

Sugar & Gur Domestic Fundamentals:

Mixed sentiments recorded in various spot markets of Sugar on Thursday. Overall sluggish demand and good arrivals pressurize the prices downwards. EGOM may review the possibilities of sugar exports further as EGOM may consider increasing sugar prices in international markets and decreasing food inflation. While overall subdued demand keep the buyers far from the market as nobody wants to buy sugar at present on fear of continuous decreasing prices. Gur prices remain steady owing to good arrivals in the market. Prices came down of Chaku variety of Gur as arrivals of 2000 mund in Muzaffar Nagar market pressurize the prices.

Sugar International Fundamental:

Rabobank estimates 5.7 million tonnes overall sugar surplus in 2011-12 on Good production of Thailand and good sugar beets yields in Europe. Earlier Output in Brazil fell 69 percent to 795000 tonnes from Mid March to April end gives prices some support in ICE and LIFFE.

Outlook:

Sugar spot prices are moving sideways to negative. We are expecting that the prices may go down further due to subdued demand and good arrivals in the markets. Overall good production scenario of sugar also pressurizes the prices of sugar in the coming months.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Jun-11	-0.37	2694	2710	2682	2687
Jul-11	-0.29	2715	2733	2707	2710
Aug-11	-0.94	2741	2747	2735	2739

Contract	Volume	Change	OI	Change
Jun-11	8210	-4900	19910	-1520
Jul-11	4130	-1500	9920	-500
Aug-11	690	+420	770	-240

Spread	Jun-11	Jul-11	Aug-11
Spot	44	21	-8
Jun-11		23	52
July-11			29

Stocks	Demat	In-Process	Total	FED
	18.05.11	18.05.11	18.05.11	16.05.11
Kolhapur M	2010	0	2010	2010
Belgaum S	399	801	1200	-

LIFFE Sugar Futures (In USD/Tonne)

Contract	Open	High	Low	Close	+/-
Aug-11	632.20	632.40	614.00	618.50	-14.50
Oct-11	588.90	589.30	575.00	581.50	-10.50
Dec-11	587.30	587.30	576.20	582.20	-10.10

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
July-11	-0.50	1001	1005	985	995.50
Sept-11	-0.10	1016.50	1022.50	1007.50	1016.50
Nov-11	-0.26	943	943	939	942.50

Contract	Volume	Change	OI	Change
July-11	7320	+2390	12120	-350
Sept-11	1450	+540	3660	+120
Nov-11	120	+90	640	+40

Spread	July-11	Sept-11	Nov-11
Spot	104.5	84	157.5
July-11		20.5	-53
Sept-11			-73.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
July-11	22.60	22.69	21.70	21.82	-1.03
Oct-11	22.07	22.15	21.54	21.61	-0.66
Mar-12	22.22	22.26	21.82	21.92	-0.35

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
Sugar		19-05-2011	18-05-2011	
	Delhi - Grade M	2910	2910	Unch
	Delhi - Grade S	2980	2890	-10
	UP- Khatuali Grade M	2890	2900	-10
	UP- Ramala Grade M	2840	2835	+5
	Mumbai –Grade M	2791-2881	2796-2881	Unch
	Mumbai –Grade S	2751-2771	2751-2771	Unch
	Kolhapur – Grade M	2631-2721	2636-2721	Unch
	Kolhapur – Grade S	2591-2608	2591-2608	Unch
	Vijayawada – Grade M	2910	2910	Unch
	Vijayawada- Grade S	2825	2825	Unch
	Nagpur – Grade S	2900	2880	+20
	Kolkata – Grade SS	2880	2890	-10
	Chennai - Grade S	2565-2630	2580-2630	Unch
Jaggery(Gur)	Muzaffar Nagar	2750-2750	2700-2750	Unch
	Muzaffar Nagar (Cold Storage)	2400	2400	Unch
	Ahmedabad	2625	2625	Unch
	Kolhapur (Superfine)	3000-3800	3000-3800	Unch

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

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