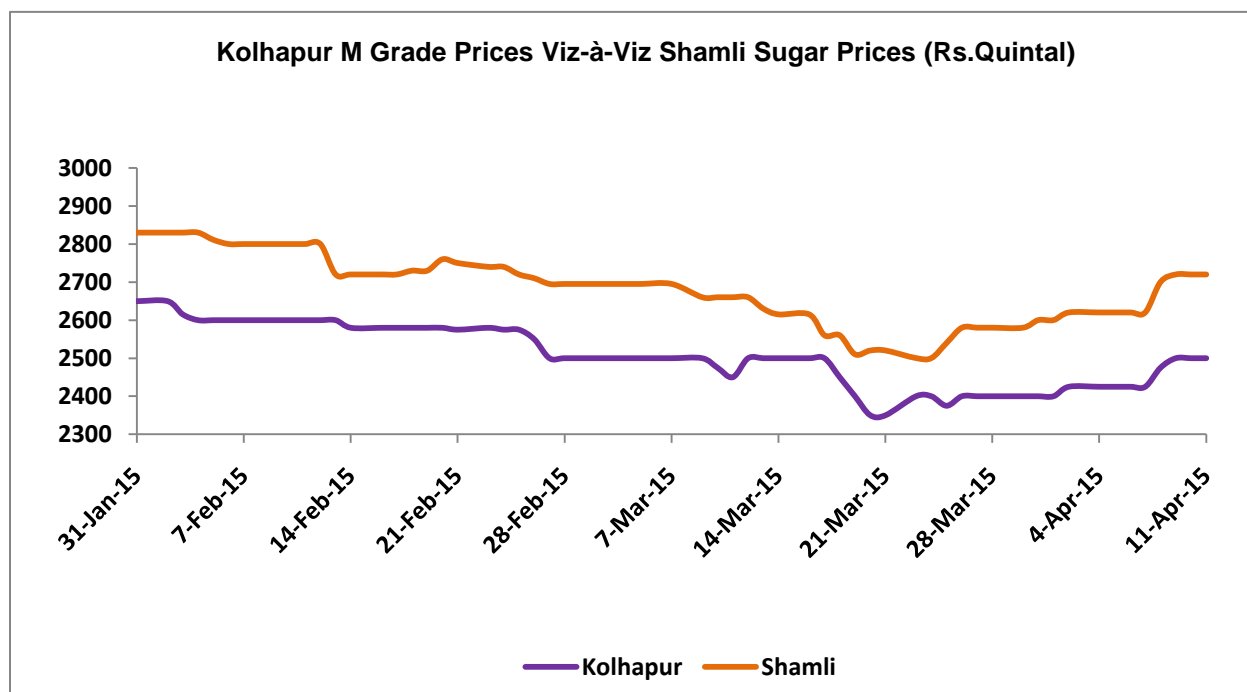


Sugar Price Trend and Outlook:

Sugar prices edged up this week due to revival of demand from bulk consumers, including soft drink and icemakers that is triggered by the onset of summer season. In addition, speculators too created fresh buying interest in future trade market, which was supported by improved demand in the spot market.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 2471 per quintal this week compared to Rs 2410 per quintal the previous week. Similarly, sugar prices for the same variety/grade in Shamli district rose by 3.05% from Rs 2604 per quintal last week to Rs 2683 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:

