

Sugar & Gur Domestic & International Fundamentals:

- Sugar prices surge in various sugar spot markets on Wednesday owing to good demand of sugar overall.
- According to the preliminary figures from ISO, global sugar surplus could stand above 6 million tons for 2011-12 from 5.2 million tons surplus as projected by ISO in February. Sugar no. 5 prices might drop further if ISO increase its global sugar surplus projection for 2011-12 as expected.
- ISMA wants asked government to notify the decision to free sugar exports soon to deliver the sugar surplus shipments on time. It is noticeable that Brazil has started its new cane crop crushing which will give bearish impact on International sugar prices considering higher Brazil sugar production estimates for 2012-13 season.
- Brazil cane output concerns kept the ICE raw sugar future market trading in contango. Traditionally, ICE raw sugar futures traded in backwardation over new season of sugar starts in Brazil in April.
- China sugar production up in April month to 707,850 tons from 554,400 tons at same period last year.
- Gur prices declined today as gur manufacturers sell gur at higher rates. It is noticeable that gur prices are hovering near to Rs 1080 per 40 kg as reported..
- Farmers to kolhus could increase the supply of gur in the mandi as expected that might pressurize the prices of gur in the coming days.
- Around 1407000 bags (40 kg each) has been stored in Muzaffar nagar cold storage till 7th May 2012 which are 26000 bags higher compared to last year same period stock position of gur. Out of total gur stock position, there are around 982,000 of Chaku variety gur stored in Cold storage which are 65000 bags higher compared to previous same period

Outlook:

Sugar prices surge on change in export policies by government. We expect prices to move up in spot markets. However, improved cane availability for making gur and higher gur prices gives parity for kolhus makers for making gur which will increase the arrivals of gur in the mandi in the coming days.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
May-12	-25.00	2920.00	2927.00	2879.00	2892.00
June-12	-28.00	2944.00	2952.00	2914.00	2921.00
July-12	-26.00	2980.00	2980.00	2945.00	2953.00

Contract	Volume	Change	OI	Change
May-12	22790	15710	50690	-2950
June-12	7920	2130	28340	-150
July-12	2090	880	7800	670

Spread	May-12	June-12	July-12
Basis	83		
May-12		29	61
June-12			32

Stocks	Demat 08-05-12	In-Process 08-05-12	Total 08-05-12	FED 07-05-12
Kolhapur M	1905	0	1905	1905
Kolhapur S	18764	0	18764	18764
Sangli S	160	0	160	160

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-12	569.2	569.9	556.1	558.4	-7.7
Oct -12	564	564.4	551	552.8	-7.5
Dec -12	571.2	572.3	560.2	562	-5.9

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
July-12	-7.50	1201.50	1201.50	1181.50	1193.50
Sept-12	-10.00	1230.00	1230.00	1222.00	1222.00
Nov-12	-15.00	1051.00	1051.00	1050.50	1050.50

Contract	Volume	Change	OI	Change
July-12	5300	2800	13240	-260
Sept-12	410	-430	4870	-210
Nov-12	20	20	170	0

Spread	July-12	Sept-12	Nov-12
Basis	-113.5		
July-12		28.5	-143
Sept-12			-171.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Jul-12	21.05	21.07	20.31	20.37	-0.68
Oct-12	21.38	21.39	20.72	20.81	-0.57
Mar-13	22.19	22.2	21.63	21.74	-0.45

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	455.00	-10.00
Raw Sugar C&F (\$/MT)	Black Sea	496.00	-10.00
Sugar White FOB (\$/MT)	Santos Port	555.50	-10.00

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Aug'12/Jul'12	109.25	2.5
Oct'12/Oct'12	93.75	0.25
Dec'12/Oct'12	103.5	2.75

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	21.53	0.05
Brazil Anhydrous	20.09	-0.06
Brazil Hydrous	19.49	-0.06

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		09-5-2012	08-5-2012	
Sugar	Delhi - Grade M	3165	3170	-5
	Delhi - Grade S	3120	3110	+10
	Delhi - Grade L	3185	3190	-5
	UP- Khatauli Grade M	3160	3150	+10
	UP- Ramala Grade M	3065	3070	-5
	Mumbai –Grade M	3156	3151	+5
	Mumbai –Grade S	2981	2971	+10
	Kolhapur – Grade M	2975	2950	+25
	Kolhapur – Grade S	2875	2850	+25
	Vijayawada – Grade M	3300	3300	Unch
	Vijayawada- Grade S	3200	3200	Unch
	Nagpur – Grade S	3100	3060	+40
	Kolkata – Grade M	-	3180	-
	Chennai - Grade S	2920	2920	Unch

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

Gur Spot Prices (Rs/Qtl)

Markets	Variety	09-5-2012	08-5-2012	Change
Muzaffar Nagar	Chaku (New Arrival)	2700	2750	-50
	Khurpa	2650	2600	+50
	Laddu	2900	2925	-25
	Rascut	2625	2550	+75
Maharashtra	Lal Variety	-	2900	-
Bangalore	Achhu	2700	2700	Unch
	Mudde	2800	2800	Unch
Belgaum	Mudde	2700	-	-
Belthangadi	Yellow (Average)	3100	-	-
Bijapur	Achhu	-	2450	-
Gulbarga	Other (Average)	2325	2350	-25
Mahalingapura	Penti (Average)	2740	2740	Unch
Mandya	Achhu (Medium)	2600	2450	+150
	Kurikatu (Medium)	2300	2300	Unch
	Other (Medium)	2350	2300	+50
	Yellow (Medium)	2500	2400	+100
Shimoga	Achhu (Average)	2450	2425	+25

UP Private Mills Tender Rates				
Centre	Origin/Grade	09-5-2012	08-5-2012	Change
Dorala	M-30	3090	3090	Unch
Mawana	M-30	3095	3095	Unch
Modinagar	M-30	3065	3065	Unch
Malakpur	M-30	3050	3050	Unch
Simbholi	M-30	3190	3190	Unch
Asamoli	M-30	3190	3190	Unch
Dhanora	M-30	3090	3090	Unch
Dhampur	M-30	3060	3060	Unch
Kinnoni	M-31	3290	3290	Unch
Budhana	M-31	3120	3120	Unch
Thanabhavan	M-31	3110	3110	Unch

UP Government Mills Tender Rates				
Centre	Origin/Grade	09-5-2012	08-5-2012	Change
Morna	M-30	3020	3020	Unch
Nanotha	M-30	3005	3005	Unch
Nazibabad	M-30	3000	3000	Unch
Ramlaxman	M-30	-	-	-
Sakoti	M-30	3020	3020	Unch
Amroha	M-30	3050	3050	Unch
Chandpur	M-30	3030	3030	Unch

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	09-5-2012	08-5-2012	Change
Baghpat	M-30	3020	3020	Unch
Gajraula	M-30	3000	3000	Unch
BulandShahar	M-30	3065	3065	Unch
Anupshahar	M-30	3000	3000	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	08-05-2012
KUKDI	S.PP	2845
CHOPDA	S.JB	2923
	M.JB	3023
PRASAD	S.PP	2862.00-2863.00
	M.PP	2960
GHODGANGA	S.PP	2850
	M.PP	2910
LOKNETE	S.PP	2810
	M.PP	2869
HAMIDWADA	S1.JB	2870.00-2875.00
WARANA	S1.PP	2863.00 OPEN

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