

## Sugar & Gur Domestic & International Fundamentals:

- Mixed sentiments witnessed in key spot sugar markets on Wednesday as markets could not find adequate cues to decide the prices either side.
- Recent decision of Supreme Court is becoming a major setback for UP millers as court has directed UP millers to clear the cane payment dues of farmers within 3 months. It is noticeable that millers have not clear the cane payment of farmers for 2006-07 and 2007-08 which is around Rs 1000 crores. Recent decision will take the UP millers into a deep trouble as they are already getting heat of decreasing sugar prices and this extra cane payment might urges them to sell sugar at present quotes to collect funds which might increase the sugar supply in the market which can pressurize the sugar prices further.
- India produced 10.45 million tonnes of sugar upto 15<sup>th</sup> January 2012 in this seasons which is 19.3% higher compared to last year same period. Early start of crushing operations and increase in area and lesser diversion of cane is the main reason for increase in sugar production this year till date.
- Gur prices remained same in Muzaffar nagar spot mandi on Wednesday.
- Around 293,000 bags (40 kg each) has been stored in Muzaffar nagar cold storage till 1<sup>6th</sup> January 2012 which is 118,000 bags lesser compared to last year same period stock position of gur. Out of total stock position of gur, around 158,000 bags have stored in cold storage which are also 100,000 bags less compared to previous year. 59000 bags are stored of Raskut Variety Gur and rest is for Laddu and Khurpa and other gur varieties.
- It is noticeable that lesser diversion of cane in UP, especially in Western UP is becoming the major factor for lesser gur production this year. Increase in SAP of cane urges the farmers to sell its crop to millers directly rather than kolhus. Only those farmers are selling cane to kolhus which can't afford to pay higher transportation cost to transport cane to mills.

## Outlook:

Sugar prices again tumbling down as millers are releasing their sugar stock in the open markets at higher quotes. Meanwhile, market is keeping an eye over EGOM meeting in which they will decide on additional sugar exports which will further give any direction to the prices of sugar.

### NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Jan-12	23	2790	2827	2790	2811
Feb-12	12	2848	2864	2845	2855
Mar-12	4	2880	2900	2869	2878

Contract	Volume	Change	OI	Change
Jan-12	5380	760	18970	-1890
Feb-12	4270	-1190	20340	10
Mar-12	1580	-460	13250	440

Spread	Jan-12	Feb-12	Mar-12
Basis	89	45	22
Jan-11		44	67
Feb-12			23

Stocks	Demat	In-Process	Total	FED
	17-01-12	17-01-12	17-01-12	16-01-12
Kolhapur M	1610	0	1610	1610
Kolhapur S	7805	0	7805	7805

### NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Jan-12	8	1052.5	1061	1052.5	1060
Mar-12	8	1059.5	1067	1058.5	1066
July-12	5.5	1161	1175	1161	1170.5

Contract	Volume	Change	OI	Change
Jan-12	430	-430	1460	-320
Mar-12	2600	-290	4600	-250
July-12	1050	370	1750	-60

Spread	Jan-12	Mar-12	July-12
Basis	0	-6	-110.5
Jan-12		6	110.5
Mar-12			104.5

### LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Mar-12	630	633.3	622.1	628.7	6.6
May-12	609	614	604.2	610.6	7.5
Aug-12	602	603.9	595.4	601.6	5.8

### ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-12	23.97	24.22	23.52	23.86	0.02
May-12	23.45	23.64	22.99	23.33	unch
July-12	23.03	23.21	22.61	22.97	-0.06

## Brazil Sugar Quotes (Kingsman)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	547.75	+6.00
Raw Sugar C&F (\$/MT)	Black Sea	583.75	+6.55
Sugar White FOB (\$/MT)	Santos Port	656.00	+4.75

## Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Mar'12/Mar'12	99.25	-0.75
May'12/May'12	93.75	1
Aug'12/Jul'12	93	1.25

## Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	26.57	-0.16
Brazil Anhydrous	22.61	0.02
Brazil Hydrous	22.16	0.02

## Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		18-1-2012	17-1-2012	
Sugar	Delhi - Grade M	3070	3075	-5
	Delhi - Grade S	2980	2950	+30
	Delhi - Grade L	2920	2920	Unch
	UP- Khatuali Grade M	3045	3065	-20
	UP- Ramala Grade M	2950	3025	-75
	Mumbai –Grade M	3082	3066	+16
	Mumbai –Grade S	2911	2921	-10
	Kolhapur – Grade M	2900	2875	+25
	Kolhapur – Grade S	2800	2775	+25
	Vijayawada – Grade M	3250	3250	Unch
	Vijayawada- Grade S	3130	3130	Unch
	Nagpur – Grade M	3150	3150	Unch
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	2850	2850	Unch

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

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	18-1-2012	17-1-2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2650	2650	Unch
	Khurpa	2450	2450	Unch
	Laddu	2600	2600	Unch
	Rascut	2300	2300	Unch
Maharashtra	Lal Variety	2450	2500	-50
Bangalore	Achhu	-	-	-
	Mudde	2600	2600	Unch
Belgaum	Mudde	2400	-	-
Belthangadi	Yellow (Average)	3150	-	-
Bijapur	Achhu	-	2280	-
Gulbarga	Other (Average)	2275	2210	-65
Mahalingapura	Penti (Average)	2270	2150	+120
Mandya	Achhu (Medium)	2200	2200	Unch
	Kurikatu (Medium)	2100	2050	+50
	Other (Medium)	2150	2100	+50
	Yellow (Medium)	2200	2150	+50
Shimoga	Achhu (Average)	2200	2400	-200

UP Private Mills Tender Rates				
Centre	Origin/Grade	18-1-2012	17-1-2012	Change
Dorala	M-30	2970	3030	-60
Mawana	M-30	3000	3035	-35
Modinagar	M-30	2960	2995	-35
Malakpur	M-30	2935	2980	-45
Simbholi	M-30	3040	3090	-50
Asamoli	M-30	2990	3070	-80
Dhanora	M-30	-	-	-
Dhampur	M-30	2920	2935	-15
Kinnoni	M-31	3050	3135	-85
Budhana	M-31	2970	3030	-60
Thanabhavan	M-31	2970	3030	-60

UP Government Mills Tender Rates				
Centre	Origin/Grade	18-1-2012	17-1-2012	Change
Morna	M-30	2880	2915	-35
Nanotha	M-30	2870	2900	-30
Nazibabad	M-30	2880	2890	-10
Ramlaxman	M-30	-	-	-
Sakoti	M-30	2900	2940	-40
Amroha	M-30	2890	2960	-70
Chandpur	M-30	2890	2950	-60

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	18-1-2012	17-1-2012	Change
Baghpat	M-30	2890	2915	-25
Gajraula	M-30	2870	2900	-30
BulandShahar	M-30	2900	2950	-50
Anupshahar	M-30	2890	2900	-10

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	17-01-2012
DWORKADHISH	S1.JB	2840
	M.JB	2940
DAMAJI	S1.JB	2803
	S2.JB	2783.00 OPEN
TAKLI	M.JB	2828
MALEGAON	S.JB	2798
ADINATH	S.JB	2758.00-2763.00
CHOPDA	NEW S.JB	2830
	M.PP	2925.00 OPEN
SANJIVANI	S.JB	2835
ASHOK	S.PP	2770.00-2775.00
MAHISGAON	S1.PP	2815
	M.PP	2840
BARAMATI AGRO	S1.PP	2825.00 OPEN
INDAPUR	S.JB	2768
	M.JB	2823

## Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>

© 2005 Indian Agribusiness Systems Pvt Ltd.