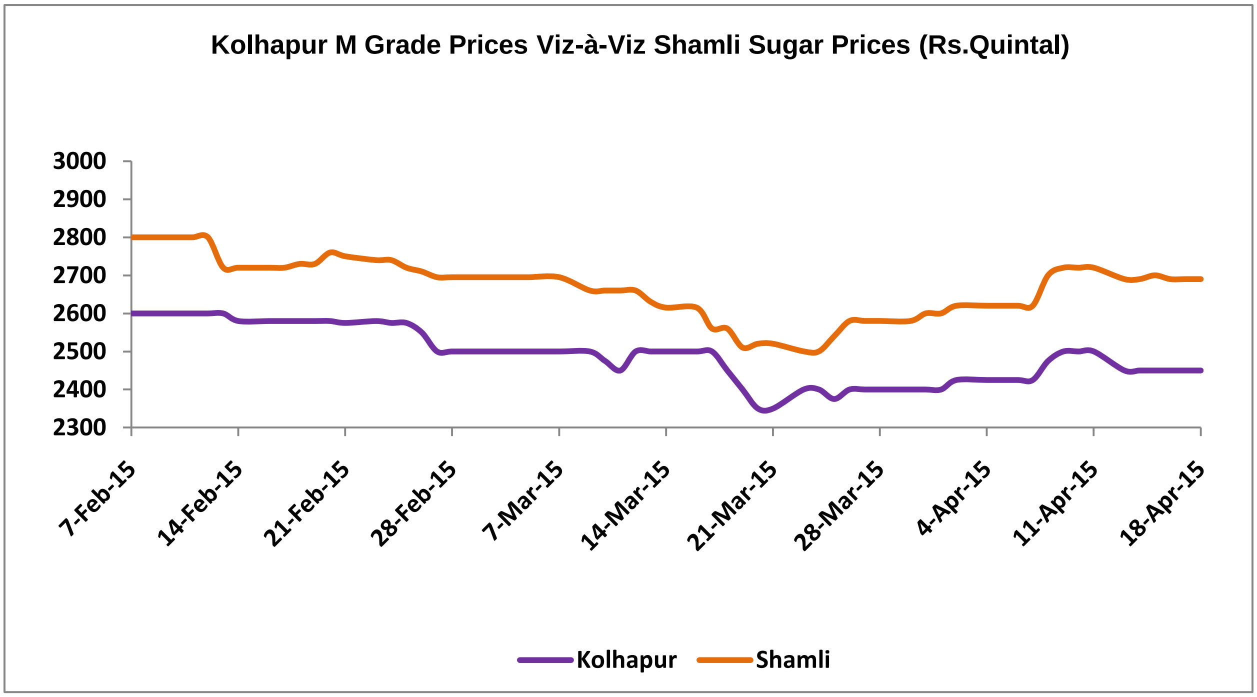
Sugar Price Trend and Outlook:

Sugar prices traded steady to weak amid adequate stocks position on higher supplies from millers. Besides, reports of falling sugar prices in global markets on bumper cane crop output, particularly in largest producing country Brazil, weighed on domestic prices.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 2450 per quintal this week compared to Rs 2471 per quintal the previous week. However, sugar prices for the same variety/grade in Shamli district rose marginally by 0.31% from Rs 2683 per quintal last week to Rs 2692 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:

- 290 sugar mills in India had churned around 263.56 lakh tons of sugar in 2014-15 (1st Oct, 2014 – 15th Apr, 2015) which was 13.8% higher than the production made last year during the corresponding period.

- Maharashtra's sugar production rose 33.8% in 2014-15 as the state produced 99.61 lakh tons of sugar by 15th Apr, 2015 as against 74.43 lakh tons sugar in 2013-14 (till 15th Apr, 2014).

- A rise in sugarcane recovery rate caused U.P to produce 67.85 lakh tons of sugar this season (till 15th Apr, 2015) compared to 62.55 lakh tons sugar last year in 2013-14 (till 15th Apr, 2014). Notably, the average sugarcane recovery rate found in U.P last year was 9.29% which got increased to 9.53% this year.

- Sugar production in Karnataka rose 9.3% this year as the state produced 45 lakh tons of sugar in 2014-15 (1st Oct, 2014 – 15th Apr, 2015) compared to 41.18 lakh tons of sugar last year during the corresponding period.

