

## Sugar & Gur Domestic & International Fundamentals:

- Lack luster trades featured on Saturday trading session with buyers are waiting for correction in prices to book their orders for March and April requirement. Meanwhile, bulk consumers are taking cautious approach to go for aggressive booking of orders.
- At the same time millers from Maharashtra and Tamil Nadu increased their tender prices anticipating demand to come during beginning of summer. This results in a stale mate condition in the spot which lead to lack luster trade.
- As per the latest information available India produce 186.5 lakh tons sugar till 29<sup>th</sup> Feb 2012 which is 15% higher compared to last year sugar produced by mills in India. Last year, sugar mills produced 162.5 lac tons sugar same period.
- Keeping in view the current pace of sugar production we kept our sugar production estimates unchanged at 26 million tons which is significantly higher when compared to the Agricultural Ministry estimates of 24.5 million tons.
- Given the higher sugar production and thus ensuring adequate supply we expect sugar prices to stable around 2850 to 2950/Qtl for medium to long term.
- Given the lower quota for March (which is lower by 50000 tons compared to its normal) and expected surge in demand during April and May, sugar might find buying support in case of any major decline.
- Gur prices remained range bound on Saturday. We expect arrivals to increase in near term which may weigh on the market sentiments for short term.
- Gur stock starts improving in the Muzaffarnagar spot market. Stocks as on 27<sup>th</sup> Feb was seen at 813000 bags (40 Kg each) compared to the stock position 29300 bags reported during 17<sup>th</sup> Jan 2012. However, total gur stock at Muzaffarnagar is marginally lower when compared last year stocks (823570 bags).
- With expectation of increase in arrivals and stocks we expect gur prices to stay weak for short term.

## Outlook:

Sugar price is likely to stay range bound and may find buying support in case of major decline. Gur price is likely to stay under pressure due to higher arrivals for short term.

### NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Mar-12	27.00	2846.00	2877.00	2826.00	2868.00
Apr-12	20.00	2906.00	2938.00	2892.00	2925.00
May-12	20.00	2946.00	2972.00	2929.00	2962.00

Contract	Volume	Change	OI	Change
Mar-12	11100	-10290	37790	-870
Apr-12	9760	-1180	37140	2270
May-12	4870	-2380	27230	1050

Spread	Mar-12	Apr-12	May-12
Basis	132		
Mar-12		57	94
Apr-12			37

Stocks	Demat 02-03-12	In-Process 02-03-12	Total 02-03-12	FED 27-02-12
Kolhapur M	4308	0	4308	4308
Kolhapur S	13901	100	14001	13101

### LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
May-12	650.5	656.6	644.6	653.1	7.1
Aug-12	635.1	640.1	628.9	636.9	7.0
Oct -12	631.0	633.6	625.0	631	4.2

### NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Mar-12	31.50	1040.00	1078.00	1038.00	1074.00
July-12	43.00	1180.00	1231.50	1179.00	1227.00
Sept-12	40.50	1224.50	1260.00	1214.50	1260.00

Contract	Volume	Change	OI	Change
Mar-12	7760	3560	6190	-170
July-12	13620	9720	11300	920
Sept-12	960	40	2090	200

Spread	Mar-12	July-12	Sept-12
Basis	-42		
Mar-12		153	186
July-12			33

### ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-12	24.85	25.16	24.63	24.96	0.11
May-12	24.25	24.39	23.91	24.23	0.03
July-12	24.36	24.43	24.05	24.27	-0.09

## Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	563.00	-0.5
Raw Sugar C&F (\$/MT)	Black Sea	596.00	-0.5
Sugar White FOB (\$/MT)	Santos Port	658.75	-0.5

## Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
May'12/May'12	102.25	-0.75
Aug'12/Jul'12	102.00	1.00
Oct'12/Oct'12	95.25	1.75

## Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	25.82	-0.02
Brazil Anhydrous	21.60	-0.07
Brazil Hydrous	21.93	-0.07

## Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		03.3.2012	02.3.2012	
Sugar	Delhi - Grade M	2990	3000	-10
	Delhi - Grade S	2960	2970	-10
	Delhi - Grade L	3020	3020	Unch
	UP- Khatuali Grade M	3000	3000	Unch
	UP- Ramala Grade M	2940	2940	Unch
	Mumbai –Grade M	3046	3051	-5
	Mumbai –Grade S	2941	2941	Unch
	Kolhapur – Grade M	2900	2925	-25
	Kolhapur – Grade S	2800	2825	-25
	Vijayawada – Grade M	3270	3270	Unch
	Vijayawada- Grade S	3170	3170	Unch
	Nagpur – Grade S	3000	3020	-20
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	2850	2850	Unch

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

## Gur Spot Prices (Rs/Qtl)

Markets	Variety	03.3.2012	02.3.2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2500	2450	+50
	Khurpa	2250	2270	-20
	Laddu	2450	2450	Unch
	Rascut	2275	2250	+25
Maharashtra	Lal Variety	2450	2475	-25
Bangalore	Achhu	2540	2540	Unch
	Mudde	2600	2600	Unch
Belgaum	Mudde	-	2300	-
Belthangadi	Yellow (Average)	-	-	-
Bijapur	Achhu	-	2200	-
Gulbarga	Other (Average)	-	2325	-
Mahalingapura	Penti (Average)	-	2410	-
Mandya	Achhu (Medium)	-	2300	-
	Kurikatu (Medium)	-	2150	-
	Other (Medium)	-	2200	-
	Yellow (Medium)	-	2250	-
Shimoga	Achhu (Average)	-	2380	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	03.3.2012	02.3.2012	Change
Dorala	M-30	2925	2925	Unch
Mawana	M-30	2940	2940	Unch
Modinagar	M-30	2915	2915	Unch
Malakpur	M-30	2895	2895	Unch
Simbholi	M-30	3000	3000	Unch
Asamoli	M-30	2940	2940	Unch
Dhanora	M-30	2925	2925	Unch
Dhampur	M-30	2920	2920	Unch
Kinnoni	M-31	3025	3025	Unch
Budhana	M-31	2945	2945	Unch
Thanabhavan	M-31	2940	2940	Unch

UP Government Mills Tender Rates				
Centre	Origin/Grade	03.3.2012	02.3.2012	Change
Morna	M-30	2870	2870	Unch
Nanotha	M-30	2850	2850	Unch
Nazibabad	M-30	2830	2830	Unch
Ramlaxman	M-30	-	-	-
Sakoti	M-30	2870	2870	Unch
Amroha	M-30	2870	2870	Unch
Chandpur	M-30	2860	2860	Unch

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	03.3.2012	02.3.2012	Change
Baghpat	M-30	2870	2870	Unch
Gajraula	M-30	2840	2840	Unch
BulandShahar	M-30	2890	2890	Unch
Anupshahar	M-30	2840	2840	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	02-03-2012
BHENDA	M.PP	2975
ASURLE PORLE	S1.PP	2835.00 OPEN
AMBEDKAR	S.PP	2773.00-2780.00
MULA	S1.PP	2855
	M.PP	2935
MADHUKAR	S.PP	2860
	M.PP	2990.00 OPEN
ZIRI BURHANPUR	S.JK	2910
	M.JK	3010
SIDHESWAR	S1.PP	2758
PANDHARPUR	S1.PP-JK	2770.00-2780.00
	M.PP-JK	2851.00-2863.00
KUMBHI	S1.PP	2848.00 OPEN
SAHYADRI	S.PP	2851.00 OPEN
	M.PP	2951.00 OPEN

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