

Sugar & Gur Domestic & International Fundamentals:

- Steady to firm sentiments witnessed in various sugar spot markets on Monday as fresh retail demand kept the prices on higher side.
- International sugar prices got support on concerns over delay start of sugarcane harvesting in Brazil by two weeks. Meanwhile, Indian sugar producers might get the golden chance to take some advantage out of it keeping in view higher Thai premium and increasing international prices. In addition to it, already Indian domestic prices are its lower level. Millers need to export sugar quickly as after April, Brazilian crop is expected to hit the markets which will ease the prices.
- About 80% of the total available sugar exports has been sold already till date from Thailand, as per the news sources. It is noticeable that millers want to sell the output in the first quarter of the year as new Brazilian crop will be arrived in the market which will pressurize the international prices of sugar which might squeeze the profit margins of millers.
- There is a scope of around 1 million tons additional sugar export in the MY 2011-12, according to Sharad Pawar.
- 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 unchanged on Monday for chaku gur. 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 27th Feb was seen at 813000 bags (40 Kg each) compared to the stock position 29300 bags reported during 17th 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	-30	2865	2867	2835	2838
Apr-12	-31	2929	2931	2898	2899
May-12	-25	2961	2963	2935	2940

Contract	Volume	Change	OI	Change
Mar-12	8600	-2500	37080	-710
Apr-12	8810	-950	36670	-470
May-12	7480	2610	28240	1010

Spread	Mar-12	Apr-12	May-12
Basis	62		
Mar-12		61	102
Apr-12			41

Stocks	Demat 03-03-12	In-Process 03-03-12	Total 03-03-12	FED 27-02-12
Kolhapur M	4308	0	4308	4308
Kolhapur S	13901	300	14201	13101

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
May-12					
Aug-12					
Oct -12					

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Mar-12	-13	1075	1075	1060	1060
July-12	-12	1227	1237.5	1218	1218
Sept-12	-7.5	1258	1262.5	1247	1250

Contract	Volume	Change	OI	Change
Mar-12	4560	-3200	5800	-390
July-12	7620	-6000	11100	-200
Sept-12	550	-410	2040	-50

Spread	Mar-12	July-12	Sept-12
Basis	-60		
Mar-12		158	190
July-12			32

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-12					
May-12					
July-12					

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	561.75	-1.25
Raw Sugar C&F (\$/MT)	Black Sea	596.75	+0.75
Sugar White FOB (\$/MT)	Santos Port	657.50	-1.25

Brazil White Sugar Premium (US\$/MT)

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

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	25.82	
Brazil Anhydrous	21.60	
Brazil Hydrous	21.93	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		05-03-2012	03.3.2012	
Sugar	Delhi - Grade M	3005	2990	+15
	Delhi - Grade S	2975	2960	+15
	Delhi - Grade L	3025	3020	+5
	UP- Khatuali Grade M	2980	3000	-20
	UP- Ramala Grade M	2940	2940	Unch
	Mumbai –Grade M	3051	3046	+5
	Mumbai –Grade S	2941	2941	Unch
	Kolhapur – Grade M	2900	2900	Unch
	Kolhapur – Grade S	2800	2800	Unch
	Vijayawada – Grade M	3270	3270	Unch
	Vijayawada- Grade S	3170	3170	Unch
	Nagpur – Grade S	3010	3000	+10
	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	05-03-2012	03.3.2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2500	2500	Unch
	Khurpa	2360	2250	+110
	Laddu	2450	2450	Unch
	Rascut	2325	2275	+50
Maharashtra	Lal Variety	2450	2450	Unch
Bangalore	Achhu	2540	2540	Unch
	Mudde	2600	2600	Unch
Belgaum	Mudde	2400	-	-
Belthangadi	Yellow (Average)	3100	-	-
Bijapur	Achhu	2350	-	-
Gulbarga	Other (Average)	2355	-	-
Mahalingapura	Penti (Average)	2410	-	-
Mandya	Achhu (Medium)	2300	-	-
	Kurikatu (Medium)	2175	-	-
	Other (Medium)	2200	-	-
	Yellow (Medium)	2250	-	-
Shimoga	Achhu (Average)	2375	-	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	05-03-2012	03.3.2012	Change
Dorala	M-30	2910	2925	-15
Mawana	M-30	2915	2940	-25
Modinagar	M-30	2925	2915	10
Malakpur	M-30	2910	2895	15
Simbholi	M-30	2960	3000	-40
Asamoli	M-30	2920	2940	-20
Dhanora	M-30	2910	2925	-15
Dhampur	M-30	2860	2920	-60
Kinnoni	M-31	2980	3025	-45
Budhana	M-31	2900	2945	-45
Thanabhavan	M-31	2895	2940	-45

UP Government Mills Tender Rates				
Centre	Origin/Grade	05-03-2012	03.3.2012	Change
Morna	M-30	2840	2870	-30
Nanotha	M-30	2820	2850	-30
Nazibabad	M-30	2820	2830	-10
Ramlaxman	M-30	-	-	-
Sakoti	M-30	2850	2870	-20
Amroha	M-30	2850	2870	-20
Chandpur	M-30	2840	2860	-20

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	05-03-2012	03.3.2012	Change
Baghpat	M-30	2860	2870	-10
Gajraula	M-30	2830	2840	-10
BulandShahar	M-30	2880	2890	-10
Anupshahar	M-30	2820	2840	-20

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	3/3/2012
KRISHNA	S.JK-JB	2808.00-2818.00
	M.JK-JB	2908.00-2918.00
SARVODAY	S.JB	2838.00 OPEN
	M.JB	2918.00 OPEN
WATEGAON	S.PP	2818.00 OPEN
WALWA	S.PP	2808.00 OPEN

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