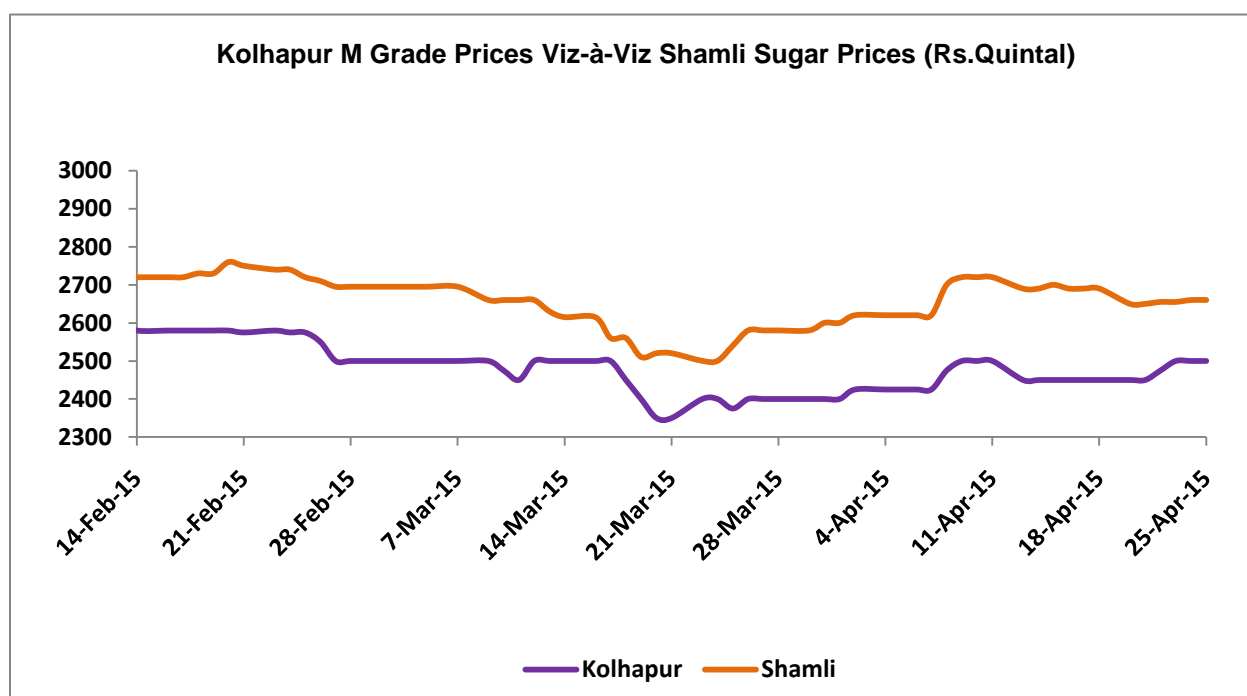


### Sugar Price Trend and Outlook:

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 2479 per quintal this week compared to Rs 2450 per quintal the previous week. However, sugar prices for the same variety/grade in Shamli district fell by 1.36% from Rs 2692 per quintal last week to Rs 2655 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:**

- 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).
- 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.

### India's Sugar Production Scenario Up to 15<sup>th</sup> 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
<b>All India</b>	<b>263.6</b>	<b>231.5</b>

### Raw Sugar Import/Export Opportunity:

Indian indicative raw sugar CIF prices from Brazil quoted at \$454.56 per ton (including 25% import duty) and Indian domestic refined sugar FOB prices quoted at \$396.13 per ton Kolhapur based.

