

Sugar & Gur Domestic & International Fundamentals:

- Mostly steady sentiments witnessed in various sugar spot markets on Tuesday.
- Subdued demand from bulk consumers in the spot markets may pressurize the sugar prices in short term.
- Sugar spot prices are moving down owing to ample sugar supply in the markets. Market participants are expecting that the government will announce lower free-sale sugar quota for January, capped the losses.
- Maharashtra government is fearing a decline in sugarcane acreage in 2012-13 sugar season. The state machinery expects that the farmers will be less inclined to keep the ratoon crop due to scarcity of ground water this year.
- Farmers are getting lesser yield from their sugarcane crop for ratoon crop in Western UP as reported due to various diseases like White Grab and Top Borrer which affect the cane yield upto 50%.
- Exporters were reported inactive in the domestic market. The sugar prices in the global market have fallen to around \$603-608 per ton and mills are finding it difficult to export.
- Steady to weak sentiment featured in Gur spot market today.
- Market participants are expecting that, demand for jaggery may increase due to the upcoming Sankranti and Pongal festivals in January, resulting in an increase in jaggery prices across the country.

Outlook:

Sugar prices are tumbling in various spot markets as good pace of crushing by millers improved the supply of sugar in the open markets. We expect prices are likely to trade range bound with weak tone in the coming week.

NCDEX Sugar Futures

| Contract | +/- | Open | High | Low | Close |
|----------|-------|---------|---------|---------|---------|
| Jan-12 | -2.00 | 2906.00 | 2911.00 | 2889.00 | 2903.00 |
| Feb-12 | 1.00 | 2930.00 | 2939.00 | 2925.00 | 2936.00 |
| Mar-12 | -1.00 | 2984.00 | 2984.00 | 2960.00 | 2974.00 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Jan-12 | 5,920 | -12240 | 36270 | -210 |
| Feb-12 | 990 | -1760 | 15330 | 50 |
| Mar-12 | 100 | -270 | 1800 | 30 |

| Spread | Jan-12 | Feb-12 | Mar-12 |
|--------|--------|--------|--------|
| Spot | -3 | -36 | -74 |
| Jan-11 | | 33 | 71 |
| Feb-12 | | | 38 |

| Stocks | Demat 26-12-11 | In-Process 26-12-11 | Total 26-12-11 | FED 26-12-11 |
|------------|-------------------|------------------------|-------------------|-----------------|
| Kolhapur M | 1199 | 0 | 1199 | 1199 |
| Kolhapur S | 6580 | 0 | 6580 | 6380 |

NCDEX Gur Futures:

| Contract | +/- | Open | High | Low | Close |
|----------|-------|---------|---------|---------|---------|
| Jan-12 | -4.00 | 1068.00 | 1071.00 | 1065.00 | 1066.00 |
| Mar-12 | -3.00 | 1090.00 | 1090.50 | 1086.00 | 1088.50 |
| Apr-12 | - | - | - | - | - |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Jan-12 | 2,010 | 380 | 8700 | 130 |
| Mar-12 | 1,610 | -300 | 7320 | -260 |
| Apr-12 | - | - | - | - |

| Spread | Jan-12 | Mar-12 | Apr-12 |
|--------|--------|--------|--------|
| Spot | -36 | -58.5 | - |
| Jan-12 | | 22.5 | - |
| Mar-12 | | | - |

LIFFE Sugar Futures (In US\$/MT)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|------|
| Mar-12 | 609.8 | 612.5 | 609.3 | 611.2 | +2.4 |
| May-12 | 600.7 | 602.4 | 600 | 601.6 | +2.5 |
| Aug-12 | 594.5 | 596.4 | 593.8 | 596 | +2.5 |

ICE Sugar Futures (In Cents/Pound)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|-------|
| Mar-12 | 23.5 | 23.86 | 23.5 | 23.59 | +0.15 |
| May-12 | 23.12 | 23.36 | 23.03 | 23.09 | +0.11 |
| July-12 | 22.71 | 22.99 | 22.67 | 22.7 | +0.01 |

Brazil Sugar Quotes (Kingsman)

| Commodity | Place | Price | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT) | Santos Port | 531.00 | -1.50 |
| Raw Sugar C&F (\$/MT) | Black Sea | 567.00 | -1.50 |
| Sugar White FOB (\$/MT) | Santos Port | 645.00 | -1.50 |

Brazil White Sugar Premium (US\$/MT)

| Contract | Close | +/- |
|---------------|-------|-----|
| Mar'12/Mar'12 | 92.00 | - |
| May'12/May'12 | 92.50 | - |
| Aug'12/Jul'12 | 93.75 | - |

