

Sugar & Gur Domestic & International Fundamentals

- Mixed sentiments recorded in key sugar spot markets on Wednesday as markets could not find adequate cues to decide the prices either side.
- Brazil Center South sugar production ends at 34.1 million tons in 2012-13.
- Sugar prices again follow bear run as no bullish news hit the domestic market at present. In addition to it, increasing sugar imports from Brazil and increasing sugar crushing figures Y-o-Y support the bearish sentiments.
- Recent, government relaxed its norms to convert unsold sugar into levy sugar in the given period of release from December to March.
- Sugarcane output likely to increase to 585 million tons from 532.5 million tons in Center South region of Brazil, according to Raizen.
- Market participants increase their net short positions in LIFFE by 5840 lots to 8762 lots as on 22nd Jan, as per Exchange COT data.
- Gur prices declined today despite of decrease in arrivals.
- Good demand of UP gur has been witnessed from Haryana, Punjab and Rajasthan confirmed by lower pace of gur stored in the cold storages compared to last couple of weeks.
- Around 313000 bags of gur stored in Cold storages in Muzaffar nagar region which are 4000 bags higher compared to last year. Out of total gur stock, 129000 bags of chaku gur, 55000 bags of Rascut and 99000 bags of Pappi stored in Cold storages as reported.

Outlook:

Despite of extension of releasing sugar quota in the open market, sugar prices again started declining owing to consistent sugar imports from Brazil which bound our sugar prices estimate bearish for the coming weeks.

NCDEX Sugar Future Quotes:

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| Feb-13 | -15 | 3209 | 3209 | 3181 | 3181 |
| Mar-13 | -12 | 3240 | 3242 | 3226 | 3226 |
| Apr-13 | -6 | 3290 | 3294 | 3282 | 3282 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Feb-13 | 4120 | -580 | 38120 | -2540 |
| Mar-13 | 930 | -1850 | 14950 | 230 |
| Apr-13 | 230 | -660 | 5870 | -10 |

| Spread | Feb-13 | Mar-13 | Apr-13 |
|--------|--------|--------|--------|
| Basis | 59 | | |
| Feb-13 | | 45 | 101 |
| Mar-13 | | | 56 |

| Stocks | Demat | In-Process | Total | FED |
|-----------------|----------|------------|----------|----------|
| | 29.01.13 | 29.01.13 | 29.01.13 | 28.01.13 |
| Kolhapur M(New) | 8401 | 1999 | 10400 | 8401 |
| Kolhapur S(New) | 577 | 700 | 1277 | 577 |
| Sangli S | 1334 | 0 | 1334 | 1334 |

LIFFE Sugar Futures (In US\$/MT)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|------|
| 13-Mar | 494.3 | 495.6 | 485.6 | 487.8 | -6.6 |
| 13-May | 506.4 | 506.4 | 497.8 | 499.4 | -6.4 |
| 13-Jul | 512.1 | 512.1 | 503.8 | 505.5 | -6.5 |

NCDEX Gur Future Quotes:

| Contract | +/- | Open | High | Low | Close |
|----------|-----|--------|--------|--------|--------|
| March-13 | 9 | 1113 | 1120 | 1109.5 | 1119.5 |
| July-13 | 8 | 1256 | 1263.5 | 1254.5 | 1263 |
| Sept-13 | 12 | 1294.5 | 1305 | 1294 | 1305 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| March-13 | 5270 | 1650 | 8660 | 620 |
| July-13 | 1640 | 230 | 2280 | 190 |
| Sept-13 | 80 | 30 | 310 | 10 |

| Spread | Mar-13 | July-13 | Sept-13 |
|---------|--------|---------|---------|
| Basis | -59.5 | | |
| Mar-13 | | 143.5 | 185.5 |
| July-13 | | | 42 |

ICE Sugar Futures (In Cents/Pound)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|-------|
| 13-Mar | 18.75 | 18.78 | 18.31 | 18.38 | -0.35 |
| 13-May | 18.72 | 18.77 | 18.34 | 18.44 | -0.28 |
| 13-Aug | 19.02 | 19.06 | 18.65 | 18.77 | -0.27 |

Brazil Sugar Quotes (Kingsman US\$/MT)

| Commodity | Place | Price | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT) | Santos Port | 409.00 | |
| Raw Sugar C&F (\$/MT) | Black Sea | 439.00 | |
| Sugar White FOB (\$/MT) | Santos Port | 487.00 | |