- 8.25 lakh tons of sugar was produced by Tamil Nadu in 2014-15 (1st Oct, 2014 – 15th Apr, 2015) which was 1.87 lakh tons less than the production made last year during the same interval. Notably, 36 sugar mills in the state had participated in the crushing operation so far compared to 26 mills last year.

- Crushing operation is on the verge of closure in Andhra Pradesh & Telengana as only four sugar mills participated in the crushing operation so far producing about 8.75 lakh tons of sugar in 2014-15(1st Oct, 2014- 15th Apr, 2015) compared to 9.77 lakh tons last year during the same period.

- Sugar production in Gujarat fell down by 4.6% this season (2014-15) as only 11 lakh tons of sugar was produced till 15th Apr, 2015 compared to 11.53 lakh tons last year.

- Nine sugar mills in Punjab churned around 5.25 lakh tons of sugar by 15th Apr, 2015 which was 11.9% higher than the sugar produced last year during the same interval.

- Haryana sugar production rose 4% from 5 lakh tons in 2013-14 (1st Oct, 2013 – 15th Apr,2014) to 5.2 lakh tons in 2014-15 (1st Oct, 2014 – 15th Apr,2015). Reportedly, 10 sugar mills in the state had participated in the crushing operation so far.

- In addition to the centre's export subsidy declared in February, 2015 (Rs 4000/ton up to a limit of 1.4 MT), the Maharashtra govt. announced a subsidy of Rs1000/tons on export of raw sugar from the country.

- The Maharashtra govt. announced Rs 2,000 crore interest free loan to the local sugar millers in the state which could be utilized for payment of pending cane arrears by them. The govt. also cleared that strict action will be taken against those (mills) who failed to make timely cane payment to the farmers. Notably, Maharashtra owed somewhat Rs 2402 crore as the pending cane arrears till 31st Mar, 2015.

- 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.

- Considering the bumper sugar production this year, ISMA, the industrial association, projected India's sugar production at 270 lakh tons for 2014-15 (1st Oct, 2014 – 30th Sep, 2015).

India's Sugar Production Scenario Up to 15th April, 2015:

States	Sugar Produced (Lakh Tons)	
	2014-15	**2013-14**
Maharashtra	99.6	74.4
Uttar Pradesh	67.9	62.6
Karnataka	45.0	41.2
Tamil Nadu	8.3	10.1
Andhra Pradesh + Telengana	8.8	9.8
All India	**263.6**	**231.5**

Raw Sugar Import/Export Opportunity:

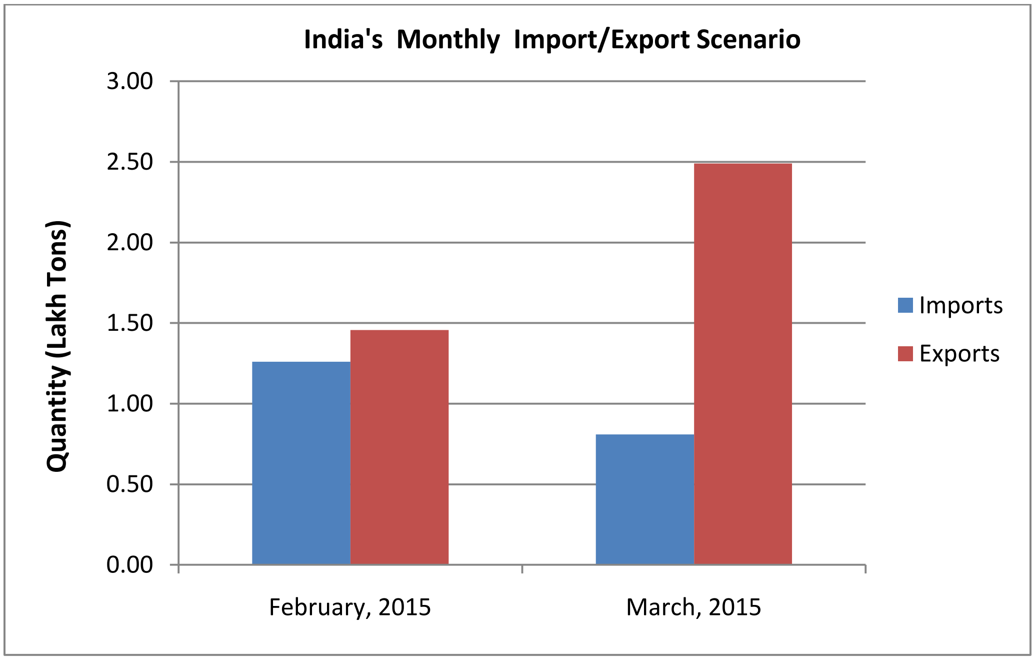
Indian indicative raw sugar CIF prices from Brazil quoted at $434.20 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at $397.95 per ton Kolhapur based.