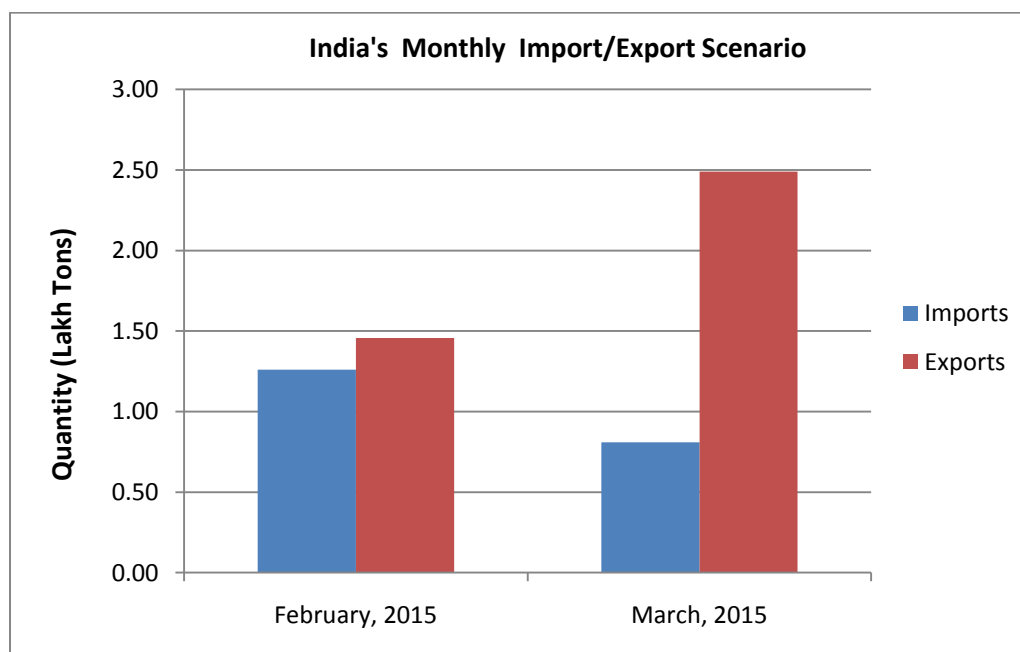
On International front, Brazil sugar FOB prices quoted at \$357.00/ Ton.

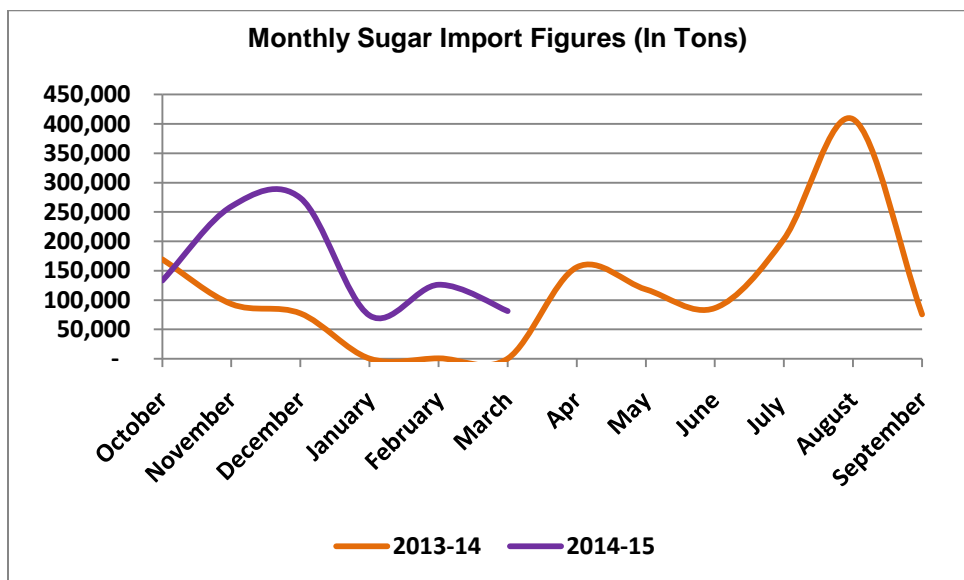
Comparative sugar FOB prices from various sugar sourcing countries to India are mentioned in the table below:

Indicative Sugar FOB Prices (USD/MT) (\$=Rs. 63.59) till 27 <sup>th</sup> Apr, 2015			
	Brazil	Thailand (100 Icumsa May Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$357.00	\$381.00/368.00	\$396.13