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 |
|-------------------|---|-----------------|-----------|--------|
| | | 30-Jan-13 | 29-Jan-13 | |
| Sugar | Delhi - Grade M | 3380 | 3400 | -20 |
| | Delhi - Grade S | 3340 | 3350 | -10 |
| | Delhi - Grade L | 3410 | 3420 | -10 |
| | UP- Khatauli Grade M | 3400 | 3400 | Unch |
| | UP- Ramala Grade M | 3300 | 3300 | Unch |
| | Mumbai –Grade M | 3441 | 3441 | Unch |
| | Mumbai –Grade S | 3292 | 3271 | 21 |
| | Kolhapur – Grade M | 3240 | 3225 | 15 |
| | Kolhapur – Grade S | 3140 | 3125 | 15 |
| | Vijayawada – Grade M | 3570 | 3590 | -20 |
| | Vijayawada- Grade S | 3470 | 3490 | -20 |
| | Nagpur – Grade S | 3400 | 3400 | Unch |
| | Kolkata – Grade M | - | - | - |
| | Ambikapur (Chattisgarh)- Grade M (Without Duty) | 3150 | 3150 | Unch |
| | Ambikapur (Chattisgarh)- Grade S (Without Duty) | 3145 | 3145 | Unch |
| Chennai - Grade S | 3100 | 3100 | Unch | |

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

Gur Spot Prices (Rs/Qtl)

| | | 30-Jan-13 | 29-Jan-13 | |
|----------------|--------------------|-----------|-----------|-------|
| | | | | |
| Muzaffar Nagar | Chaku New | 2650 | 2863 | -213 |
| | Arrival(Chaku New) | 5000 | 6000 | -1000 |
| | Khurpa | 2613 | 2625 | -12 |
| | Laddu | 2788 | 2775 | 13 |
| | Rascut | - | - | - |
| Maharashtra | Lal Variety | 2800 | 2800 | Unch |
| Maharashtra | Kolhapur | 3200 | 3500 | -300 |
| Bangalore | Achhu | 3500 | 3500 | Unch |
| | Mudde | 3600 | 3600 | Unch |
| Belgaum | Mudde | - | - | - |

| | | | | |
|----------------------|-------------------|------|------|-------------|
| Belthangadi | Yellow (Average) | 3200 | 3200 | Unch |
| Bijapur | Achhu | - | 3000 | - |
| Gulbarga | Other (Average) | 2800 | - | - |
| Mahalingapura | Penti (Average) | 2860 | 2940 | -80 |
| Mandya | Achhu (Medium) | - | 2550 | - |
| | Kurikatu (Medium) | - | 2300 | - |
| | Other (Medium) | - | 2350 | - |
| | Yellow (Medium) | - | 2550 | - |
| Shimoga | Achhu (Average) | 3000 | 3050 | -50 |

UP Private Mills Tender Rates

| Centre | Origin/Grade | 30-Jan-13 | 29-Jan-13 | Change |
|-------------|--------------|-----------|-----------|--------|
| Dorala | M-30 | 3310 | 3310 | Unch |
| Mawana | M-30 | 3345 | 3345 | Unch |
| Modinagar | M-30 | 3285 | 3285 | Unch |
| Malakpur | M-30 | 3270 | 3270 | Unch |
| Simbholi | M-30 | 3400 | 3400 | Unch |
| Asamoli | M-30 | 3360 | 3360 | Unch |
| Dhanora | M-30 | 3280 | 3280 | Unch |
| Dhampur | M-30 | 3280 | 3280 | Unch |
| Kinnoni | M-31 | 3410 | 3410 | Unch |
| Budhana | M-31 | 3310 | 3310 | Unch |
| Thanabhavan | M-31 | 3305 | 3305 | Unch |

UP Government Mills Tender Rates

| Centre | Origin/Grade | 30-Jan-13 | 29-Jan-13 | Change |
|-----------|--------------|-----------|-----------|--------|
| Nazibabad | M-30 | 3185 | 3185 | Unch |
| Sakoti | M-30 | 3230 | 3230 | Unch |
| Amroha | M-30 | 3270 | 3270 | Unch |
| Chandpur | M-31 | 3260 | 3260 | Unch |

UP Cooperative Mills Tender Rates

| Centre | Origin/Grade | 30-Jan-13 | 29-Jan-13 | Change |
|--------------|--------------|-----------|-----------|--------|
| Baghpat | M-30 | 3240 | 3240 | Unch |
| Gajraula | M-30 | 3200 | 3200 | Unch |
| BulandShahar | M-30 | 3265 | 3265 | Unch |
| Anupshahar | M-30 | 3190 | 3190 | Unch |

Maharashtra Cooperative Mills Tender Prices

| Centre | Origin/Grade | 29-Jan-13 |
|------------|--------------|-----------------|
| SANJIVANI | S.JB | 3195 |
| | M.JB | 3330 |
| PRAVARA | S.PP-S1.PP | 3115.00-3200.00 |
| | M.JK | 3285.00-3300.00 |
| KRISHNA | S1.JK-S2.JK | 3123.00-3105.00 |
| | M.JB | 3200.00 OPEN |
| D.Y. PATIL | S.PP | 3123.00 OPEN |
| | M.PP | 3200.00 OPEN |

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