

Sugar & Gur Domestic & International Fundamentals

- Mixed/Firm sentiments recorded in key sugar spot markets on Monday. Higher cane price announcement in UP led the prices of sugar up in UP and Maharashtra. However, rest of the markets remained bearish affected by continuous sugar supply.
- Sugar output might get affected in UP after delay in sugarcane crushing by millers. Also, there is a worry about the increasing global sugar surplus and Indian raw sugar import figures which might increase tension in the minds of mill owners. After getting a hike in cane prices in UP, cost of producing sugar from cane eventually increased and if this import picking up the pace with peak arrival time then UP millers no longer get the parity for sure that might discourage some small sugar producing units to withdraw cane crushing operations for this season as expected.
- Kingsman increase its global sugar surplus to 9.2 million tons from 6.7 million tons owing to extended sugarcane crushing from Brazil and good cane output from Thailand and China which increase the overall sugar production.
- UP government hike SAP for sugarcane to Rs 290 for early variety, Rs. 280 for normal variety and Rs 275 for Rejected variety. Last year UP sugarcane SAP was Rs. 250, Rs.240 and Rs. 235 respectively. UP government also increased the transportation deduction expenses to 8.75 per quintal which means if farmer brought its produce upto mill then mills will pay additional Rs.8.75 per quintal as a transportation expenses.
- Gur prices declined today in Muzaffar nagar mandi owing to higher arrivals compared to prior day. It is notable that gur prices are likely to hover in a range with weak tone until cane crushing by millers picked up the pace in UP.
- It is notable that availability of cane in Maharashtra is pretty less this year which might affect the gur production. Also, shift of various jaggery producing units from UP to MP likely to downgrade gur production. Long term prospects of gur became bullish after considering above facts.

Outlook:

Sugar prices rebound after the hike in SAP of sugarcane in UP. Prices likely to trade range bound with firm tone in the coming week.

NCDEX Sugar Future Quotes:

Contract	+/-	Open	High	Low	Close
Dec-12	10	3290	3290	3262	3275
Jan-13	4	3295	3312	3293	3299
Feb-13	7	3344	3351	3336	3341

Contract	Volume	Change	OI	Change
Dec-12	3210	2800	13900	-60
Jan-13	6110	140	31280	330
Feb-12	2240	1180	11670	590

Spread	Dec-12	Jan-13	Feb-13
Basis	75		
Dec-12		24	66
Jan-13			42

Stocks	Demat 08.12.12	In-Process 08.12.12	Total 08.12.12	FED 03.12.12
Kolhapur M	13995	300	14295	13995
Kolhapur S(old)	315	0	315	315
Kolhapur S(New)	900	0	900	900
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Mar-13	516.4	519.5	512	515.5	-3
May-13	522.7	524.5	518.8	522.2	-2.9
Aug-13	525.9	527.6	521.6	525.6	-2.4

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Dec-12	-2.5	1077	1080	1073.5	1077.5
Jan-13	-6.5	1135	1135	1122	1127.5
March-13	-5	1155	1159	1145	1152

Contract	Volume	Change	OI	Change
Dec-12	370	-820	1630	-150
Jan-13	3740	90	6000	100
March-13	2400	160	5640	360

Spread	Dec-12	Jan-13	Mar-13
Basis	-27.5		
Dec-12		50	74.5
Jan-13			24.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-13	19.35	19.4	19.05	19.21	-0.15
May-13	19.44	19.44	19.12	19.35	-0.09
Jul-13	19.48	19.52	19.2	19.48	-0.04

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	410.25	-5.00
Raw Sugar C&F (\$/MT)	Black Sea	437.25	-5.00
Sugar White FOB (\$/MT)	Santos Port	501.25	-4.00

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Mar'13/Mar'13	91.5	
May'13/May'13	96	
Aug'13/July'13	97	