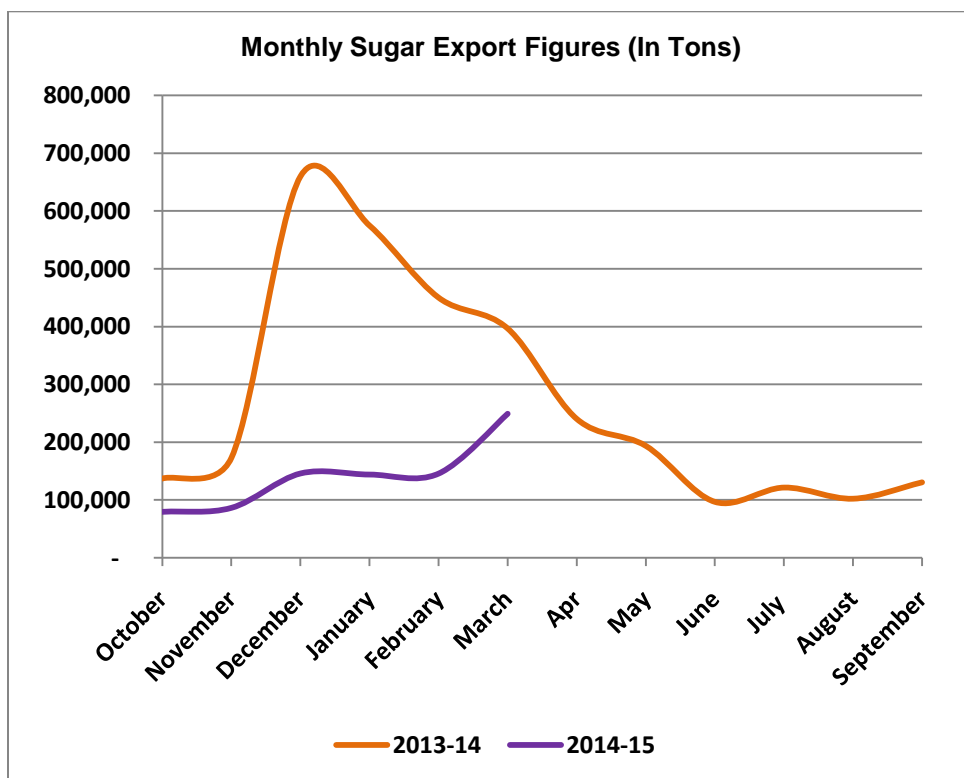
### Sugar Import and Export Scenario:

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	18th-24th Apr 2015	11th-17th Apr-2015	Change
Sugar	Delhi - Grade M	2715	2718	-3
	Delhi - Grade S	2660	2664	-4
	UP- Khatauli Grade M	2770	2844	-74
	UP- Ramala Grade M	2638	2630	8
	UP- Dhampur Grade M Ex-Mill	2648	2680	-33
	UP- Dhampur Grade S Ex-Mill	2628	2655	-28
	UP- Dhampur Grade L Ex-Mill	2698	2736	-39
	Mumbai –Grade M	2777	2779	-2
	Mumbai –Grade S	2554	2552	2
	Kolhapur – Grade M	2471	2458	13
	Kolhapur – Grade S	2371	2358	13
	Guhawati – Grade S	2670	2658	12
	Shillong – Grade S	2691	2670	21
	Vijayawada – Grade M	2960	2960	Unch
	Vijayawada- Grade S	2860	2860	Unch
	Nagpur – Grade M	NA	NA	-
	Nagpur – Grade S	2600	2603	-3
	Kolkata – Grade M	2785	2783	2
	Chennai - Grade S	2525	2525	Unch
	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
		24-Apr-15	17-Apr-15	24-Mar-15	24-Apr-14
Sugar	Delhi - Grade M	2720	2700	2580	3340
	Delhi - Grade S	2680	2660	2550	3285
	UP- Khatauli Grade M	2740	2840	NA	NA
	UP- Ramala Grade M	2670	2610	NA	3300
	UP- Dhampur Grade M Ex-Mill	2650	2670	2540	3330
	UP- Dhampur Grade S Ex-Mill	2630	2650	2520	3310
	UP- Dhampur Grade L Ex-Mill	2700	2720	2590	3380
	Mumbai –Grade M	2772	2780	2716	NA
	Mumbai –Grade S	2570	2546	2550	NA
	Kolhapur – Grade M	2500	2450	2400	NA
	Kolhapur – Grade S	2400	2350	2300	NA
	Guhawati – Grade S	2700	2649	2598	264
	Shillong – Grade S	2720	2670	2620	320
	Vijayawada – Grade M	2960	2960	2960	3680
	Vijayawada- Grade S	2860	2860	2860	3550
	Nagpur – Grade M	NA	NA	2700	3450
	Nagpur – Grade S	2600	2600	2550	3300
	Kolkata – Grade M	2800	2750	2625	3430
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3035	3035	3035	3200
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3035	3035	3035	3275
	Chennai - Grade S	2525	2525	2500	NA

