

Sugar & Gur Domestic & International Fundamentals:

- Weaker export as well as domestic demand of sugar in the market led the prices downwards today in key sugar markets.
- Plant cane harvesting is going on at present and improved average recovery of sugar from cane has been witnessed from UP compared to last year which gives some relief for UP millers. It is noticeable that around 3% decline in recovery has been witnessed till last week from Ratoon crop in UP compared to last year due to various diseases and high implementation of Urea from farmers as mentioned in our previous monthly report.
- Indian white sugar quoting at FOB USD 620-650 at present despite recent export allowance by government. Competition from Thailand sugar kept the Indian sugar steady. Main reason for lesser export parity of sugar is appreciation of rupee as reported.
- Thailand white sugar premium stood at \$25 as reported. Recently, China buys around 50000 tonnes Thai sugar which will be shipped in coming week.
- Steady sentiment witnessed in Muzaffarnagar Gur markets 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 Muzaffarnagar.
- Gur makers are getting fresh plant cane for making gur. In addition to it, higher gur prices urge the gur makers to supply gur in the mandi and make higher profits. Increasing arrivals of gur is major factor for recent decline in gur prices.

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	12	2875	2915	2875	2908
Mar-12	-16	2887	2899	2875	2880
Apr-12	-14	2925	2934	2913	2916

Contract	Volume	Change	OI	Change
Feb-12	16010	6340	31100	-1200
Mar-12	9470	1900	37740	3430
Apr-12	3120	1080	26900	990

Spread	Feb-12	Mar-12	Apr-12
Basis	-8		
Jan-11		-28	8
Feb-12			36

Stocks	Demat 14-02-12	In-Process 14-02-12	Total 14-02-12	FED 13-02-12
Kolhapur M	2909	650	3559	2659
Kolhapur S	8425	1600	10025	8175

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Mar-12	-1	1097	1104	1096	1099
July-12	1.5	1262	1270.5	1256	1268.5
Sept-12	-6	1320	1320	1312	1318

Contract	Volume	Change	OI	Change
Mar-12	1870	-1570	6970	80
July-12	1560	-1700	9670	200
Sept-12	280	-130	1540	20

Spread	Mar-12	July-12	Sept-12
Basis	-59		
Jan-12		169.5	219
Mar-12			49.5

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
May-12	637	637.2	621.1	622.8	-15
Aug-12	618.2	618.3	604.4	605	-13.8
Oct -12	614.7	614.7	601.4	602	-12

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-12	24.48	24.55	24.07	24.25	-0.39
May-12	23.67	23.72	23.17	23.38	-0.41
July-12	23.13	23.21	22.64	22.83	-0.44

Brazil Sugar Quotes (Kingsman)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	547.75	+13.00
Raw Sugar C&F (\$/MT)	Black Sea	580.75	+13.00
Sugar White FOB (\$/MT)	Santos Port	652.25	+12.75

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Mar'12/Mar'12	112.5	
May'12/May'12	112.5	
Aug'12/Jul'12	106.5	

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	26.32	
Brazil Anhydrous	20.48	
Brazil Hydrous	20.46	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		15.2.2012	14.2.2012	
Sugar	Delhi - Grade M	3050	3050	-10
	Delhi - Grade S	2970	2970	Unch
	Delhi - Grade L	3080	3090	-10
	UP- Khatuali Grade M	3030	3030	Unch
	UP- Ramala Grade M	2970	2970	Unch
	Mumbai –Grade M	3066	3066	Unch
	Mumbai –Grade S	2946	2950	-4
	Kolhapur – Grade M	2900	2925	-25
	Kolhapur – Grade S	2800	2800	Unch
	Vijayawada – Grade M	3300	3300	Unch
	Vijayawada- Grade S	3200	3200	Unch
	Nagpur – Grade M	3120	3140	-20
	Kolkata – Grade M	3011	3030	-19
	Chennai - Grade S	2750	2825	-75

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

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	15.2.2012	14.2.2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2600	2600	Unch
	Khurpa	2400	2375	+25
	Laddu	2500	2500	Unch
	Rascut	2325	2325	Unch
Maharashtra	Lal Variety	2500	2500	Unch
Bangalore	Achhu	2600	2600	Unch
	Mudde	2800	2800	Unch
Belgaum	Mudde	2500	-	-
Belthangadi	Yellow (Average)	-	2900	-
Bijapur	Achhu	-	2302	-
Gulbarga	Other (Average)	2351	-	-
Mahalingapura	Penti (Average)	2340	2340	Unch
Mandya	Achhu (Medium)	2300	2300	Unch
	Kurikatu (Medium)	2100	2100	Unch
	Other (Medium)	2150	2150	Unch
	Yellow (Medium)	2300	2250	+50
Shimoga	Achhu (Average)	2400	2400	Unch

UP Private Mills Tender Rates				
Centre	Origin/Grade	15.2.2012	14.2.2012	Change
Dorala	M-30	2960	2960	Unch
Mawana	M-30	2965	2965	Unch
Modinagar	M-30	2935	2935	Unch
Malakpur	M-30	2920	2920	Unch
Simbholi	M-30	3025	3025	Unch
Asamoli	M-30	2965	2965	Unch
Dhanora	M-30	2920	2920	Unch
Dhampur	M-30	2900	2900	Unch
Kinnoni	M-31	3030	3030	Unch
Budhana	M-31	2935	2935	Unch
Thanabhavan	M-31	2930	2930	Unch
UP Government Mills Tender Rates				
Centre	Origin/Grade	15.2.2012	14.2.2012	Change
Morna	M-30	2880	2880	Unch
Nanotha	M-30	2865	2865	Unch
Nazibabad	M-30	2850	2850	Unch
Ramlaxman	M-30	-	-	-
Sakoti	M-30	2890	2890	Unch
Amroha	M-30	2875	2875	Unch
Chandpur	M-30	2870	2870	Unch

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	15.2.2012	14.2.2012	Change
Baghpat	M-30	2880	2880	Unch
Gajraula	M-30	2860	2860	Unch
BulandShahar	M-30	2885	2885	Unch
Anupshahar	M-30	2870	2870	Unch

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