

Sugar & Gur Domestic & International Fundamentals:

- Subdued sugar demand can be seen on Saturday trading sessions as the traders are expecting more decline in sugar prices. Exporters are closely watching the developments in spot and looking forward to hear positive news for allowing additional export quota. Moreover, they expect the government might notify lower sugar quota for export which may be in-between 0.5 to 1 million tons against their demand of 2 million tons.
- Lower quota announcement by the government which is expected might weigh on the market sentiments as UP mills are under pressure to release cane arrears due (2006 to 2008) within 3 months as per Supreme Court Order. The Order released by apex court might lead UP sugar mills in distress selling into the market if they are not give due export quota to mitigate their cash needs. However, decision of allowing more sugar export quota would only be clarify on 7th of Feb when a Empowered Group of Ministers will discuss on the issue and might take any policy decision on the same.
- Meanwhile, export parity improved during recent time especially from Chennai and Kolhapur region however sugar export disparity from Muzaffarnagar continues to stay intact.
- Lack luster demand for gur continue hit the market sentiments. Moreover, gur production during 2011-12 may decline due to lower diversion of cane is expected during the crush season. However, relatively better diversion of ratoons from Eastern UP, Bihar and MP for gur during Jan may limit any near term price rise. At the same time stockists and traders are expecting more decline in gur prices for short term.
- Around 293,000 bags (40 kg each) has been stored in Muzaffar nagar cold storage till 1^{6th} 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.

Outlook:

Sugar price is expected to stay range bound for short term. Any major policy shift for opening export quota above 1 million tons might lead the prices to move up. Gur prices is expected to stay at current levels and might find selling pressure at higher levels during its production during Jan.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-8.00	2846.00	2849.00	2829.00	2838.00
Mar-12	-8.00	2872.00	2873.00	2856.00	2863.00
Apr-12	-11.00	2905.00	2913.00	2896.00	2901.00

Contract	Volume	Change	OI	Change
Feb-12	3960	-2070	23030	510
Mar-12	1920	-740	15800	700
Apr-12	650	-70	2280	230

Spread	Feb-12	Mar-12	Apr-12
Basis	37		
Jan-11		25	63
Feb-12			38

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	1.0	1070	1074.5	1069	1074.5
July-12	3.5	1184.5	1188.5	1182.5	1188
Sept-12	8.0	1212	1219	1212	1219

Contract	Volume	Change	OI	Change
Mar-12	3060	-1160	5620	330
July-12	700	-510	2370	70
Sept-12	30	-10	60	0

Spread	Mar-12	July-12	Sept-12
Basis	-17.5		
Mar-12		113.5	144.5
July-12			31.0

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
		21-1-2012	20-1-2012	
Sugar	Delhi - Grade M	3150	3070	+80
	Delhi - Grade S	3050	2990	+60
	Delhi - Grade L	3250	3015	+235
	UP- Khatuali Grade M	3030	3050	-20
	UP- Ramala Grade M	2960	3000	-40
	Mumbai –Grade M	3061	3061	Unch
	Mumbai –Grade S	2906	2901	+5
	Kolhapur – Grade M	2875	2875	Unch
	Kolhapur – Grade S	2775	2775	Unch
	Vijayawada – Grade M	3220	3220	Unch
	Vijayawada- Grade S	3120	3120	Unch
	Nagpur – Grade M	3100	3130	-30
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	2800	2825	-25

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

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	21-1-2012	20-1-2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2650	2750	-100
	Khurpa	2400	2500	-100
	Laddu	2500	2675	-175
	Rascut	2300	2300	Unch
Maharashtra	Lal Variety	2500	2500	Unch
Bangalore	Achhu	2400	2400	Unch
	Mudde	2600	2600	Unch
Belgaum	Mudde	-	2400	-
Belthangadi	Yellow (Average)	-	3150	-
Bijapur	Achhu	-	2200	-
Gulbarga	Other (Average)	-	-	-
Mahalingapura	Penti (Average)	-	-	-
Mandya	Achhu (Medium)	-	2300	-
	Kurikatu (Medium)	-	2150	-
	Other (Medium)	-	2150	-
	Yellow (Medium)	-	2300	-
Shimoga	Achhu (Average)	-	2325	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	21-1-2012	20-1-2012	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	21-1-2012	20-1-2012	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	21-1-2012	20-1-2012	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	1/21/2012
ASURLE PORLE	S1.PP	2793
	M.JK	2898
WARANA	M.JK	2898
KUMBHI	S1.PP	2803
	M.PP	2903

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.