- The amount of pending cane arrears in India had surged the highest reaching up to a limit of somewhat Rs 19000 crore (till 31st Mar, 2015) this season. The state of Uttar Pradesh alone contributed Rs 9715 crore to the arrears which was followed by Maharashtra and Karnataka who owed Rs 2402 & Rs 682 crore respectively.
- Under the 'GAS-In' facility recently inaugurated in Karnataka, the petroleum ministry announced purchase of any quantity of ethanol at a supportive rate of Rs 48.5 per litre in the state. Notably, the 'Gas-In' facility has been primarily initiated for supply of clean energy to Hubballi- Dharwad.
- India produced 247.20 lakh tons of sugar in 2014-15 (1st Oct, 2014- 31st March, 2015) which was 13% higher than the sugar produced last year in 2013-14 (1st Oct, 2013- 31st March, 2014).
- Sugar production in Maharashtra for 2014-15 rose by 32% as the state produced 93.64 lakh tons of sugar by 31st Mar, 2015 compared to 70.69 lakh tons last year during the same interval. Reportedly, the number of sugar mills operating this season in Maharashtra had also increased from 79 (in 2013-14) to 142 (in 2014-15).
- 77 sugar mills in Uttar Pradesh had churned around 63.6 lakh tons of sugar till 31st March, 2015 as against 91sugar mills last year which had churned 59.2 lakh tons of sugar for the corresponding period.
- Karnataka witnessed a production surge of 3.66 lakh tons this year as the state produced 42.5 lakh tons of sugar in 2014-15 (till 31st Mar, 2015) compared to 38.8 lakh tons last year in 2013-14 (till 31st Mar, 2014).
- 40 sugar mills in Tamil Nadu had continued the crushing operation so far and had churned around 7.7 lakh tons of sugar till 31st March, 2015 compared to 9.3 lakh tons last year till 31st March, 2014.
- The combined sugar production of Andhra Pradesh & Telengana lies at 8.6 lakh tons this year (till 31st Mar, 2015) which was 9.2% less than the production made last year in 2013-14 (till 31st Mar, 2014).
- Bihar ended up the crushing operation for the season by churning around 5.25 lakh tons of sugar in 2014-15 (1st Oct, 2014 – 31st Mar, 2015) compared to 5.12 lakh tons of sugar in 2013-14 (1st Oct, 2013 – 31st Mar, 2014).
- Sugar production went down by 9% in Gujarat which produced 9.75 lakh tons of sugar in 2014-15 (till 31st Mar, 2015) as against 10.71 lakh tons in 2013-14 (till 31st Mar, 2014). However, the number of sugar mills operating in the state (till date) went up from 13 last year to 19 at present.

- Sugar production in Haryana declined marginally (0.2%) this year from 4.51 lakh tons in 2013-14 (1st Oct, 2013 – 31st Mar, 2014) to 4.50 lakh tons in 2014-15 (1st Oct, 2014 – 31st Mar, 2015).
- About 10 sugar mills in the northerly state of Punjab had churned 4.60 lakh tons of sugar in 2014-15 (till 31st Mar, 2015) compared to 4.62 lakh tons of sugar in 2013-14 (till 31st Mar, 2014).

Indian Sugar Production Scenario Up to 31st March, 2015:

States	Sugar Produced (Lakh Tons)	
	2014-15	2013-14
Maharashtra	93.6	70.7
Uttar Pradesh	63.6	59.2
Karnataka	42.5	38.8
Tamil Nadu	7.7	9.3
Bihar	5.3	5.1
Andhra Pradesh + Telengana	8.6	9.5
All India	247.2	218.8

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 \$402.40 per ton Kolhapur based.

