

Sugar & Gur Domestic & International Fundamentals

- Sugar prices improved today in various sugar spot markets on Saturday as extension of time period for millers to dispatch sugar in open market increased to 4 months from 2 months by government support the prices.
- Maharashtra sugar mills so far crushed 355 lac tons of cane and produced 37.68 lac tons of sugar with an average recovery of 10.63%.
- Presently, dry weather conditions in Maharashtra might discourage the farmers to cancel/postponed their spring (suru) sugarcane crop sowing as reported.
- 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 declined today owing to arrivals in the market after having two consecutive rainfall which restricts the arrivals of gur 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:

Couple of good news like Extension of non-levy sugar quota and rumors of increase in sugar import duty help the sugar prices to rebound in spot markets during the week. It seems the prices reverse its bearish trend to neutral in the coming week.

NCDEX Sugar Future Quotes:

Contract	+/-	Open	High	Low	Close
Feb-13	-6	3264	3267	3256	3262
Mar-13	-12	3295	3300	3284	3290
Apr-13	-11	3345	3345	3334	3335

Contract	Volume	Change	OI	Change
Feb-13	5510	-2750	40530	1920
Mar-13	1170	-920	11090	160
Apr-13	1430	1000	3360	820

Spread	Feb-13	Mar-13	Apr-13
Basis	13		
Feb-13		28	73
Mar-13			45

Stocks	Demat	In-Process	Total	FED
	18.01.13	18.01.13	18.01.13	17.01.13
Kolhapur M(New)	7802	600	8402	6882
Kolhapur S(New)	867	0	867	867
Sangli S	1334	0	1334	939

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
13-Mar	18.46	18.62	18.35	18.37	-0.05
13-May	18.67	18.75	18.5	18.52	-0.08
13-Jul	18.96	19.02	18.8	18.84	-0.08

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
March-13	-0.5	1107.5	1107.5	1103.5	1105
July-13	3	1246.5	1250	1244	1247
Sept-13	1.5	1280.5	1281.5	1279	1280.5

Contract	Volume	Change	OI	Change
March-13	1190	-2910	8560	-20
July-13	400	-450	1460	-160
Sept-13	40	-10	190	-10

Spread	Mar-13	July-13	Sept-13
Basis	-55		
Mar-13		142	175.5
July-13			33.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
13-Mar	497.8	499.3	490.9	492	-5.5
13-May	505.6	507.5	501.4	502.1	-2.9
13-Aug	510	511	506	506.9	-2.5

Brazil Sugar Quotes (Kingsman US\$/MT)

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

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
		19-Jan-13	18-Jan-13	
Sugar	Delhi - Grade M	3410	3410	Unch
	Delhi - Grade S	3370	3370	Unch
	Delhi - Grade L	3440	3440	Unch
	UP- Khatauli Grade M	3425	3440	-15
	UP- Ramala Grade M	3315	3280	+35
	Mumbai –Grade M	3441	3436	+5
	Mumbai –Grade S	3272	3268	+4
	Kolhapur – Grade M	3275	3250	+25
	Kolhapur – Grade S	3175	3150	+25
	Vijayawada – Grade M	3590	3590	Unch
	Vijayawada- Grade S	3450	3450	Unch
	Nagpur – Grade S	3400	3400	Unch
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	3175	3150	+25

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

Gur Spot Prices (Rs/Qtl)				
		19-Jan-13	18-Jan-13	
Muzaffar Nagar	Chaku New	2625	2825	-200
	Arrival(Chaku New)	4000	-	-
	Khurpa	2625	-	-
	Laddu	2813	-	-
	Rascut	-	-	-
Maharashtra	Lal Variety	2800	2800	
Maharashtra	Kolhapur	3400	3400	
Bangalore	Achhu	3500	3500	Unch
	Mudde	3600	3600	Unch
Belgaum	Mudde	3000	3000	Unch
Belthangadi	Yellow (Average)	3200	3200	-
Bijapur	Achhu	2950	-	-



Gulbarga	Other (Average)	3050	3025	+25
Mahalingapura	Penti (Average)	-	3140	-
Mandya	Achhu (Medium)	-	2650	-
	Kurikatu (Medium)	-	2300	-
	Other (Medium)	-	2400	-
	Yellow (Medium)	-	2600	-
Shimoga	Achhu (Average)	3075	3050	+25

UP Private Mills Tender Rates

Centre	Origin/Grade	19-Jan-13	18-Jan-13	Change
Dorala	M-30	3340	3340	Unch
Mawana	M-30	3355	3355	Unch
Modinagar	M-30	3320	3320	Unch
Malakpur	M-30	3310	3310	Unch
Simbholi	M-30	3425	3425	Unch
Asamoli	M-30	3380	3380	Unch
Dhanora	M-30	3300	3300	Unch
Dhampur	M-30	3275	3275	Unch
Kinnoni	M-31	3440	3440	Unch
Budhana	M-31	3340	3340	Unch
Thanabhavan	M-31	3340	3340	Unch

UP Government Mills Tender Rates

Centre	Origin/Grade	19-Jan-13	18-Jan-13	Change
Nazibabad	M-30	3200	3200	Unch
Sakoti	M-30	3190	3190	Unch
Amroha	M-30	3180	3180	Unch
Chandpur	M-31	3250	3250	Unch

UP Cooperative Mills Tender Rates

Centre	Origin/Grade	19-Jan-13	18-Jan-13	Change
Baghpat	M-30	3225	3225	Unch
Gajraula	M-30	3190	3190	Unch
BulandShahar	M-30	3295	3295	Unch
Anupshahar	M-30	3180	3180	Unch

Maharashtra Cooperative Mills Tender Prices

Centre	Origin/Grade	18-Jan-13
KUMBHI	S1.PP	3160
	M.PP	3303
WARANA	S1.PP	3150.00 OPEN
	S2.PP	3143.00 OPEN
D.Y.PATIL	S1.PP	3138
SAHYADRI	M.PP	3203
	M.JB	3213
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	M.JB	3213

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