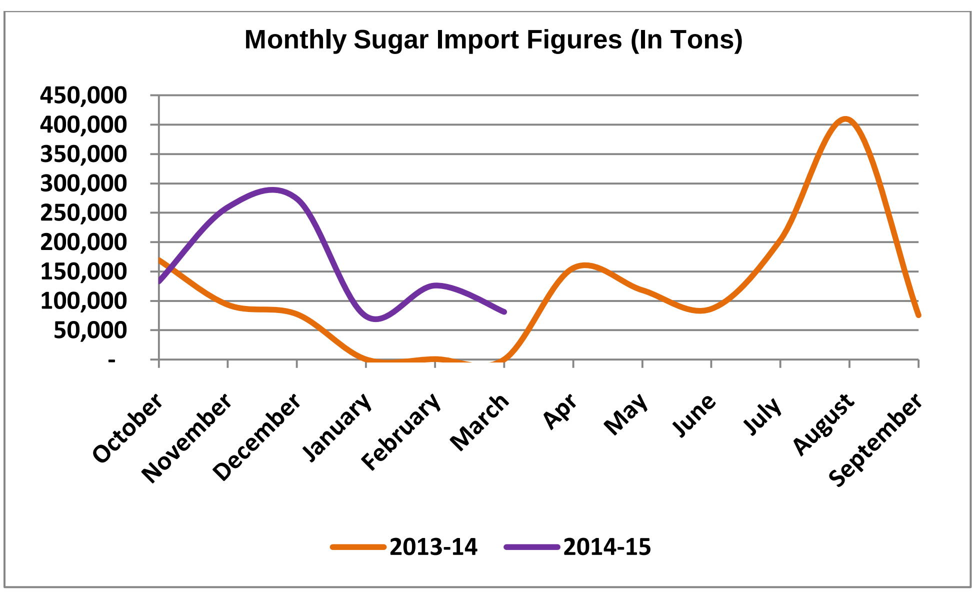
On International front, Brazil sugar FOB prices quoted at $338.75/ Ton.
Comparative sugar FOB prices from various sugar sourcing countries to India are mentioned in the table below:

Indicative Sugar FOB Prices (USD/MT) ($=Rs.62.57) till 20th Apr, 2015			
	Brazil	**Thailand (100 Icumsa May Contract/45 Icumsa Spot)**	**India (100 Icumsa)**
Comparative Sugar FOB Prices	$338.75	$381.00/371.50	$397.95

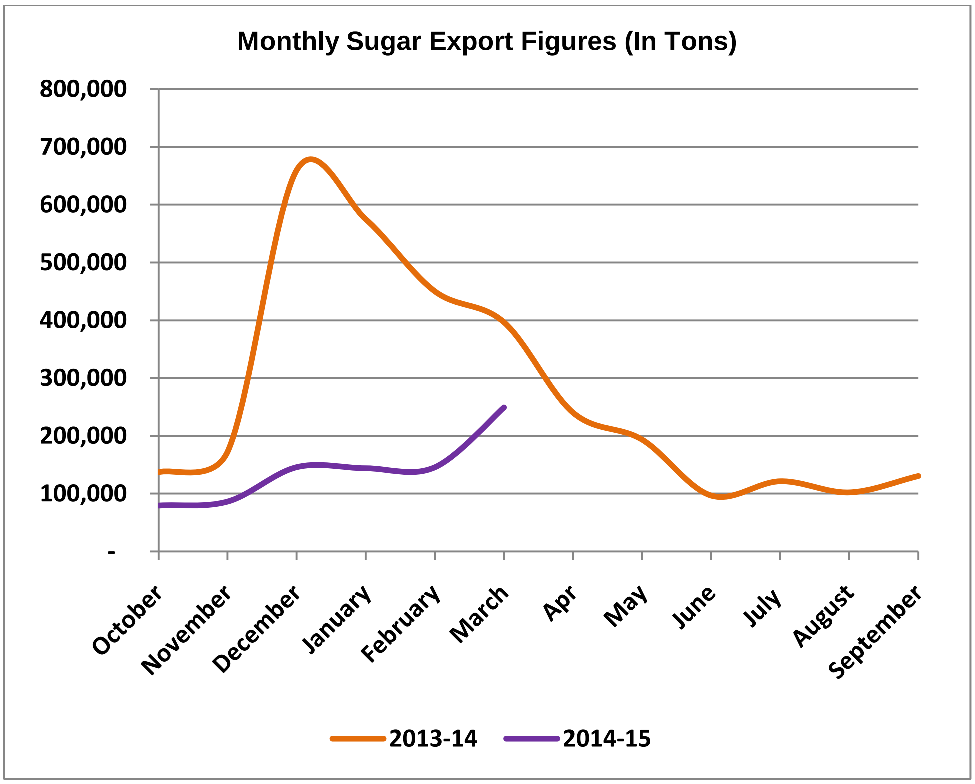
Sugar Import and Export Scenario:

