

Sugar Domestic Fundamentals:

- Mixed prices recorded in various spot markets of sugar on Monday as market could not find adequate cues to decide the prices either side.
- Poor demand in Chennai market results in decreased prices of sugar while mixed prices recorded in UP market. Prices have been increased marginally in Kolkata and Delhi market while prices in Nagpur, Vijayawada remain steady. Prices in Maharashtra have been decreased in comparison to previous day. 35-40 Trucks delivered in Naka delivery on Monday.
- Maharashtra State is facing excess sugarcane problem. According to Media sources, Maharashtra has yet to crush 50 lakh tones of sugarcane. It is noticeable that mills in Maharashtra will continue its crushing operations till mid June.
- Maharashtra sugar co-operative mills sell 12,500 tonnes sugar to exports for exports. Instead of selling sugar directly to overseas buyers, mills sell the sugar to exports owing to paltry quantity of sugar for exports. Earlier govt. allows around 91,000 tonnes of Indian sugar approved for sale, as a part of planned overseas sales of 5, 00,000 tonnes, have been sold at premiums of less than \$50. Mills could earn more profits if government allowed exports in February.
- Stockists are hesitating in maintaining stock at current level as they believe that if demand remains subdued during summer season then prices will fall sharply.
- However, it is expected that demand for the commodity will improve from June onwards as supply is likely to be lower after June 2011 due to the end of crushing season and this might support sugar prices in near term.

Sugar International Fundamental:

- Brazil sugar production will be 40.93 million tonnes in 2011-12. According to Brazil's official commodity forecaster Conab.
- Mexico produced 144,350 tonnes of sugar in the week ended April 30, down from 168,852 in the previous week and significantly below the 195,452 produced in the same week in 2010.
- Cuba produced 1.15 mln tonnes of raw sugar in the now concluded 2010/11 season, 6% above expectations, According to the official daily Granma.
- According to South African Sugar Association (SASA), sugar production in South Africa may up marginally to 1.923 million tones from previous estimate of 1.909 million tones.

Outlook:

We expect that sugar prices may improve in near term due to expecting summer demand. Also, carryover stock obligation will be completed by Maharashtra mills may support the prices in very short term. Meanwhile prices of Sugar in International markets may go down owing to good production scenario from Thailand. Also, supply coming from Brazil may ease prices in the coming days. However, estimates of sugar output both domestically and internationally may provide the actual direction to sugar prices in medium to long term.

Gur Fundamentals:

- Steady prices recorded of Gur in various spot markets on Monday due to sluggish arrivals and demand in the market.
- Gur prices in Muzaffar Nagar and Ahmadabad market steady. 1 truck or 375 mund has been arrived in Ahmadabad market.
- Prices of Gur stored in cold storage may come down in upcoming days in Gujarat as marriage season has come to an end results in decrease demand.
- Fresh production of Gur may start from Mid of June in Maharashtra, Tamil Nadu and Karnataka which may decrease the prices of Gur further.
- Excess sugarcane in Maharashtra may be used in making gur as mills will end its crushing operations in Mid of June and after that July month is good for Gur production in Maharashtra as Temperature may likely to decrease in July month owing to Monsoon showers.
- Trade participants of UP believe that local markets will receive gur for another next one week and arrivals will decline from third week of May onwards.
- Gur from Cold storage may not trade in UP before mid June as severe temperature may perish the chaku gur.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
May-11	-0.11	2745	2747	2732	2744
Jun-11	+0.00	2740	2747	2732	2740
Jul-11	-0.14	2782	2786	2781	2781

Contract	Volume	Change	OI	Change
May-11	3680	-	28010	-
Jun-11	1940	-	23830	-
Jul-11	270	-	10010	-

Spread	May-11	Jun-11	Jul-11
Futures			
May-11	0	-4	37
Jun-11	-4	0	41
Jul-11	37	41	0

Stocks	Demat	In-Process	Total	FED
	14.05.11	14.05.11	14.05.11	9.05.11
Kolhapur	2010	0	2010	2010

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
July-11	-1.16	1033	1034	1019	1025
Sept-11	-1.13	1052	1053.5	1042	1047
Nov-11	-0.88	960	960	960	960

Contract	Volume	Change	OI	Change
July-11	6310	-	12260	-
Sept-11	1130	-	2950	-
Nov-11	10	-	590	-

Spread	July-11	Sept-11	Nov-11
Futures			
July-11	0	31.5	-59
Sept-11	31.5	0	-90.5
Nov-11	-59	-90.5	0

ICE Raw Sugar Futures:

Contract	+/-	Open	High	Low	Close
July-11					
Oct-11					
Mar-11					

LIFFE White Sugar Futures

Contract	+/-	Open	High	Low	Close
Aug'11					
Oct'11					
Dec'11					

Sugar Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
Sugar		16-05-2011	14-05-2011	
	Delhi – Grade M	2925	2920	+5
	Delhi - Grade S	2900	2900	Unch
	UP- Khatuali Grade M	2910	2910	Unch
	UP- Ramala Grade M	2830	2830	Unch
	Mumbai –Grade M	2801-2891	2801-2891	Unch
	Mumbai –Grade S	2751-2771	2756-2781	-10
	Kolhapur – Grade M	2641-2731	2641-2731	Unch
	Kolhapur – Grade S	2591-2611	2596-2621	-10
	Vijayawada – Grade M	2910	2910	Unch
	Vijayawada- Grade S	2825	2825	Unch
	Nagpur – Grade S	2920	2920	Unch
	Kolkata – Grade SS	2890	2880	+10
	Chennai - Grade S	2590-2630	2600-2640	-10
Jaggery(Gur)	Muzaffar Nagar	2700-2750	2700-2750	Unch
	Muzaffar Nagar (Cold Storage)	2450	2450	Unch
	Ahmedabad	2625	2625	Unch

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

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