

Sugar & Gur Domestic & International Fundamentals:

- Sugar showed subdued demand in spot markets on Friday, due to release of stock for open market sale despite festive demand and poor rain sentiments prevailed in the market.
- As per central government, Sugar levy quota is in consideration to be reduced for next marketing year (2012-13). At the point of inventory cost this could bring the relief for millers, also more sugar will be available in the open market that would check prices from sudden rise.
- Food Minister, on Thursday, firm stance to ban future trade in commodities which are showing volatile behaviors and impose restrictions on stocks is likely to bring some stability in the markets.
- Government has decided on Wednesday to releases unsold 2.9lac.tonne of levy sugar for open market sale, to arrest the rising prices are likely to impact prices to bring them down.
- 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.
- 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.
- Around 1084000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 23rd July 2012, which are 977000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 750000 bags of Chaku variety and 121000 bags of Papdi variety gur stored in Cold storages.

Outlook:

We are expecting that sugar prices would go down in near term due to higher supply amid sluggish demand. Gur prices are likely to come down due to restricted demand.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Aug-12	-1	3300	3356	3300	3352
Sept-12	-1	3353	3402	3353	3375
Oct-12	1	3333	3449	3333	3421

Contract	Volume	Change	OI	Change
Aug-12	17240	-4790	27900	-4290
Sept-12	14730	-1430	35000	-30
Oct-12	3430	750	13920	810

Spread	Aug-12	Sept-12	Oct-12
Basis	98	75	29
Aug-12		23	69
Sept-12			46

Stocks	Demat	In-Process	Total	FED
	26-07-12	26-07-12	26-07-12	23-07-12
Kolhapur M	1458	949	2407	1518
Kolhapur S	34	0	34	34
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Oct-12	635.7	636.8	610.3	615.5	-22.5
Dec-12	614.6	616.6	591.4	598.3	-19.6
Mar-13	617	618	595.3	601.5	-19.6

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Sept-12	-4.5	1261	1270	1252	1262
Nov-12	-4.5	1177	1185	1170	1179.5
Dec-12	-15	1141	1150	1141	1165

Contract	Volume	Change	OI	Change
Sept-12	9870	-3460	12570	-1490
Nov-12	760	-100	1900	10
Dec-12	20	-50	580	10

Spread	Sept-12	Nov-12	Dec-12
Basis	-62	20.5	35
Sept-12		-82.5	-97
Nov-12			-14.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	23.4	23.4	22.25	22.5	-1.07
Mar-13	23.64	23.69	22.68	22.92	-0.92
May-13	23.32	23.32	22.34	22.56	-0.8

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	499.25	-19.50
Raw Sugar C&F (\$/MT)	Black Sea	540.25	-19.50
Sugar White FOB (\$/MT)	Santos Port	581.75	-18.25

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Oct'12/Oct'12	120	0
Dec'12/Oct'12	102.25	3
Dec'12/Mar'13	93.25	-0.25

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	22.35	0.06
Brazil Anhydrous	18.93	0.01
Brazil Hydrous	16.9	0.01

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		27-7-2012	26-7-2012	
Sugar	Delhi - Grade M	3525	3550	-25
	Delhi - Grade S	-	3490	-
	Delhi - Grade L	3550	3560	-10
	UP- Khatauli Grade M	3580	3640	-60
	UP- Ramala Grade M	3490	3500	-15
	Mumbai –Grade M	3601	3616	-15
	Mumbai –Grade S	3491	3502	-11
	Kolhapur – Grade M	3450	3600	-150
	Kolhapur – Grade S	3350	3450	-100
	Vijayawada – Grade M	3880	3830	+50
	Vijayawada- Grade S	3750	3720	+30
	Nagpur – Grade S	3550	3500	+50
	Kolkata – Grade M	3560	3520	+40
	Chennai - Grade S	3500	3500	Unch

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

Gur Spot Prices (Rs/Qtl)				
		27-7-2012	26-7-2012	
Muzaffar Nagar	Khurpa	3000	3000	Unch
	Laddu	-	-	-
	Rascut	2925	2950	-25
	Sukha (Cold)	3000	3025	-25
	Gila	2950	2975	-25
Maharashtra	Lal Variety	3200	3200	Unch
Bangalore	Achhu	3000	3000	Unch
	Mudde	3100	3100	Unch
Belgaum	Mudde	3000	3000	Unch
Belthangadi	Yellow (Average)	2950	2950	Unch
Bijapur	Achhu	2900	2745	+155
Gulbarga	Other (Average)	2875	2902	-27
Mahalingapura	Penti (Average)	2990	2990	
Mandya	Achhu (Medium)	-	2550	-
	Kurikatu (Medium)	-	2300	-
	Other (Medium)	-	2350	-
	Yellow (Medium)	-	2450	-
Shimoga	Achhu (Average)	-	3150	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	27-7-2012	26-7-2012	Change
Dorala	M-30	3540	3540	Unch
Mawana	M-30	3550	3550	Unch
Modinagar	M-30	3520	3520	Unch
Malakpur	M-30	3500	3500	Unch
Simbholi	M-30	3620	3620	Unch
Asamoli	M-30	3600	3600	Unch
Dhanora	M-30	3540	3540	Unch
Dhampur	M-30	3530	3530	Unch
Kinnoni	M-31	3660	3660	Unch
Budhana	M-31	3550	3550	Unch
Thanabhavan	M-31	3540	3540	Unch
UP Government Mills Tender Rates				
Centre	Origin/Grade	27-7-2012	26-7-2012	Change
Morna	M-30	3410	3410	Unch
Nanotha	M-30	3380	3380	Unch
Nazibabad	M-30	3380	3380	Unch
Sakoti	M-30	3400	3400	Unch
Amroha	M-30	3430	3430	Unch
Chandpur	M-30	3430	3430	Unch
UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	27-7-2012	26-7-2012	Change
Baghpat	M-30	3410	3410	Unch
Gajraula	M-30	3380	3380	Unch
BulandShahar	M-30	3420	3420	Unch
Anupshahar	M-30	3370	3370	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	26-07-2012
BHAIRAVANATH SONERI	S.JB	3360
MALINAGAR	S.JK	3340
INDAPUR	OLD S.JB	3328
SHREEPUR	S1.PP	3391
	M.PP	3456
HUTATMA	S1.PP	3456
	M.PP	3550
ASHOK	S2.PP	3400
SHARAD	S1.PP	3443
KUMBHI	S1.PP	3451.00-3453.00

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