

Sugar & Gur Domestic & International Fundamentals

- Mixed sentiments recorded in key sugar spot markets on Friday as markets could not find adequate cues to decide the prices either side.
- Industry is seeking hike in sugar import duty from government as increasing sugar imports from Indian refineries is hurting north Indian sugar mills as sugar prices moving down like anything.
- India millers produce 10.8 million tons of sugar which is 3 percent up Y-o-Y till 15th Jan 2013 starting from Oct 1 2012. Out of total sugar production, Maharashtra contributes 3.77 million tons followed by UP which produce 2.75 million tons of sugar in this period.
- Food ministry likely to notify free sugar exports under OGL soon.
- Gur prices improved today owing to lower arrivals. It is notable that rainfall has been witnessed in some parts of western UP for two consecutive days which restrict the gur arrivals in the market.
- Around 281000 bags of gur stored in Cold storages in Muzaffar nagar region which are 11000 bags higher compared to last year. Out of total gur stock, 110000 bags of chaku gur, 48000 bags of Rascut and 94000 bags of Papdi stored in Cold storages as reported.
- Meanwhile, prices of gur should remain range bound in the coming week. However, we are expecting a sharp hike in gur prices after Makar Sakranti due to expected demand. Also, lower cane production in Maharashtra kept the gur production at lower side this year.

Outlook:

Sugar prices are moving down like anything. After government intention not to hike import duty on both raw and white, prices are likely to follow the bearish trend in the coming days.

NCDEX Sugar Future Quotes:

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| Jan-13 | 10 | 3228 | 3251 | 3226 | 3245 |
| Feb-13 | 7 | 3254 | 3273 | 3254 | 3265 |
| Mar-13 | 13 | 3294 | 3305 | 3286 | 3301 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Jan-13 | 1820 | 1240 | 4100 | -1190 |
| Feb-13 | 8260 | 4060 | 38610 | 270 |
| Mar-13 | 2090 | 1420 | 10930 | 810 |

| Spread | Jan-13 | Feb-13 | Mar-13 |
|--------|--------|--------|--------|
| Basis | 5 | | |
| Jan-13 | | 20 | 56 |
| Feb-13 | | | 36 |

| Stocks | Demat | In-Process | Total | FED |
|-----------------|----------|------------|----------|----------|
| | 17.01.13 | 17.01.13 | 17.01.13 | 17.01.13 |
| Kolhapur M(New) | 7802 | 580 | 8382 | 6882 |
| Kolhapur S(New) | 867 | 0 | 867 | 867 |
| Sangli S | 988 | 988 | 1976 | 939 |

LIFFE Sugar Futures (In US\$/MT)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|-------|
| 13-Mar | 18.52 | 18.59 | 18.38 | 18.42 | -0.03 |
| 13-May | 18.74 | 18.76 | 18.56 | 18.6 | -0.08 |
| 13-Jul | 19.09 | 19.09 | 18.88 | 18.92 | -0.14 |

NCDEX Gur Future Quotes:

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|--------|------|--------|
| Jan-13 | 4 | 1084 | 1090 | 1084 | 1090 |
| March-13 | -4 | 1112 | 1112 | 1101 | 1104.5 |
| July-13 | 3.5 | 1245 | 1248.5 | 1238 | 1248 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Jan-13 | 170 | 140 | 40 | -180 |
| March-13 | 4100 | 630 | 8580 | -300 |
| July-13 | 850 | 460 | 1620 | 170 |

| Spread | Jan-13 | Mar-13 | July-13 |
|--------|--------|--------|---------|
| Basis | 40 | | |
| Jan-13 | | 14.5 | 158 |
| Feb-13 | | | 143.5 |

ICE Sugar Futures (In Cents/Pound)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|------|
| 13-Mar | 498.3 | 500 | 496.6 | 497.5 | -2.1 |
| 13-May | 506.5 | 507.7 | 504.6 | 505 | -2.6 |
| 13-Aug | 510 | 511.8 | 509.1 | 509.4 | -3 |

Brazil Sugar Quotes (Kingsman US\$/MT)

| Commodity | Place | Price | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT) | Santos Port | 403.75 | +1.75 |
| Raw Sugar C&F (\$/MT) | Black Sea | 433.75 | +1.75 |
| Sugar White FOB (\$/MT) | Santos Port | 487.25 | +1.50 |

Brazil White Sugar Premium (US\$/MT)

| Contract | Close | +/- |
|----------------|-------|-----|
| Mar'13/Mar'13 | 91.00 | |
| May'13/May'13 | 94.00 | |
| Aug'13/July'13 | 92.25 | |

Brazil Sugar/ Ethanol Prices (In Cents/lb)

| Contract | Close | +/- |
|----------|-------|-----|
| Dec'12 | 19.07 | |
| Mar'12 | 20.02 | |
| May'12 | 18.54 | |