Brazil Sugar/ Ethanol Prices (In Cents/lb)

| Commodity | Price | Change |
|-----------------------|-------|--------|
| Brazil Domestic Sugar | 26.16 | - |
| Brazil Anhydrous | 22.11 | - |
| Brazil Hydrous | 21.92 | - |

Sugar and Gur Prices at Key Spot Markets:

| Commodity | Centre | Prices (Rs/Qtl) | | Change |
|-----------|----------------------|-----------------|------------|--------|
| | | 27-12-2011 | 26-12-2011 | |
| Sugar | Delhi - Grade M | 3130 | 3115 | +15 |
| | Delhi - Grade S | 3000 | 2990 | +10 |
| | UP- Khatuali Grade M | 3150 | - | - |
| | UP- Ramala Grade M | 3050 | 3050 | Unch |
| | Mumbai –Grade M | - | 3061 | - |
| | Mumbai –Grade S | - | 2951 | - |
| | Kolhapur – Grade M | 2900 | 2900 | Unch |
| | Kolhapur – Grade S | 2800 | 2800 | Unch |
| | Vijayawada – Grade M | 3220 | 3220 | Unch |
| | Vijayawada- Grade S | 3120 | 3120 | Unch |
| | Nagpur – Grade M | 3150 | 3150 | Unch |
| | Kolkata – Grade M | - | - | - |
| | Chennai - Grade S | 2800 | 2800 | Unch |

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

| Gur Spot Prices (Rs/Qtl) | | | | |
|--------------------------|---------------------|------------|------------|--------|
| Markets | Variety | 27-12-2011 | 26-12-2011 | Change |
| Muzaffar Nagar | Chaku (New Arrival) | 2575 | 2500 | +75 |
| | Khurpa | 2450 | 2450 | Unch |
| | Laddu | 2600 | 2600 | Unch |
| | Rascut | 2300 | 2300 | Unch |
| Maharashtra | Lal Variety | 2400 | 2400 | Unch |
| Bangalore | Achhu | 2400 | 2700 | -300 |
| | Mudde | 2500 | 3000 | -500 |
| Belgaum | Mudde | - | 2300 | - |
| Belthangadi | Yellow (Average) | - | 3100 | - |
| Bijapur | Achhu | 2300 | 2361 | -61 |
| Gulbarga | Other (Average) | - | 2306 | - |
| Mahalingapura | Penti (Average) | 2250 | 2330 | -80 |
| Mandya | Achhu (Medium) | 2250 | 2250 | Unch |
| | Kurikatu (Medium) | 2125 | 2100 | +25 |
| | Other (Medium) | 2100 | 2100 | Unch |
| | Yellow (Medium) | 2200 | 2200 | Unch |
| Shimoga | Achhu (Average) | 2725 | 2750 | -25 |

| UP Private Mills Tender Rates | | | | |
|-------------------------------|--------------|------------|------------|--------|
| Centre | Origin/Grade | 27-12-2011 | 26-12-2011 | Change |
| Dorala | M-30 | 3070 | 3070 | Unch |
| Mawana | M-30 | 3120 | 3120 | Unch |
| Modinagar | M-30 | 3030 | 3030 | Unch |
| Malakpur | M-30 | 3005 | 3005 | Unch |
| Simbholi | M-30 | 3130 | 3130 | Unch |
| Asamoli | M-30 | 3085 | 3085 | Unch |
| Dhanora | M-30 | 3100 | 3100 | Unch |
| Dhampur | M-30 | 3000 | 3000 | Unch |
| Kinnoni | M-31 | 3140 | 3140 | Unch |
| Budhana | M-31 | 3045 | 3045 | Unch |
| Thanabhavan | M-31 | 3040 | 3040 | Unch |

| UP Government Mills Tender Rates | | | | |
|----------------------------------|--------------|------------|------------|--------|
| Centre | Origin/Grade | 27-12-2011 | 26-12-2011 | Change |
| Morna | M-30 | 2850 | 2850 | Unch |
| Nanotha | M-30 | 2940 | 2940 | Unch |
| Nazibabad | M-30 | 2830 | 2830 | Unch |
| Ramlaxman | M-30 | - | - | - |
| Sakoti | M-30 | 2800 | 2800 | Unch |
| Amroha | M-30 | -- | -- | - |
| Chandpur | M-30 | -- | -- | - |

| UP Cooperative Mills Tender Rates | | | | |
|-----------------------------------|--------------|------------|------------|--------|
| Centre | Origin/Grade | 27-12-2011 | 26-12-2011 | Change |
| Baghpat | M-30 | 2935 | 2935 | Unch |
| Gajraula | M-30 | 2900 | 2900 | Unch |
| BulandShahar | M-30 | - | - | - |
| Anupshahar | M-30 | 2905 | 2905 | Unch |

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