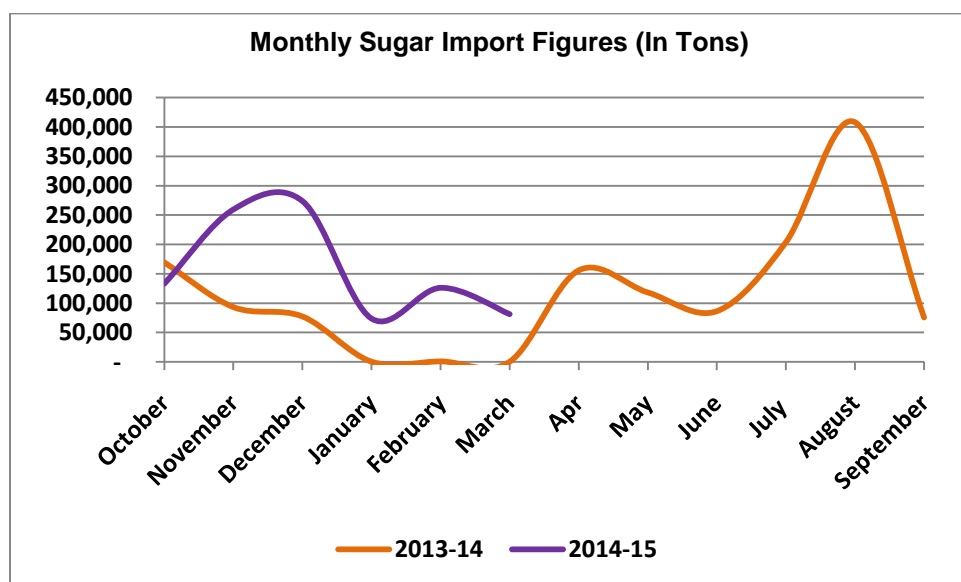
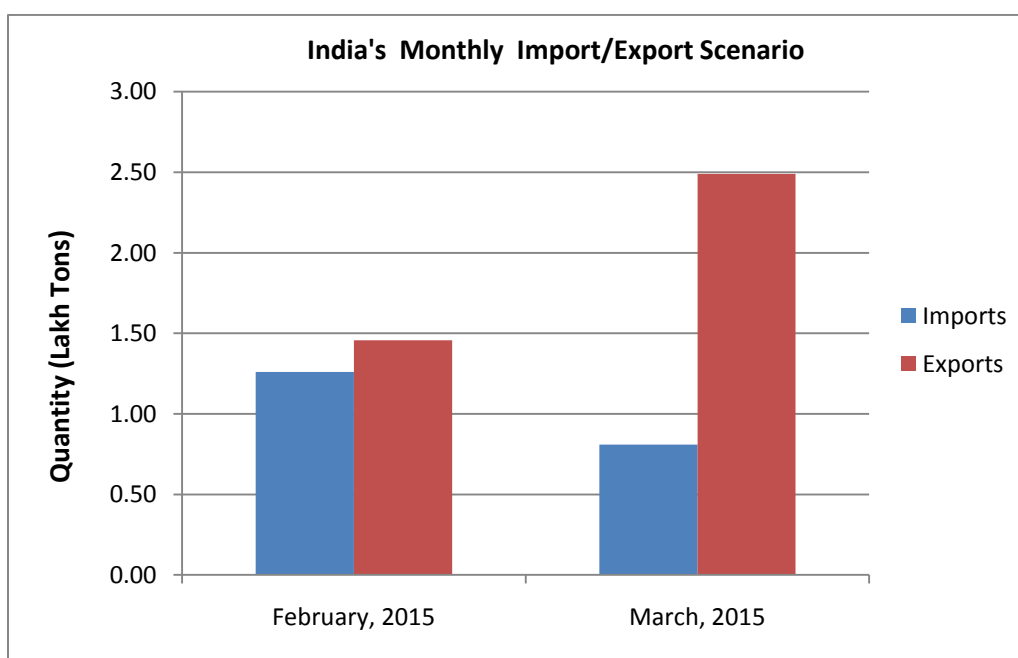
On International front, Brazil sugar FOB prices quoted at \$338.75/ Ton.

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

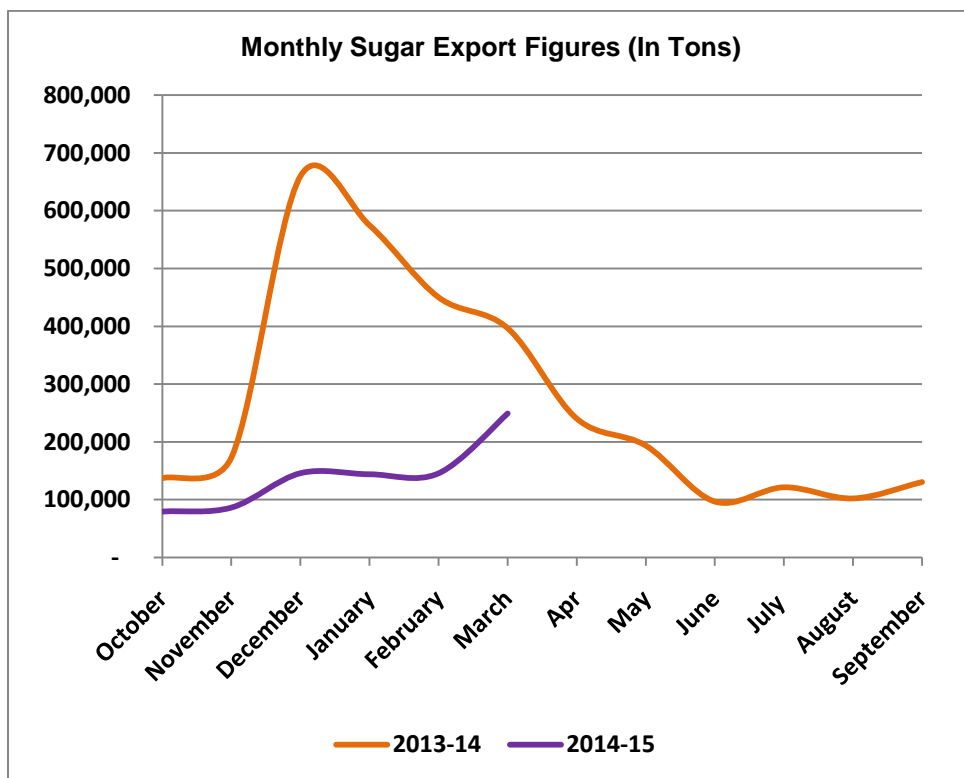
Indicative Sugar FOB Prices (USD/MT) (\$=Rs.62.40) till 13 th Apr, 2015			
	Brazil	Thailand (100 Icumsa May Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$338.75	\$384.30/363.60	\$402.40