Sugar and Gur Prices at Key Spot Markets:

| Commodity | Centre | Prices (Rs/Qtl) | | Change |
|-----------|----------------------|-----------------|-----------|--------|
| | | 18-Jan-13 | 17-Jan-13 | |
| Sugar | Delhi - Grade M | 3410 | 3385-3410 | Unch |
| | Delhi - Grade S | 3370 | 3370 | Unch |
| | Delhi - Grade L | 3440 | 3440 | Unch |
| | UP- Khatauli Grade M | 3440 | 3400 | +40 |
| | UP- Ramala Grade M | 3280 | 3280 | Unch |
| | Mumbai –Grade M | 3436 | 3321-3436 | Unch |
| | Mumbai –Grade S | 3268 | 3232-3271 | -3 |
| | Kolhapur – Grade M | 3250 | 3250 | Unch |
| | Kolhapur – Grade S | 3150 | 3150 | Unch |
| | Vijayawada – Grade M | 3590 | 3600 | -10 |
| | Vijayawada- Grade S | 3450 | 3500 | -50 |
| | Nagpur – Grade S | 3400 | 3400 | Unch |
| | Kolkata – Grade M | - | - | - |
| | Chennai - Grade S | 3150 | 3100 | +50 |

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

| Gur Spot Prices (Rs/Qtl) | | | | |
|--------------------------|--------------------|-----------|-----------|------|
| | | 18-Jan-13 | 17-Jan-13 | |
| Muzaffar Nagar | Chaku New | 2825 | 2650 | +175 |
| | Arrival(Chaku New) | - | 1500 | - |
| | Khurpa | - | 2600 | - |
| | Laddu | - | 2750 | - |
| | Rascut | - | - | - |
| Maharashtra | Lal Variety | 2800 | 2750 | +50 |
| Maharashtra | Kolhapur | 3400 | 3500 | -100 |
| Bangalore | Achhu | 3500 | 3500 | Unch |
| | Mudde | 3600 | 3600 | Unch |
| Belgaum | Mudde | 3000 | 3000 | Unch |
| Belthangadi | Yellow (Average) | 3200 | - | - |
| Bijapur | Achhu | 2525 | - | - |



| | | | | |
|----------------------|-------------------|------|------|------|
| Gulbarga | Other (Average) | - | 3000 | - |
| Mahalingapura | Penti (Average) | 3140 | 3130 | +10 |
| Mandya | Achhu (Medium) | 2650 | 2650 | Unch |
| | Kurikatu (Medium) | 2300 | 2350 | -50 |
| | Other (Medium) | 2400 | 2400 | Unch |
| | Yellow (Medium) | 2600 | 2600 | Unch |
| Shimoga | Achhu (Average) | 3050 | 3015 | +35 |

UP Private Mills Tender Rates

| Centre | Origin/Grade | 18-Jan-13 | 17-Jan-13 | Change |
|-------------|--------------|-----------|-----------|--------|
| Dorala | M-30 | 3340 | 3330 | 10 |
| Mawana | M-30 | 3355 | 3340 | 15 |
| Modinagar | M-30 | 3320 | 3310 | 10 |
| Malakpur | M-30 | 3310 | 3290 | 20 |
| Simbholi | M-30 | 3425 | 3410 | 15 |
| Asamoli | M-30 | 3380 | 3390 | -10 |
| Dhanora | M-30 | 3300 | 3290 | 10 |
| Dhampur | M-30 | 3275 | 3290 | -15 |
| Kinnoni | M-31 | 3440 | 3425 | 15 |
| Budhana | M-31 | 3340 | 3325 | 15 |
| Thanabhavan | M-31 | 3340 | 3320 | 20 |

UP Government Mills Tender Rates

| Centre | Origin/Grade | 18-Jan-13 | 17-Jan-13 | Change |
|-----------|--------------|-----------|-----------|--------|
| Nazibabad | M-30 | 3200 | 3190 | 10 |
| Sakoti | M-30 | 3190 | 3180 | 10 |
| Amroha | M-30 | 3180 | 3170 | 10 |
| Chandpur | M-31 | 3250 | 3250 | Unch |

UP Cooperative Mills Tender Rates

| Centre | Origin/Grade | 18-Jan-13 | 17-Jan-13 | Change |
|--------------|--------------|-----------|-----------|--------|
| Baghpat | M-30 | 3225 | 3210 | 15 |
| Gajraula | M-30 | 3190 | 3180 | 10 |
| BulandShahar | M-30 | 3295 | 3265 | 30 |
| Anupshahar | M-30 | 3180 | 3170 | 10 |

Maharashtra Cooperative Mills Tender Prices

| Centre | Origin/Grade | 17-Jan-13 |
|-----------|--------------|-----------------|
| SADASHIV | S.JB | 3125.00-3126.00 |
| | M.JB | 3143.00-3151.00 |
| SANJIVANI | S.JB | 3220.00-3222.00 |
| | M.JB | 3351 |
| KAGAL | S1.PP-S2.PP | 3205.00-3185.00 |
| | M.PP | 3310.00 OPEN |



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