rascut	NA	NA	NA	NA
Hapur	Chaurasa	2050	2080	Closed	2338
	Balti	2013	2015	Closed	2400
Maharashtra	Latur(Lal Variety)	NR	2300	2250	3000
Bangalore	Mudde	NA	4100	4000	3100
Belgaum	Mudde	NA	2400	NA	3000
Belthangadi	Yellow (Average)	NA	2480	NA	3300
Bijapur	Achhu	NA	NA	NA	NA
Gulbarga	Other (Average)	NA	2560	2650	2800
Mahalingapura	Penti (Average)	NA	2597	2579	2940
Mandya	Achhu (Medium)	NA	2810	2600	2600
	Kurikatu (Medium)	NA	2350	2200	2200
	Other (Medium)	NA	2500	2300	2500
	Yellow (Medium)	NA	2480	2500	2550
Shimoga	Achhu (Average)	NA	2950	NA	3400

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	2461	2530	2580
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Buy	Above 2450	2500	2520	2420

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 (1st Apr, 2015 – 31st 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.

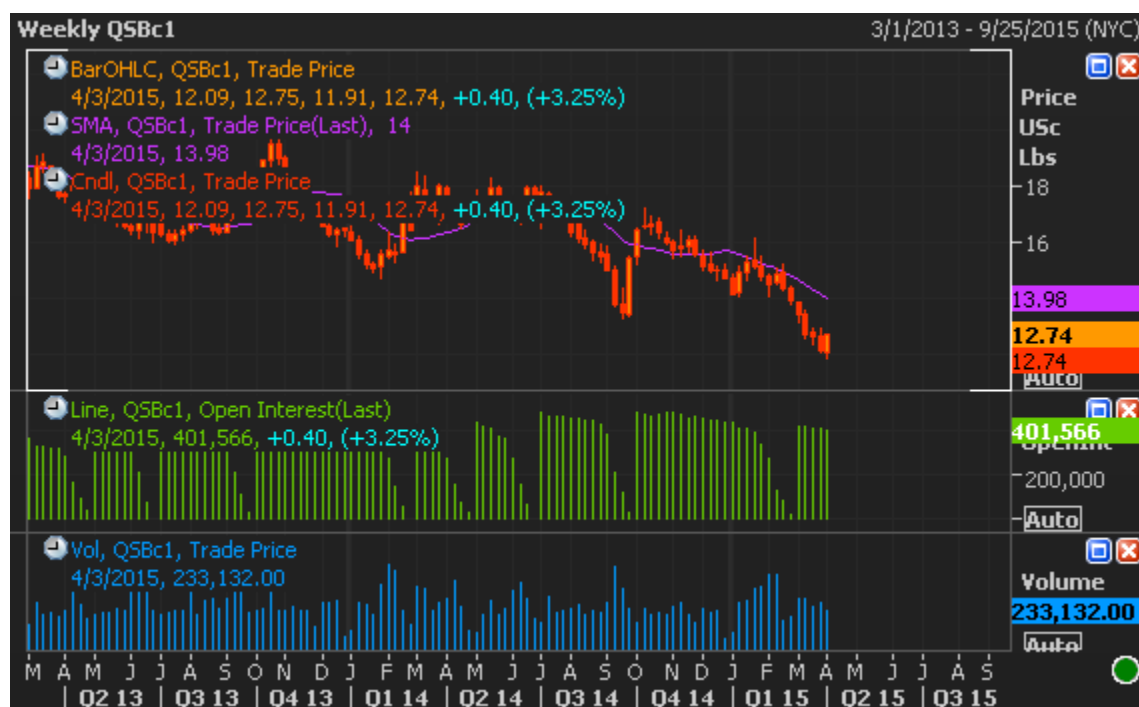
LIFFE Future Market Sugar Scenario (May'15 Contract):



Technical Commentary:

- LIFE future market trends upward for the week.
 - The last candlestick depicts bullishness in the market.
- Strategy: Buy at 370 with a target of 383.2

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'15	370	383.2

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

- ICE raw sugar futures are trending upwards.
 - Last candlestick depicts bullishness in the market.
- Strategy: Buy at 12.80 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	12.80	13.27



International Sugar Prices (Weekly)				
Contract Month		1-Apr-15	26-Mar-15	Change
ICE Sugar #11 (US Cent/lb)	15-May	12.32	12.34	-0.02
	15-Jul	12.41	12.53	-0.12
	15-Oct	12.95	13.17	-0.22
LIFFE Sugar (US \$/MT)	15-May	358.10	363.20	-5.10
	15-Aug	353.20	359.30	-6.10
	15-Oct	354.50	359.50	-5.00

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