Sugar Import and Export Scenario:

India's sugar trade scenario improved this month as the country exported relatively more sugar in comparison to the imports made for the month. Notably, the country exported 2.49 lakh tons of sugar in March, 2015 as against 0.81 lakh tons of import during the same period.



With a lower domestic demand for the sweetener and falling Indian currency, the Indian sugar imports fell by 35.7% from 1.26 lakh tons in February, 2015 to 0.81 lakh tons in March, 2015. Notably, the country had imported only 28 tons of sugar last year in March, 2014 compared to 1.79 lakh tons in March, 2013



India exported record level sugar this month so as to meet strong sweetener demand from major importers (mid east countries) ahead of festivities such as Ramadhan and Idul Fitri, which will fall consecutively in June and July. Reportedly, India exported 2.49lakh tons of sugar in March, 2015 which was 70.8% higher than the sugar exported last month in February, 2015. However, an y-o-y comparison shows that the country exported much larger quantity (3.97 lakh tons) last year in March, 2014.

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)				
Commodity	Centre	4h April 2015 to 10th April 2015	28th March 2015 to 2th April 2015	Change
Sugar	Delhi - Grade M	2742	2659	83
	Delhi - Grade S	2657	2586	71
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	2825	NA	-
	UP- Ramala Grade M	2670	NA	-
	UP- Dhampur Grade M Ex-Mill	2704	2580	124
	UP- Dhampur Grade S Ex-Mill	2659	2560	99
	UP- Dhampur Grade L Ex-Mill	2772	2630	142
	Mumbai –Grade M	2756	2645	111
	Mumbai –Grade S	2550	2497	53
	Kolhapur – Grade M	2458	2405	53
	Kolhapur – Grade S	2358	2305	53
	Guhawati – Grade S	2658	2603	55
	Shillong – Grade S	2678	2625	53
	Vijayawada – Grade M	2960	2960	Unch
	Vijayawada- Grade S	2860	2860	Unch
	Nagpur – Grade M	NA	2733	-
	Nagpur – Grade S	2609	2550	59
	Kolkata – Grade M	2794	2695	99
	Chennai - Grade S	2520	2500	20
	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
		10-Apr-15	2-Apr-15	10-Mar-15	10-Apr-14
Sugar	Delhi - Grade M	2750	2700	2700	3250
	Delhi - Grade S	2700	2600	2680	3200
	Delhi - Grade L	NA	NA	NA	3325
	UP- Khatauli Grade M	2850	2730	NA	NA
	UP- Ramala Grade M	2670	NA	NA	NA
	UP- Dhampur Grade M Ex-Mill	2720	NA	2640	3330
	UP- Dhampur Grade S Ex-Mill	2675	NA	2620	3310
	UP- Dhampur Grade L Ex-Mill	2800	NA	2690	3380
	Mumbai –Grade M	2772	2656	2820	3442
	Mumbai –Grade S	2552	2542	2630	3252
	Kolhapur – Grade M	2500	2425	2475	3200
	Kolhapur – Grade S	2400	2325	2375	3100
	Guhawati – Grade S	2700	2624	2675	3410
	Shillong – Grade S	2720	2645	2695	3420
	Vijayawada – Grade M	2960	2960	3000	3700
	Vijayawada- Grade S	2860	2860	2900	3500
	Nagpur – Grade M	NA	NA	2900	3450
	Nagpur – Grade S	2620	2550	2600	3250
	Kolkata – Grade M	2800	NA	NR	3370
	Chennai - Grade S	2525	2500	2560	3250
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3035	3035	3035	2985
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3035	3035	3035	2975

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 Muzaffarnagar market rose Rs 130/quintal settling at Rs 2305/quintal this week. Similarly, the Khurpa and Laddoo variety increased by Rs 51 & Rs 118 per quintal to reach at Rs 2120 & Rs 2312 per quintal this week. The Chaurasa variety from Hapur also jumped off Rs 75/quintal to reach at Rs 2125/quintal for the week.