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Dec'12	18.52	
Mar'12	19.24	
May'12	17.82	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		10-Dec-12	8-Dec-12	
Sugar	Delhi - Grade M	3550	3550	Unch
	Delhi - Grade S	3480	3500	-20
	Delhi - Grade L	-	3570	-
	UP- Khatauli Grade M	3550	3495	55
	UP- Ramala Grade M	3270	3265	5
	Mumbai –Grade M	3601	3581	20
	Mumbai –Grade S	3386	3392	-6
	Kolhapur – Grade M	3350	3350	Unch
	Kolhapur – Grade S	3250	3250	Unch
	Vijayawada – Grade M	3800	3800	Unch
	Vijayawada- Grade S	3660	3660	Unch
	Nagpur – Grade S	3500	3500	Unch
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	3310	3325	-15

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

Gur Spot Prices (Rs/Qtl)

		10-Dec-12	8-Dec-12	
Muzaffar Nagar	Chaku New	2625	2638	-13
	Arrivals	15000	10000	5000
	Khurpa	2450	2450	Unch
	Laddu	2575	2663	-88
	Rascut	-	-	-
MP	Kareli (Narsinghpur)	2200-2350	-	-
	Gadarwara (Narsinghpur)	-	2250	-
Maharashtra	Lal Variety		-	-
	Kolhapur	3200	3500	-300
Bangalore	Achhu	3200	-	-
	Mudde	3400	-	-
Belgaum	Mudde	3100	3100	Unch

Belthangadi	Yellow (Average)	3400	-	-
Bijapur	Achhu	3050	-	-
Gulbarga	Other (Average)	-	-	-
Mahalingapura	Penti (Average)	2940	-	-
Mandya	Achhu (Medium)	-	-	-
	Kurikatu (Medium)	-	-	-
	Other (Medium)	-	-	-
	Yellow (Medium)	-	-	-
Shimoga	Achhu (Average)	3400	-	-

Gur Prices are in INR/Quintal. (1 Quintal=100 kg), Arrivals in bags (40kg each)

UP Private Mills Tender Rates				
Centre	Origin/Grade	10-Dec-12	8-Dec-12	Change
Dorala	M-30	3480	3440	40
Mawana	M-30	3490	3460	30
Modinagar	M-30	3445	3425	20
Malakpur	M-30	3420	3390	30
Simbholi	M-30	3540	3525	15
Asamoli	M-30	3540	3500	40
Dhanora	M-30	3440	3400	40
Dhampur	M-30	3430	3400	-
Kinnoni	M-31	3600	3555	45
Budhana	M-31	3600	3450	-
Thanabhavan	M-31	3600	3450	-
UP Government Mills Tender Rates				
Centre	Origin/Grade	10-Dec-12	8-Dec-12	Change
Nazibabad	M-30	3150	3155	-5
Sakoti	M-30	3200	3180	20
Amroha	M-30	-	-	-
Chandpur	M-31	-	-	-
UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	10-Dec-12	8-Dec-12	Change
Baghpat	M-30	3200	3195	5
Gajraula	M-30	3170	3175	-5
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3150	3145	5

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	8-Dec-12
BHAIRAVNATH SONERI	S.JB	3225.00-3235.00
BHAIRAVNATH VIHAR	S.JB	3275.00-3280.00
PUSHPA NANDURBAR	S.PP	3271
	M.JB	3381.00 OPEN

AADINATH	S.PP	3223
	S.JB	3278
KOLPEWADI	S.JK	3236
	M.JB	3387
ASHOK	S.PP	3265.00-3267.00
	M.JK	3368
KUKADI	S1.PP	3255.00-3260.00
BARAMATI	S.PP	3200
	M.PP	3310
SIDDHESHWAR	OLD S.PP	3150
	M.PP	3238
MULA	S.JK	3300
	M.PP	3351.00 OPEN
RAYAT	S.JB	3300
	S.JK	3250.00 OPEN
SONHIRA	M.JK	3298
SHARAD	S1.PP	3248
	M.PP	3298.00 OPEN
SARVODAY	M.JB	3288.00 OPEN
WATEGAON	S.JB	3238.00 OPEN
WALWA	S.PP	3218.00 OPEN

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