

Sugar & Gur Domestic Fundamentals:

- Higher sugar stocks in the open markets pressurize the prices of sugar on Tuesday. However, demand has improved in Karnataka market as upcountry buyers like Chennai buys sugar at lower prices.
- Food ministry recommends finance ministry to impose 15% import tax on sugar. It is noticeable that zero duty on imports will end by June 30. Also higher sugar output projections for 2011-12 also increases the supply situation of sugar in the country which further increases the possibilities of imposing import tax on sugar.
- Millers are worried over the threat to stocks from ongoing monsoon rains in the Maharashtra in the past three-four days. Warehouses are full which left no option in front of millers to put the sugar stock in open. However, little damage recorded so far but situation may get worsen, if rain continues.
- Prices of gur are steady to positive in various markets on Tuesday as demand has improved. It is expected that the demand may pick up after 10-15 days for Gur chaku variety stored in cold storage due to expected fall in temperature in July month.

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	9.00	2510.00	2524.00	2500.00	2518.00
Jul-11	8.00	2551.00	2560.00	2541.00	2552.00
Aug-11	17.00	2551.00	2565.00	2550.00	2565.00

Contract	Volume	Change	OI	Change
Jul-11	8120	2190	16880	1780
Aug-11	1460	220	13260	0
Sept-11	480	360	670	270

Spread	Jul-11	Aug-11	Sept-11
Basis	103	69	56
July-11		34	47
Aug-11			13

Stocks	Demat	In-Process	Total	FED
	13.06.11	13.06.11	13.06.11	13.06.11
Kolhapur M	50	1196	1246	50
Belgaum S	598	200	798	598

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-11	723.00	734.40	722.70	723.50	Unch
Oct-11	656.70	667.70	656.70	658.70	+1.70
Dec-11	642.00	648.90	639.40	642.40	+2.60

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
July-11	12.50	973.00	991.50	970.50	986.00
Sept-11	10.50	984.50	1001.00	982.00	995.50
Nov-11	9.50	938.50	940.00	938.00	940.00

Contract	Volume	Change	OI	Change
July-11	7790	40	11220	-1050
Sept-11	2980	1140	6740	780
Nov-11	60	680	910	280

Spread	July-11	Sept-11	Nov-11
Basis	-6	-15.5	40
July-11		9.5	-46
Sept-11			-55.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
July-11	25.62	26.16	25.27	25.59	-0.05
Oct-11	24.46	24.93	24.00	24.38	-0.16
Mar-12	24.13	24.55	23.77	24.18	-0.16

Brazil Sugar Quotes (Kingsman)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	575.75	-10.00
Raw Sugar C&F (\$/MT)	Black Sea	620.75	-10.00
Sugar White FOB (\$/MT)	Santos Port	708.25	-8.75

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Aug'11/Jul'11	155.25	-6.5
Oct'11/Oct'11	120	-0.5
Dec'11/Oct'11	101.75	-1.75

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	26.26	0.01
Brazil Anhydrous	22.07	0.14
Brazil Hydrous	22.15	1.24
Russian Imp. Parity/mt	106	Unch

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
Sugar		14-06-2011	13-06-2011	
	Delhi - Grade M	2800	2800	Unch
	Delhi - Grade S	2760	2760	Unch
	UP- Khatuali Grade M	2800	2806	-6
	UP- Ramala Grade M	2770	2770	Unch
	Mumbai –Grade M	2761-2781	2771-2781	Unch
	Mumbai –Grade S	2606-2661	2616-2666	-5
	Kolhapur – Grade M	2601-2621	2611-2621	Unch
	Kolhapur – Grade S	2446-2501	2456-2506	-5
	Vijayawada – Grade M	2830	2830	Unch
	Vijayawada- Grade S	2750	2750	Unch
	Nagpur – Grade S	2710	2730	-20
	Kolkata – Grade SS	2820	2820	Unch
	Chennai - Grade S	2575	2575	Unch
Gur	Muzaffar Nagar (Cold Storage)	2450	2450	Unch
	Ahmadabad	2600	2550	+50
	Kolhapur (Superfine)	3000-3800	3000-3800	Unch

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

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