

Sugar & Gur Domestic & International Fundamentals

- Sugar prices improved today in key spot markets today led by increase in sugar future prices.
- Sugar futures prices surged sharply today due to pure speculation as present fundamentals are not seems bullish at present. International markets are moving down owing to Brazilian sugar crop hit the markets resulted in disparity for Indian sugar exporters. Also, additional sugar quota released by government adds pressure in the sugar prices in domestic arena.
- Recent rainfall in main sugarcane growing areas in UP, Maharashtra and Karnataka got good rainfall during last week which might benefit standing sugarcane crop and might support the yield of sugarcane. It is notable that sugarcane harvesting for 2012-13 season starts generally from October 1st week in Maharashtra and in the last week of October in UP.
- Steady to weak sentiments recorded in gur prices in Muzaffar nagar markets owing to higher stock position of gur kept in the cold storages. In addition to it, weak offtake of gur also pressurizing the prices of gur in the coming days.
- Around 771000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 27th August 2012, which are 171000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 540000 bags of Chaku variety gur stored in Cold storages.
- With around 7.7 lac bags (each 40kg) still left in the cold storages and weak offtake, we expect prices are likely to stay weak in the upcoming weeks.

Outlook:

Sugar prices are improved today due to speculation. However, we expect that **recent bull run might reverse in the coming days due to sluggish demand in spot markets.**

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Sept-12	83	3436	3520	3416	3502
Oct-12	104	3492	3576	3468	3573
Nov-12	87	3478	3580	3478	3565

Contract	Volume	Change	OI	Change
Sept-12	36130	19500	25100	-1120
Oct-12	29090	19680	26710	4550
Nov-12	4830	3170	14280	1310

Spread	Sept-12	Oct-12	Nov-12
Basis	-77		
Sept-12		71	63
Oct-12			-8

Stocks	Demat	In-Process	Total	FED
	27-08-12	27-08-12	27-08-12	27-08-12
Kolhapur M	0	987	987	-
Kolhapur S	98	0	98	98
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Oct-12	546.5	549.5	544.9	549.4	2.3
Dec-12	545.3	547.7	543.3	547.1	1.5
Mar-13	548.6	552.7	547.6	550.8	0.8

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Sept-12	6	1158	1165	1152	1161.5
Nov-12	15	1172	1188	1169.5	1188
Dec-12	7.5	1148	1154	1138	1152.5

Contract	Volume	Change	OI	Change
Sept-12	7430	-900	12500	-360
Nov-12	3340	530	3880	70
Dec-12	1060	390	1750	-20

Spread	Sept-12	Nov-12	Dec-12
Basis	-26.3		
Sept-12		26.5	-9
Nov-12			-35.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	19.7	19.97	19.52	19.56	-0.02
Mar-13	20.48	20.64	20.2	20.25	-0.04
May-13	20.45	20.57	20.18	20.25	unch

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	429.75	+3.50
Raw Sugar C&F (\$/MT)	Black Sea	457.75	+3.50
Sugar White FOB (\$/MT)	Santos Port	527.50	+3.75

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Oct'12/Oct'12	117.25	
Dec'12/Oct'12	115	
Dec'12/Mar'13	99.25	

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	20.78	-0.33
Brazil Anhydrous	18.64	-0.1
Brazil Hydrous	17.09	0.03

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		28-8-2012	27-8-2012	
Sugar	Delhi - Grade M	3550	3550	Unch
	Delhi - Grade S	-	-	-
	Delhi - Grade L	3585	3580	+5
	UP- Khatauli Grade M	3560	3545	+15
	UP- Ramala Grade M	3470	3460	+10
	Mumbai –Grade M	3646	3636	+10
	Mumbai –Grade S	3476	3476	Unch
	Kolhapur – Grade M	3425	3425	Unch
	Kolhapur – Grade S	3325	3325	Unch
	Vijayawada – Grade M	4000	4000	Unch
	Vijayawada- Grade S	3860	3860	Unch
	Nagpur – Grade S	3600	3600	Unch
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	3520	3520	Unch

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

Gur Spot Prices (Rs/Qtl)				
		28-8-2012	27-8-2012	
Muzaffar Nagar	Khurpa	2700	2700	Unch
	Laddu	-	-	-
	Rascut	2813	2813	Unch
	Sukha (Cold)	2838	2875	-37
	Gila	2800	2825	-25
Maharashtra	Lal Variety	3150	3150	Unch
Bangalore	Achhu	3000	3000	Unch
	Mudde	3200	3100	+100
Belgaum	Mudde	-	3200	-
Belthangadi	Yellow (Average)	3000	2900	+100
Bijapur	Achhu	-	-	-
Gulbarga	Other (Average)	3375	3350	+25
Mahalingapura	Penti (Average)	2800	2940	-140
Mandya	Achhu (Medium)	2450	2450	Unch
	Kurikatu (Medium)	2300	2300	Unch
	Other (Medium)	2350	2350	Unch
	Yellow (Medium)	2400	2400	Unch
Shimoga	Achhu (Average)	3200	3225	-25

UP Private Mills Tender Rates				
Centre	Origin/Grade	28-8-2012	27-8-2012	Change
Dorala	M-30	3445	3445	Unch
Mawana	M-30	3490	3490	Unch
Modinagar	M-30	3440	3440	Unch
Malakpur	M-30	3440	3440	Unch
Simbholi	M-30	3570	3570	Unch
Asamoli	M-30	3570	3570	Unch
Dhanora	M-30	3460	3460	Unch
Dhampur	M-30	-	-	-
Kinnoni	M-31	3740	3740	Unch
Budhana	M-31	-	-	-
Thanabhavan	M-31	-	-	-

UP Government Mills Tender Rates				
Centre	Origin/Grade	28-8-2012	27-8-2012	Change
Morna	M-30	3360	3360	Unch
Nanotha	M-30	3340	3340	Unch
Nazibabad	M-30	3330	3330	Unch
Sakoti	M-30	3340	3340	Unch
Amroha	M-30	-	-	-
Chandpur	M-30	-	-	-

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	28-8-2012	27-8-2012	Change
Baghpat	M-30	3370	3370	Unch
Gajraula	M-30	3340	3340	Unch
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3340	3340	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	27-08-2012
BHENDA	M.PP	3377
JAWAHAR	S2.PP	3403
	M2.PP-M1.PP	3423.00-3473.00
BIDRI	S.PP	3380.00 OPEN
WARANA	S1.PP	3373.00 OPEN

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