

Sugar & Gur Domestic & International Fundamentals:

- Sugar prices surged today in key spot markets. Increase in cane prices by government support the prices of sugar.
- Empowered Committee on Economic Affairs (CCEA) has increased Fair and Remunerative Price (FRP) to Rs170/quintal for 2012-13 from Rs 145/quintal last year. CCEA has raised the statutory minimum price for sugarcane by 17.25% to pay off farmers for rising cultivation costs. Increased FRP may not cover entire cost of production (especially labour and diesel costs) due to this farmers may suffer from losses. Sugarcane producers wait for the state advised price (SAP) is announced later by Uttar Pradesh, Punjab and Tamil Nadu, the FRP as its base.
- India has exported 2.5 million tons of sugar till this month from the season starting from Oct 2011. It is notable that around 5 lac tons of sugar shipment is still in the pipeline. Out of total 2.5 million tons sugar exports, 5 lac tons of sugar has exported in the last two months as reported.
- According to Agriculture department of Rajasthan Sugarcane has been planted in 5.4 thousand hectares so far. Sugarcane has been planted in 0.3 thousand hectares less than that in 2011-12.
- Sugarcane has been planted in 52.81 lac.hectares so far. Sugarcane has been planted in 2.02 lakh hectares more than that in 2011-12. (Source: Pib)
- Dull demand of gur in Muzaffar nagar mandi led the gur prices down today. However, overall trend of gur is bullish as increase in cane prices and depleting stocks of gur in cold storages likely to drag the gur prices
- Around 1120000 bags (40 kg each) has been stored in Muzaffar nagar cold storage till 16th July 2012 which are 57000 bags higher compared to last year same period stock position of gur. Out of total gur stock position, there are around 778000 bags of Chaku variety and 128000 bags of Papdi variety gur stored in Cold storages.

Outlook:

Sugar prices continuously moving upwards due to strong fundamentals. Recent hike in cane prices and good overall domestic as well as export demand of sugar drive the prices upwards for medium to long term. However, gur prices are moving range bound but likely to surge in the coming days due to depleting gur stock position in the cold storages.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Aug-12	16	3261	3292	3251	3254
Sept-12	25	3300	3354	3316	3315
Oct-12	-2	3410	3428	3375	3397

Contract	Volume	Change	OI	Change
Aug-12	23650	2020	38220	-840
Sept-12	11500	-1030	27320	710
Oct-12	1000	-2200	9210	-160

Spread	Aug-12	Sept-12	Oct-12
Basis	146		
Aug-12		61	
Sept-12			82

Stocks	Demat	In-Process	Total	FED
	19-07-12	19-07-12	19-07-12	16-07-12
Kolhapur M	1518	0	1518	2247
Kolhapur S	34	0	34	34
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Oct-12	625.4	636.7	622.1	636.3	11.6
Dec-12	605.6	613.1	602.1	613	7.6
Mar-13	609.7	614.8	604	614.1	4.9

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Sept-12	-28	1312	1315	1281	1311
Nov-12	-17.5	1193	1193	1162	1187.5
Dec-12	-6	1161	1161	1145	1153

Contract	Volume	Change	OI	Change
Sept-12	18560	4280	14310	940
Nov-12	790	180	1170	260
Dec-12	50	-50	500	10

Spread	Sept-12	Nov-12	Dec-12
Basis	75		
Sept-12		56.5	
Nov-12			-34.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	22.98	23.28	22.65	23.25	0.3
Mar-13	23.3	23.61	23.06	23.58	0.25
May-13	23	23.24	22.78	23.2	0.14

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	521.50	+7.25
Raw Sugar C&F (\$/MT)	Black Sea	562.50	+7.25
Sugar White FOB (\$/MT)	Santos Port	609.75	+7.00

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Oct'12/Oct'12	123.5	5
Dec'12/Oct'12	101.25	1.75
Dec'12/Mar'13	94.5	3.25

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	21.66	0.19
Brazil Anhydrous	19.29	0.08
Brazil Hydrous	16.98	0.07

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		20-7-2012	19-7-2012	
Sugar	Delhi - Grade M	3425	3390	+35
	Delhi - Grade S	3380	3350	+30
	Delhi - Grade L	3450	3420	+30
	UP- Khatauli Grade M	3580	3446	+134
	UP- Ramala Grade M	-	3370	-
	Mumbai –Grade M	3471	3451	+20
	Mumbai –Grade S	3411	3356	+55
	Kolhapur – Grade M	3400	3300	+100
	Kolhapur – Grade S	3300	3200	+100
	Vijayawada – Grade M	3640	3640	Unch
	Vijayawada- Grade S	3530	3530	Unch
	Nagpur – Grade S	3450	3400	+50
	Kolkata – Grade M	3450	-	-
	Chennai - Grade S	3350	3350	Unch

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

Gur Spot Prices (Rs/Qtl)				
		20-7-2012	19-7-2012	
Muzaffar Nagar	Khurpa	3100	3200	-100
	Laddu	-	-	-
	Rascut	2950	2975	-25
	Sukha (Cold)	3015	3075	-60
	Gila	2950	3038	-88
Maharashtra	Lal Variety		3125	
Bangalore	Achhu	3000	3200	-200
	Mudde	3050	3100	-50
Belgaum	Mudde	-	3000	-
Belthangadi	Yellow (Average)	2800	-	-
Bijapur	Achhu	-	2950	-
Gulbarga	Other (Average)	2900	-	-
Mahalingapura	Penti (Average)	2880	-	-
Mandya	Achhu (Medium)	2550	2450	+100
	Kurikatu (Medium)	2300	2300	Unch
	Other (Medium)	2450	2350	+100
	Yellow (Medium)	2500	2400	+100
Shimoga	Achhu (Average)	-	3125	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	20-7-2012	19-7-2012	Change
Dorala	M-30	3440	3440	Unch
Mawana	M-30	3450	3450	Unch
Modinagar	M-30	3400	3400	Unch
Malakpur	M-30	3390	3390	Unch
Simbholi	M-30	3500	3500	Unch
Asamoli	M-30	3480	3480	Unch
Dhanora	M-30	3380	3380	Unch
Dhampur	M-30	3360	3360	Unch
Kinnoni	M-31	3570	3570	Unch
Budhana	M-31	3450	3450	Unch
Thanabhavan	M-31	3440	3440	Unch
UP Government Mills Tender Rates				
Centre	Origin/Grade	20-7-2012	19-7-2012	Change
Morna	M-30	3330	3330	Unch
Nanotha	M-30	3300	3300	Unch
Nazibabad	M-30	3300	3300	Unch
Sakoti	M-30	3340	3340	Unch
Amroha	M-30	3350	3350	Unch
Chandpur	M-30	3330	3330	Unch
UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	20-7-2012	19-7-2012	Change
Baghpat	M-30	3330	3330	Unch
Gajraula	M-30	3300	3300	Unch
BulandShahar	M-30	3340	3340	Unch
Anupshahar	M-30	3310	3310	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	19-07-2012
MADHUKAR	S.PP	3300
	M.JK	3400.00 OPEN
MADHA	S.PP	3250
VRIDHESHWAR	S1.PP	3260
MALINAGAR	S.JK	3248.00 OPEN
PRASAD SUGAR	S.PP	3204.00-3220.00
	M.PP	3300
DATT SHIROL	S1.PP	3298.00-3299.00
SHRIGONDA	S.PP	3535
	S.JB	3260

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