On the other hand, the Mudde variety of gur from Bangalore declined by Rs 146 per quintal this week from Rs 4166/quintal to Rs 4020/quintal.. The Kurikatu (Medium) variety of gur in Mandya also fell down from Rs 2375 per quintal to Rs 2280 per quintal this week.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	4h April 2015 to 10th April 2015	28th March 2015 to 2th April 2015	Change
Muzaffar Nagar	Chaku	2305	2175	130
	Chaku (Arrival)	22500	16000	6500
	Khurpa	2120	2069	51
	Laddoo	2312	2194	118
	Rascut	NA	NA	-
Hapur	Chaurasa	2125	2050	75
	Balti	2055	2012	43
Maharashtra	Latur(Lal Variety)	NA	2300	-
Bangalore	Mudde	4020	4166	-146
Belgaum	Mudde	2350	2300	50
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	2539	2570	-31
Mahalingapura	Penti (Average)	2549	2542	7
Mandya	Achhu (Medium)	2610	2700	-90
	Kurikatu (Medium)	2280	2375	-95

	Other (Medium)	2330	2470	-140
	Yellow (Medium)	2500	2585	-85
Shimoga	Achhu (Average)	2900	2900	Unch

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		10-Apr-15	2-Apr-15	10-Mar-15	10-Apr-14
Muzaffar Nagar	Chaku	2425	NA	2375	NA
	Khurpa	2200	NA	2175	NA
	Laddu	2445	NA	2363	NA
	Rascut	NA	NA	NA	BA
Hapur	Chaurasa	2150	2050	2125	2325
	Balti	2075	2013	2050	2388
Maharashtra	Latur(Lal Variety)	NA	NR	2250	2900
Bangalore	Mudde	4000	NA	3800	3100
Belgaum	Mudde	NA	NA	NA	3000
Belthangadi	Yellow (Average)	NA	NA	3150	3200
Bijapur	Achhu	NA	NA	NA	2800
Gulbarga	Other (Average)	2550	NA	NA	2200
Mahalingapura	Penti (Average)	NA	NA	2537	3160
Mandya	Achhu (Medium)	NA	NA	2840	2600
	Kurikatu (Medium)	NA	NA	2200	2200
	Other (Medium)	NA	NA	2500	2400
	Yellow (Medium)	NA	NA	2800	2550
Shimoga	Achhu (Average)	NA	NA	2900	3400

Commodity: Sugar
Contract: May

Exchange: NCDEX
Expiry: May 20, 2015

SUGAR (May Weekly Chart)

SUGARM 1505(NCSMAK5)2015/04/12 - Weekly B:2457.00 A:2458.00
O 2464.00 H 2485.00 L 2459.00 C 2459.00 ↓ V 1,600 I 39,370 -7 -0.28%



Technical Commentary:

- Sugar prices, volume and O.I are rising indicating consolidation in the market
- RSI is hovering into a neutral zone.
- Last candlestick depicts bearishness in the market.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	May	2200	2270	2466	2530	2580
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Buy	Above 2464	2484	2490	2452

International Scenario

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

International Market News Highlights:

- Australian sugar production is expected to decline this year (2014/15) as the country failed to receive adequate amount of rainfall during the crucial period i.e. Jan – Mar when the water requirement by the crop is maximum. Notably, the Australian sugar production was projected last at 4.7 MT a moth back.
- Owing to a bumper cane production this year and a continuous depreciating domestic currency, Brazil exported 1.82 MT of raw sugar in March, 2015 which is 0.68 MT higher than the raw sugar exported last year in March, 2014.
- 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.

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 367 with a target of 377.3

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'15	367	377.3

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 12.80 with target of 13.34

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	13.34



International Sugar Prices (Weekly)				
Contract Month		9-Apr-15	1-Apr-15	Change
ICE Sugar #11 (US Cent/lb)	15-May	12.80	12.32	0.48
	15-Jul	12.75	12.41	0.34
	15-Oct	13.26	12.95	0.31
LIFFE Sugar (US \$/MT)	15-May	363.60	358.10	5.50
	15-Aug	360.80	353.20	7.60
	15-Oct	362.80	354.50	8.30

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