

Sugar & Gur Domestic & International Fundamentals:

- Firm sentiments witnessed in various sugar spot markets on Wednesday. 1 million tonnes additional sugar exports allowance by government drive the sugar prices upwards.
- EGOM panel gives a major relief to sugar industry by allowing 1 million tonnes sugar exports in a meeting today. Recent export allowance takes the total sugar exports figures to 2 million tonnes in MY 2011-12. It is noticeable that millers were facing lot of difficulties during the year due to increasing burden of cane payment dues. Government tries to ease some burden and try to give some respite to millers and give opportunity to millers to cover their losses. Meanwhile, India is going to produce 25 - 25.5 Million tonnes sugar in 2011-12 and expect to consume around 23 million tonnes of sugar which urge the government to export surplus sugar.
- UP millers have crushed 469.68 lac ton sugarcane and produce 40.8 lac ton sugar with an average recovery of 8.69% till 7th Feb 2012. Recent sugar production data from UP is 16% higher compared to last year sugar produced same period.
- Gur prices have moved up in Muzaffar nagar mandi due to lesser arrivals of gur in the market today. Meanwhile, for the long term prospective, gur prices will remain in bullish state due to lesser stock position in the cold storage compared to last year in Muzaffar nagar.

Outlook:

Sugar prices are witnessing upward correction with back to back supportive factors like lesser non levy sugar quota for Feb, increase in levy prices and recent export allowance. However, prices might stabilize a bit from present level as millers will try to sell its sugar stock at higher level which means increasing supply pressure in the market. We expect sugar prices will move range bound with some weakness in the coming days as market has discounted all the bullish factors.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-33	2954	2971	2890	2911
Mar-12	-28	2955	2968	2915	2925
Apr-12	-20	2985	2989	2946	2956

Contract	Volume	Change	OI	Change
Feb-12	15750	-4970	31510	700
Mar-12	12480	-550	30300	2900
Apr-12	3820	-5730	22660	580

Spread	Feb-12	Mar-12	Apr-12
Basis	29		
Jan-11		14	45
Feb-12			31

Stocks	Demat 07-02-12	In-Process 07-02-12	Total 07-02-12	FED 06-02-12
Kolhapur M	1610	0	1610	1610
Kolhapur S	7275	0	7275	7275

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Mar-12	7	1108	1120.5	1103.5	1114.5
July-12	5	1299	1306	1292	1302
Sept-12	13.5	1343	1361	1343	1357

Contract	Volume	Change	OI	Change
Mar-12	3240	-1010	6980	-10
July-12	3040	790	10320	70
Sept-12	270	-50	1340	30

Spread	Mar-12	July-12	Sept-12
Basis	-44.5		
Jan-12		187.5	242.5
Mar-12			55

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Mar-12	643	650	638.4	646.9	4.4
May-12	628.9	636.2	622.5	631.9	4.3
Aug-12	611.5	616.4	605.3	613.3	2.8

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-12	24.5	24.66	24.07	24.4	-0.1
May-12	23.74	23.87	23.33	23.58	-0.16
July-12	23.08	23.25	22.75	23.03	-0.09

Brazil Sugar Quotes (Kingsman)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	556.25	+9.00
Raw Sugar C&F (\$/MT)	Black Sea	589.25	+5.00
Sugar White FOB (\$/MT)	Santos Port	665.75	+6.75

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Mar'12/Mar'12	104.5	-0.25
May'12/May'12	107.5	0.25
Aug'12/Jul'12	102.25	-1.25

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	26.83	-0.51
Brazil Anhydrous	20.49	-0.03
Brazil Hydrous	20.38	-0.03

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		08-2-2012	07-2-2012	
Sugar	Delhi - Grade M	3070	3070	Unch
	Delhi - Grade S	3010	3000	+10
	Delhi - Grade L	3100	3100	Unch
	UP- Khatuali Grade M	3050	3080	-30
	UP- Ramala Grade M	2980	2980	Unch
	Mumbai –Grade M	3111	3091	+20
	Mumbai –Grade S	2951	2961	-10
	Kolhapur – Grade M	2940	2925	+15
	Kolhapur – Grade S	2840	2825	+15
	Vijayawada – Grade M	3280	3280	Unch
	Vijayawada- Grade S	3170	3170	Unch
	Nagpur – Grade M	3150	3150	Unch
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	2825	2825	Unch

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

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	8-2-2012	7-2-2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2675	2600	+75
	Khurpa	2500	2400	+100
	Laddu	2575	2575	Unch
	Rascut	2325	2400	-75
Maharashtra	Lal Variety	2525	2500	+25
Bangalore	Achhu	2600	2600	Unch
	Mudde	2800	2800	Unch
Belgaum	Mudde	2300	-	-
Belthangadi	Yellow (Average)	2900	2900	Unch
Bijapur	Achhu	-	2360	-
Gulbarga	Other (Average)	2375	2355	+20
Mahalingapura	Penti (Average)	2410	2410	Unch
Mandya	Achhu (Medium)	2300	2250	+50
	Kurikatu (Medium)	2100	2100	Unch
	Other (Medium)	2150	2150	Unch
	Yellow (Medium)	2200	2200	Unch
Shimoga	Achhu (Average)	-	-	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	8-2-2012	7-2-2012	Change
Dorala	M-30	3010	3020	-10
Mawana	M-30	3030	2960	+70
Modinagar	M-30	2980	2935	+45
Malakpur	M-30	2960	3040	-80
Simbholi	M-30	3055	2980	+75
Asamoli	M-30	3010	3020	-10
Dhanora	M-30	3010	-	-
Dhampur	M-30	2955	2940	+15
Kinnoni	M-31	3100	3080	+20
Budhana	M-31	3010	3000	+10
Thanabhavan	M-31	3005	2995	+10

UP Government Mills Tender Rates				
Centre	Origin/Grade	8-2-2012	7-2-2012	Change
Morna	M-30	2925	2910	+15
Nanotha	M-30	2920	2885	+35
Nazibabad	M-30	2890	2880	+10
Ramlaxman	M-30	-	-	-
Sakoti	M-30	2940	2930	+10
Amroha	M-30	2930	2920	+10
Chandpur	M-30	2930	2920	+10

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	8-2-2012	7-2-2012	Change
Baghpat	M-30	2930	2910	+20
Gajraula	M-30	2910	2880	+30
BulandShahar	M-30	2940	2930	+10
Anupshahar	M-30	2920	2890	+30

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