

Sugar & Gur Domestic & International Fundamentals:

- Sugar showed subdued demand in key spot markets on Saturday.
- According to South Indian Sugar Mills Association Sugarcane yield and recovery is likely to fall in South India due to deficient rainfall. Continued dry spell may cause 10-20 percent deficient in production compared to last year.
- 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:

Sugar prices moving are coming down due to sluggish demand in key spot market and will take few more days to show some stability. Sugar prices are likely to show upward trend in coming days as Raksha Bandhan is in next week.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Aug-12	49	3320	3391	3332	3325
Sept-12	35	3370	3432	3370	3371
Oct-12	31	3430	3484	3430	3421

Contract	Volume	Change	OI	Change
Aug-12	30070	12830	24200	-3700
Sept-12	19160	4430	34930	-70
Oct-12	3620	190	13830	-90

Spread	Aug-12	Sept-12	Oct-12
Basis	75	29	-21
Aug-12		46	96
Sept-12			50

Stocks	Demat	In-Process	Total	FED
	27-07-12	27-07-12	27-07-12	23-07-12
Kolhapur M	1109	0	1109	1518
Kolhapur S	4	0	4	34
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Oct-12	614.5	618.7	609.2	614.2	-1.3
Dec-12	596.3	600.4	591.6	596.7	-1.6
Mar-13	600.1	604.4	596	601.2	-0.3

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Sept-12	-9.5	1254	1265	1245.5	1256.5
Nov-12	-6	1171.5	1184	1170	1179
Dec-12	9.5	1150	1155	1145	1145.5

Contract	Volume	Change	OI	Change
Sept-12	9890	20	13630	1060
Nov-12	730	-30	1990	90
Dec-12	230	210	710	130

Spread	Sept-12	Nov-12	Dec-12
Basis	-66.5	11	44.5
Sept-12		-77.5	-111
Nov-12			-33.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	22.5	22.69	22.2	22.52	0.02
Mar-13	22.92	23.05	22.65	22.9	-0.02
May-13	22.6	22.72	22.37	22.6	0.04

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	118	-2
Dec'12/Oct'12	100.5	-1.75
Dec'12/Mar'13	92.5	-0.75

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	22.35	0
Brazil Anhydrous	18.93	0
Brazil Hydrous	16.9	0

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		28-7-2012	27-7-2012	
Sugar	Delhi - Grade M	3550	3525	+25
	Delhi - Grade S	-	-	-
	Delhi - Grade L	3580	3550	+30
	UP- Khatauli Grade M	3580	3580	Unch
	UP- Ramala Grade M	3490	3490	Unch
	Mumbai –Grade M	3591	3601	-10
	Mumbai –Grade S	3481	3491	-10
	Kolhapur – Grade M	3400	3450	-50
	Kolhapur – Grade S	3325	3350	-25
	Vijayawada – Grade M	3880	3880	Unch
	Vijayawada- Grade S	3750	3750	Unch
	Nagpur – Grade S	3550	3550	Unch
	Kolkata – Grade M	3570	3560	+10
	Chennai - Grade S	3500	3500	Unch

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

Gur Spot Prices (Rs/Qtl)				
		28-7-2012	27-7-2012	
Muzaffar Nagar	Khurpa	3000	3000	Unch
	Laddu	-	-	-
	Rascut	2900	2925	-25
	Sukha (Cold)	2975	3000	-25
	Gila	2900	2950	-50
Maharashtra	Lal Variety	3200	3200	Unch
Bangalore	Achhu	3000	3000	Unch
	Mudde	3100	3100	Unch
Belgaum	Mudde	-	3000	-
Belthangadi	Yellow (Average)	-	2950	-
Bijapur	Achhu	2825	2900	-75
Gulbarga	Other (Average)	2800	2875	-75
Mahalingapura	Penti (Average)	-	2990	-
Mandya	Achhu (Medium)	-	-	-
	Kurikatu (Medium)	-	-	-
	Other (Medium)	-	-	-
	Yellow (Medium)	-	-	-
Shimoga	Achhu (Average)	-	-	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	28-7-2012	27-7-2012	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	28-7-2012	27-7-2012	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	28-7-2012	27-7-2012	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	27-07-2012
NATURAL	S.PP	3400
VITTHAL PANDHARPUR	S1.PP	3328
	M.PP	3413
VIKAS	S1.JK	3315.00-3325.00
LOKNETE	S.PP	3319.00-3333.00
KUKDI	S.PP	3320
	M.PP	3365
SADASHIV	S.JB	3309.00-3313.00
	M.JB	3342
SAHYADRI	S.PP	3398.00 OPEN
WARANA	S1.PP	3438.00 OPEN

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