

Sugar & Gur Domestic & International Fundamentals:

- Steady to weak sentiments witnessed in various sugar spot markets on Friday. Millers are releasing their sugar stocks in the market after having any small rally in the prices that has not able to offset in the market resulting in decline in sugar prices.
- Government of India is likely to consider additional sugar exports under OGL in a meeting which is due on 7th February 2012, according to news sources. Government may decide to allow 1 million tonnes sugar exports which will take the sugar export figure to 2 million tonnes in Marketing year 2011-12.
- Sugar prices are hovering in a trading range with weak tone as market is waiting for any decision on additional sugar exports or sugar decontrol which will give a boost to the sugar prices. In addition to this, millers don't want to sell sugar at lower quotes in anticipation of additional sugar exports allowance by government.
- It is noticeable that Food ministry is taking permission from Election Commission for allowing additional sugar exports. There are elections in states like UP, Punjab and Uttarakhand which is one of the biggest sugar producing states in India and Election commission might consider sugar exports allowance as an political stunt in between the election code of conduct.
- Gur prices remained same in Muzaffar nagar spot mandi on Friday.
- Around 293,000 bags (40 kg each) has been stored in Muzaffar nagar cold storage till 1st 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. 59,000 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
Feb-12	-7	2858	2867	2840	2847
Mar-12	-3	2889	2890	2868	2871
Apr-12	-11	2925	2933	2908	2913

Contract	Volume	Change	OI	Change
Feb-12	6030	730	22520	1120
Mar-12	2660	570	15100	670
Apr-12	720	550	2050	330

Spread	Feb-12	Mar-12	Apr-12
Basis	28	4	-38
Jan-11		24	66
Feb-12			42

Stocks	Demat	In-Process	Total	FED
	19-01-12	19-01-12	19-01-12	16-01-12
Kolhapur M	1610	0	1610	1610
Kolhapur S	7805	0	7805	7805

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Mar-12	4	1074	1077	1068.5	1073
July-12	3.5	1182.5	1194.5	1180.5	1186.5
Sept-12	21	1200	1224	1197.5	1211

Contract	Volume	Change	OI	Change
Mar-12	4220	-1030	5290	-90
July-12	1210	-570	2300	120
Sept-12	40	40	60	0

Spread	Mar-12	July-12	Sept-12
Basis	27	-86.5	-111
Jan-12		113.5	138
Mar-12			24.5

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Mar-12	631	642.2	630.8	641.6	11
May-12	613.5	622.2	613.5	621.4	7.9
Aug-12	603.8	610.4	603.1	608.5	4.7

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-12	24.01	24.88	24.01	24.61	0.61
May-12	23.46	24.17	23.46	23.92	0.46
July-12	23.05	23.48	23.03	23.31	0.28

Brazil Sugar Quotes (Kingsman)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	559.50	+21.25
Raw Sugar C&F (\$/MT)	Black Sea	595.50	+21.25
Sugar White FOB (\$/MT)	Santos Port	671.25	+24.50

Brazil White Sugar Premium (US\$/MT)

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

Brazil Sugar/ Ethanol Prices (In Cents/lb)

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

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		20-1-2012	19-1-2012	
Sugar	Delhi - Grade M	3070	3100	-30
	Delhi - Grade S	2990	2990	Unch
	Delhi - Grade L	3015	3015	Unch
	UP- Khatuali Grade M	3050	3040	+10
	UP- Ramala Grade M	3000	2985	+15
	Mumbai –Grade M	3061	3061	Unch
	Mumbai –Grade S	2901	2911	-10
	Kolhapur – Grade M	2875	2900	-25
	Kolhapur – Grade S	2775	2775	Unch
	Vijayawada – Grade M	3220	3250	-30
	Vijayawada- Grade S	3120	3130	-10
	Nagpur – Grade M	3130	3150	-20
	Kolkata – Grade M	-	3090	-
	Chennai - Grade S	2825	2825	Unch

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

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	20-1-2012	19-1-2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2750	2750	Unch
	Khurpa	2500	2500	Unch
	Laddu	2675	2700	-25
	Rascut	2300	2300	Unch
Maharashtra	Lal Variety	2500	2450	+50
Bangalore	Achhu	2400	2400	Unch
	Mudde	2600	2600	Unch
Belgaum	Mudde	2400	2400	Unch
Belthangadi	Yellow (Average)	3150	3150	Unch
Bijapur	Achhu	2200	2330	Unch
Gulbarga	Other (Average)	-	2201	-
Mahalingapura	Penti (Average)	-	2280	-
Mandya	Achhu (Medium)	2300	2275	+25
	Kurikatu (Medium)	2150	2150	Unch
	Other (Medium)	2150	2150	Unch
	Yellow (Medium)	2300	2250	+50
Shimoga	Achhu (Average)	2325	2250	+75

UP Private Mills Tender Rates				
Centre	Origin/Grade	20-1-2012	19-1-2012	Change
Dorala	M-30	2970	2970	Unch
Mawana	M-30	3000	3000	Unch
Modinagar	M-30	2960	2960	Unch
Malakpur	M-30	2935	2935	Unch
Simbholi	M-30	3040	3040	Unch
Asamoli	M-30	2990	2990	Unch
Dhanora	M-30	-	-	-
Dhampur	M-30	2920	2920	Unch
Kinnoni	M-31	3050	3050	Unch
Budhana	M-31	2970	2970	Unch
Thanabhavan	M-31	2970	2970	Unch

UP Government Mills Tender Rates				
Centre	Origin/Grade	20-1-2012	19-1-2012	Change
Morna	M-30	2880	2880	Unch
Nanotha	M-30	2870	2870	Unch
Nazibabad	M-30	2880	2880	Unch
Ramlaxman	M-30	-	-	-
Sakoti	M-30	2900	2900	Unch
Amroha	M-30	2890	2890	Unch
Chandpur	M-30	2890	2890	Unch

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	20-1-2012	19-1-2012	Change
Baghpat	M-30	2890	2890	Unch
Gajraula	M-30	2870	2870	Unch
BulandShahar	M-30	2900	2900	Unch
Anupshahar	M-30	2890	2890	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	19-01-2012
AKLUJ	S1.JB	2766.00-2780.00
	M.JK	2853.00-2860.00

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