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**	**11th-17th Apr-2015**	**4th-10th Apr-2015**	**Change**
Sugar	Delhi - Grade M	2718	2742	-24
	Delhi - Grade S	2664	2657	7
	UP- Khatauli Grade M	2844	2825	19
	UP- Ramala Grade M	2630	2670	-40
	UP- Dhampur Grade M Ex-Mill	2680	2704	-24
	UP- Dhampur Grade S Ex-Mill	2655	2659	-4
	UP- Dhampur Grade L Ex-Mill	2736	2772	-36
	Mumbai –Grade M	2779	2756	23
	Mumbai –Grade S	2552	2550	2
	Kolhapur – Grade M	2458	2458	Unch
	Kolhapur – Grade S	2358	2358	Unch
	Guhawati – Grade S	2658	2658	Unch
	Shillong – Grade S	2670	2678	-8
	Vijayawada – Grade M	2960	2960	Unch
	Vijayawada- Grade S	2860	2860	Unch
	Nagpur – Grade M	NA	NA	-
	Nagpur – Grade S	2603	2609	-6
	Kolkata – Grade M	2783	2794	-11
	Chennai - Grade S	2525	2520	5
	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
		17-Apr-15	9-Apr-15	17-Mar-15	17-Apr-14
Sugar	Delhi - Grade M	2700	2770	2650	3370
	Delhi - Grade S	2660	2680	2620	3300
	UP- Khatauli Grade M	2840	2850	NA	3520
	UP- Ramala Grade M	2610	2670	NA	NR
	UP- Dhampur Grade M Ex-Mill	2670	2700	2580	3390
	UP- Dhampur Grade S Ex-Mill	2650	2655	2560	3370
	UP- Dhampur Grade L Ex-Mill	2720	2765	2630	3440
	Mumbai –Grade M	2780	2770	2790	3492
	Mumbai –Grade S	2546	2552	2566	3322
	Kolhapur – Grade M	2450	2500	2500	3300
	Kolhapur – Grade S	2350	2400	2400	3200
	Guhawati – Grade S	2649	2700	2700	3512
	Shillong – Grade S	2670	2720	2720	3520
	Vijayawada – Grade M	2960	2960	3000	3700
	Vijayawada- Grade S	2860	2860	2900	3500
	Nagpur – Grade M	NA	NA	2750	3450
	Nagpur – Grade S	2600	2600	2600	3300
	Kolkata – Grade M	2750	2760	2690	NA
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3035	3035	3035	2985
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3035	3035	3035	2975
	Chennai - Grade S	2525	2525	2500	3275

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 89/quintal settling at Rs 2394/quintal this week. Similarly, the Khurpa and Laddoo variety increased by Rs 176 & Rs 237 per quintal to reach at Rs 2296 & Rs 2549 per quintal this week. The Chaursa variety from Hapur also jumped off Rs 205/quintal to reach at Rs 2330/quintal for the week.