## Gur Market Scenario and Outlook

Spot gur market strengthened a bit with price improving in majority of key areas this week. A lower arrival of variety Chaku in Muzaffarnagar caused gur prices to rise by Rs 167/quintal from Rs 2394/quintal to Rs 2561/quintal this week. Similarly, the Kurikatu (Medium) and Other (Medium) variety of Mandya increased by Rs 25 & Rs 40 per quintal to reach at Rs 2275 & Rs 2340 per quintal this week.

The Penti (Average) variety of gur from Mahalingapura also rose by Rs 114/quintal accompanied by Mudde variety (Belgaum) which surged by Rs 50/quintal this week.

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

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	18th-24th Apr 2015	11th-17th Apr-2015	Change
Muzaffar Nagar	Chaku	2561	2394	167
	Chaku (Arrival)	3500	45000	-41500
	Khurpa	2293	2296	-3
	Laddoo	2616	2549	67
	Rascut	NA	NA	-
Hapur	Chaurasa	NA	2330	-
	Balti	NA	2135	-
Maharashtra	Latur(Lal Variety)	NA	NA	-
BANGALORE	Mudde	4000	4000	Unch
Belgaum	Mudde	2500	2450	50
Belthangadi	Yellow (Average)	NA	3050	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	2569	2533	36
Mahalingapura	Penti (Average)	2628	2514	114
Mandya	Achhu (Medium)	2433	2450	-18
	Kurikatu (Medium)	2275	2250	25
	Other (Medium)	2340	2300	40
	Yellow (Medium)	2438	2450	-13
Shimoga	Achhu (Average)	2700	2700	Unch



Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		24-Apr-15	17-Apr-15	24-Mar-15	24-Apr-14
<b>Muzaffar Nagar</b>	Chaku	2600	2528	2187.5	2700
	Khurpa	2303	2325	2037.5	2588
	Laddu	2600	2588	2162.5	2750
	Rascut	NA	NA	0	2300
<b>Hapur</b>	Chaurasa	NA	2375	2000	2500
	Balti	NA	2150	1937.5	2463
<b>Maharashtra</b>	Latur(Lal Variety)	NA	NA	2150	3000
<b>BANGALORE</b>	Mudde	4000	4000	4000	3200
<b>Belgaum</b>	Mudde	2500	2400	0	3100
<b>Belthangadi</b>	Yellow (Average)	NA	3050	0	3200
<b>Bijapur</b>	Achhu	NA	NA	0	3000
<b>Gulbarga</b>	Other (Average)	2525	NA	2555	2950
<b>Mahalingapura</b>	Penti (Average)	2670	NA	2622	3030
<b>Mandya</b>	Achhu (Medium)	2400	2400	2790	2450
	Kurikatu (Medium)	2250	2250	2400	2200
	Other (Medium)	2300	2300	0	2350
	Yellow (Medium)	2400	2400	2600	2350
<b>Shimoga</b>	Achhu (Average)	NA	2700	2900	3400

Commodity: Sugar  
Contract: May

Exchange: NCDEX  
Expiry: May 20, 2015

### SUGAR (May Weekly Chart)



#### Technical Commentary:

- Sugar prices and volume are rising while O.I fell down for the day.
- 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	2477	2530	2580
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Buy	Above 2475	2500	2510	2460

## International Scenario

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

### International Market News Highlights:

- As per a report issued by U.S. Department of Agriculture, Australia is expected to produce 4.8 million tons of sugar in MY (2015-16).
- Due to various trade restrictions imparted by govt., Indonesia is expected to import only 2.95 million tons of raw sugar in 2014-15. While, the country is forecasted to produce around 2.1 million tons of plantation white sugar during the same period.
- Brazil's centre south region had churned around 5.4 million tons of new cane crop by 1st Apr, 2015 to produce 1.52 lakh tons of sugar during the period. Reportedly the Brazilian mills this year had started the crushing operation (for 2015-16 crop) early for which the official year begins from 1st April.
- 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.
- 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 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.

