

Sugar & Gur Domestic & International Fundamentals:

- Steady to weak sentiments recorded in various sugar spot markets on Thursday. Improved arrivals of sugar from mills and weaker demand kept the prices downwards.
- UP mills have crushed 516.1 lac tonnes sugarcane and produce 45.18 lac tonnes sugar with an average recovery of 8.75% till 15th Feb 2012. Recent sugar production data for this year is 14% higher compared to 2010-11 sugar produce by sugar mills at same period.
- 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.
- 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	17	2904	2929	2886	2923
Mar-12	-6	2881	2882	2861	2875
Apr-12	-4	2920	2920	2902	2912

Contract	Volume	Change	OI	Change
Feb-12	8660	-7350	27940	-3160
Mar-12	7710	-1760	38320	580
Apr-12	2000	-1120	27430	530

Spread	Feb-12	Mar-12	Apr-12
Basis	2		
Jan-11		-48	-11
Feb-12			37

Stocks	Demat 15-02-12	In-Process 15-02-12	Total 15-02-12	FED 13-02-12
Kolhapur M	3508	200	3708	2659
Kolhapur S	8974	1686	10660	8175

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Mar-12	-5.5	1100	1105	1095	1095.5
July-12	-3	1270	1273.5	1264.5	1265
Sept-12	1.5	1320	1320	1316	1317.5

Contract	Volume	Change	OI	Change
Mar-12	1500	-370	7040	70
July-12	1800	240	9650	-20
Sept-12	110	-170	1590	50

Spread	Mar-12	July-12	Sept-12
Basis	-55.5		
Jan-12		169.5	222
Mar-12			52.5

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
May-12	625.1	626.7	615.1	616.7	-6.1
Aug-12	607.5	608.6	599.1	600.7	-4.3
Oct -12	604.2	605.9	598.6	598.8	-3.2

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-12	24.22	24.56	24.1	24.49	0.24
May-12	23.41	23.63	23.17	23.57	0.19
July-12	22.8	23.03	22.58	22.97	0.14

Brazil Sugar Quotes (Kingsman)

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

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
		16.2.2012	15.2.2012	
Sugar	Delhi - Grade M	3025	3040	-15
	Delhi - Grade S	2980	2970	+10
	Delhi - Grade L	3045	3080	-35
	UP- Khatuali Grade M	3030	3030	Unch
	UP- Ramala Grade M	2960	2970	-10
	Mumbai –Grade M	3061	3066	-5
	Mumbai –Grade S	2946	2946	Unch
	Kolhapur – Grade M	2925	2900	+25
	Kolhapur – Grade S	2775	2800	-25
	Vijayawada – Grade M	3300	3300	Unch
	Vijayawada- Grade S	3200	3200	Unch
	Nagpur – Grade M	Closed	3120	-
	Kolkata – Grade M	Closed	3011	-
	Chennai - Grade S	2825	2825	Unch

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

Gur Spot Prices (Rs/Qtl)				
Markets	Variety	16.2.2012	15.2.2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2600	2600	Unch
	Khurpa	2375	2400	-25
	Laddu	2500	2500	Unch
	Rascut	2325	2325	Unch
Maharashtra	Lal Variety	2525	2500	+25
Bangalore	Achhu	2600	2600	Unch
	Mudde	2800	2800	Unch
Belgaum	Mudde	2500	2500	Unch
Belthangadi	Yellow (Average)	-	-	-
Bijapur	Achhu	2300	-	-
Gulbarga	Other (Average)	2335	2351	+16
Mahalingapura	Penti (Average)	2410	2340	+70
Mandya	Achhu (Medium)	2300	2300	Unch
	Kurikatu (Medium)	2150	2100	+50
	Other (Medium)	2150	2150	Unch
	Yellow (Medium)	2250	2300	-50
Shimoga	Achhu (Average)	-	2400	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	16.2.2012	15.2.2012	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	16.2.2012	15.2.2012	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	16.2.2012	15.2.2012	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

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	2/15/2012
VIHAD	S1.PP	2820.00 OPEN
BHAIRAVANATH	S1.PP	2795
SANGAMNER	S1.JB	2890.00-2892.00
	M.JB	2950.00-2992.00
PUSHPA (NANDUBAR)	S.JB	2880
	M.JB	2950
UDAYSINGH	S.JB	2826
	M.JB	2926
ASURLE PORLE	S1.PP	2783
SONHIRA	S1.PP	2803
	M.JK	2936
GADHINGLAJ	S/30	2740
	NEW M/30	2900

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