On the other hand, the Achhu (Average) variety of gur from Shimoga declined by Rs 200 per quintal this week from Rs 2900/quintal to Rs 2700/quintal. The Achhu (Medium) variety of gur in Mandya also fell down from Rs 2610 per quintal to Rs 2450 per quintal this week.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	**Variety**	**11th-17th Apr-2015**	**4th-10th Apr-2015**	**Change**
Muzaffar Nagar	Chaku	2394	2305	89
	Chaku (Arrival)	45000	22500	22500
	Khurpa	2296	2120	176
	Laddoo	2549	2312	237
	Rascut	NA	NA	-
Hapur	Chaursa	2330	2125	205
	Balti	2135	2055	80
Maharashtra	Latur(Lal Variety)	NA	NA	-
Bangalore	Mudde	4000	4020	-20
Belgaum	Mudde	2450	2350	100
Belthangadi	Yellow (Average)	3050	NA	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	2533	2539	-6
Mahalingapura	Penti (Average)	2514	2549	-35
Mandya	Achhu (Medium)	2450	2610	-160
	Kurikatu (Medium)	2250	2280	-30
	Other (Medium)	2300	2330	-30
	Yellow (Medium)	2450	2500	-50
Shimoga	Achhu (Average)	2700	2900	-200

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	**Variety**	**Today**	**Week Ago**	**Month Ago**	**Year Ago**
		17-Apr-15	**9-Apr-15**	**17-Mar-15**	**17-Apr-14**
Muzaffar Nagar	Chaku	2528	2375	2238	2668
	Khurpa	2325	2125	2063	2537
	Laddu	2588	2330	2175	2662
	Rascut	NA	NA	NA	2281
Hapur	Chaursa	2375	2150	2088	2331
	Balti	2150	2075	2038	2356
Maharashtra	Latur(Lal Variety)	NA	NA	2300	2980
Bangalore	Mudde	4000	4000	4000	3100
Belgaum	Mudde	2400	2400	NA	NR
Belthangadi	Yellow (Average)	3050	NA	NA	3200
Bijapur	Achhu	NA	NA	NA	2800
Gulbarga	Other (Average)	NA	2525	2615	2750
Mahalingapura	Penti (Average)	NA	2445	2617	2910
Mandya	Achhu (Medium)	2400	2550	2750	2600
	Kurikatu (Medium)	2250	2250	2300	2200
	Other (Medium)	2300	2300	2500	2450
	Yellow (Medium)	2400	2550	2650	2500
Shimoga	Achhu (Average)	2700	2900	NA	3400

Commodity: Sugar **Exchange: NCDEX**
Contract: May **Expiry: May 20, 2015**

SUGAR (May Weekly Chart)

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: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	May	2200	2270	2409	2530	2580
Weekly Trade Call			**Call**	**Entry**	**T1**	**T2**	**SL**
Sugar	NCDEX	May	**Sell**	Below 2420	2360	2340	2456

International Scenario

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

International Market News Highlights:

- Thailand, the second largest sugar exporter in the world; had exported two lakh tons of sugar in first half of April, 2015 together with 1 .4 million tons of sugar in the first quarter of year 2015.

- Sugar production in Thailand is expected to rise to 11.4 MT in 2015-16 amid government's agricultural restructuring program which will provide more financial support to the domestic farmers in the country.

- Brazilian govt. crop supply agency, CONAB forecasted country's total sugar production at 37.35 MT for MY 2015-16 (1st Apr, 2015 – 31st Mar, 2016) which was approximately 5% higher than the sugar produced by Brazil in 2014-15.

- 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.

International Sugar Prices (Weekly)				
	Contract Month	**16-Apr-15**	**8-Apr-15**	**Change**
ICE Sugar #11 (US Cent/lb)	**15-May**	13.43	12.97	**0.46**
	15-Jul	13.31	12.89	**0.42**
	15-Oct	13.72	13.4	**0.32**
LIFFE Sugar (US $/MT)	**15-Aug**	377.70	366.4	**11.30**
	15-Oct	375.20	364	**11.20**
	15-Dec	381.50	365.4	**16.10**

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

Technical Commentary:

- LIFE future market trends upward for the week.
- The last candlestick depicts bullishness in the market.
  Strategy: Buy at 378.2 with a target of 386.

International Sugar Futures Price Projection			
	Contract Month	**Present Quote**	**Expected Price level for next week**
LIFFE Sugar (US $/MT)	**May'15**	378.2	386

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 13.30 with target of 13.84

International Sugar Futures Price Projection			
	Contract Month	**Present Quote**	**Expected Price level for next week**
ICE Sugar #11 (US Cent/lb)	**May'15**	13.30	13.84