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

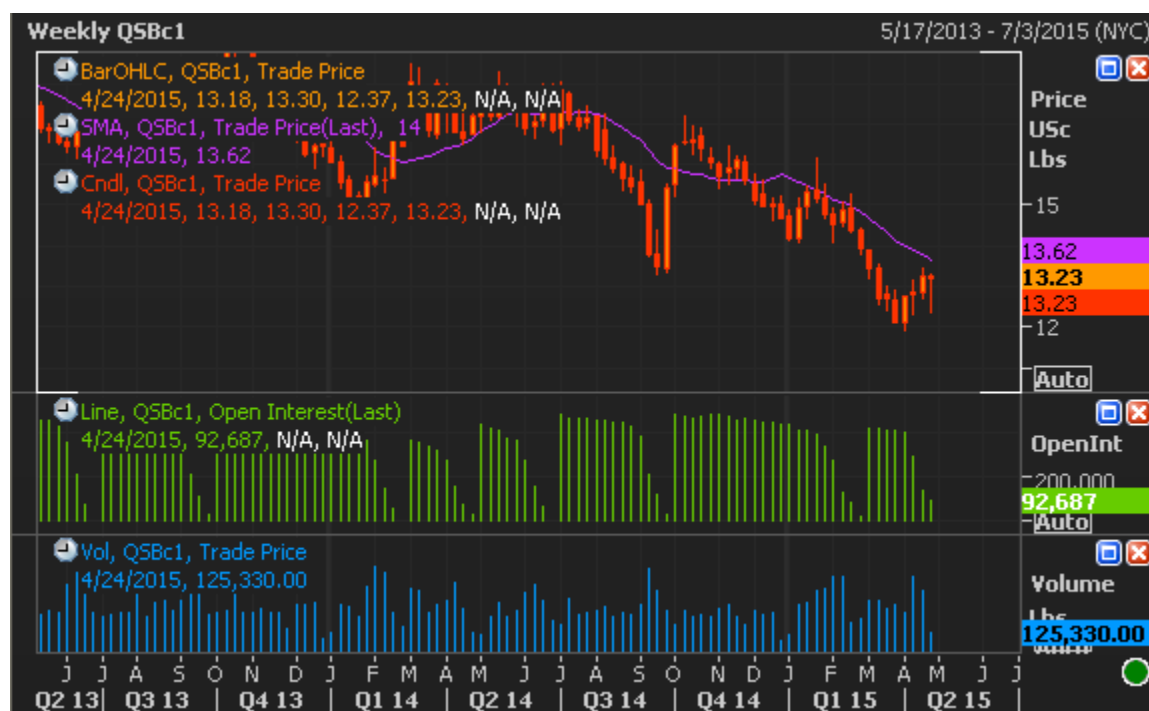


**Technical Commentary:**

- LIFE future market trends upward for the week.
  - The last candlestick depicts bullishness in the market.
- Strategy: Buy at 379.2 with a target of 390.9

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'15	379.2	390.9

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



### Technical Commentary:

- ICE raw sugar futures are trending downwards.
  - Last candlestick depicts bullishness in the market.
- Strategy: Buy at 13.25 with target of 13.43

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'15	13.25	13.43



International Sugar Prices (Weekly)				
Contract Month		23-Apr-15	16-Apr-15	Change
ICE Sugar #11 (US Cent/lb)	15-May	13.09	13.43	-0.34
	15-Jul	13.03	13.31	-0.28
	15-Oct	13.47	13.72	-0.25
LIFFE Sugar (US \$/MT)	15-Aug	368.00	377.7	-9.70
	15-Oct	369.00	375.2	-6.20
	15-Dec	376.90	381.5	-4.60

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