

Sugar & Gur Domestic & International Fundamentals

- Sugar prices surged today in key spot markets on Wednesday.
- Rangarajan committee has recommended total decontrol of the sugar sector.
- Maharashtra state government urges Central government to remove 10% import duty on raw sugar. It is notable that sugar factories are likely to face sugarcane shortage due to decline in area, yield and diversion of cane towards fodder for the coming crushing year starting from November 2012. Sugar prices in International markets are trading well below the domestic sugar prices. Also, upcoming decision on rise in cane prices by state governments definitely increase the sugar producing cost.
- Food Ministry refused to ban sugar exports for the current marketing year considering revival of rainfall in key sugar producing states. However, there is no point to ban sugar exports as sugar exports are not taken place presently due to price disparity compared to international markets.
- Gur prices moved up in Muzaffar nagar spot market owing to higher offtake.
- Around 680000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 3rd September 2012, which are 178000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 406400 bags of Chaku variety gur stored in Cold storages.
- This week around 91000 bags of gur (all varieties) has been lifted which is lower by 7000 bags lifted in the same period a year earlier

Outlook:

Sugar prices are improved today on speculation. Prices should move range bound with firm tone in the coming days until government change any sugar policy to curb the rising sugar prices.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Sept-12	-26	3530	3541	3476	3497
Oct-12	-36	3657	3660	3606	3612
Nov-12	-37	3635	3662	3610	3612

Contract	Volume	Change	OI	Change
Sept-12	11820	660	6910	-7710
Oct-12	24870	3050	42810	1250
Nov-12	3640	1010	18360	590

Spread	Sept-12	Oct-12	Nov-12
Basis	78		
Sept-12		115	115
Oct-12			0

Stocks	Demat 04-09-12	In-Process 04-09-12	Total 04-09-12	FED 03-09-12
Kolhapur M	0	621	621	-
Kolhapur S	41	1111	1152	41
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Oct-12	566.3	569.2	557.1	557.4	-9
Dec-12	561.3	566.9	555	555.3	-6.8
Mar-13	558.8	560.9	548.5	548.9	-8.6

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Sept-12	3.5	1151.5	1155	1146	1152.5
Nov-12	4.5	1211	1219.5	1204	1213.5
Dec-12	2.5	1167	1175	1149.5	1167.5

Contract	Volume	Change	OI	Change
Sept-12	5270	1300	5210	-4240
Nov-12	5550	1140	5820	1070
Dec-12	1000	60	2050	210

Spread	Sept-12	Nov-12	Dec-12
Basis	-12.5		
Sept-12		61	15
Nov-12			-46

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	19.83	19.93	19.31	19.34	-0.44
Mar-13	20.5	20.69	20.08	20.11	-0.4
May-13	20.53	20.69	20.12	20.15	-0.35

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	424.00	-10.00
Raw Sugar C&F (\$/MT)	Black Sea	451.00	-10.00
Sugar White FOB (\$/MT)	Santos Port	522.50	-16.25

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Oct'12/Oct'12	131.25	1
Dec'12/Oct'12	129	3
Dec'12/Mar'13	112	2

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	20.47	0.17
Brazil Anhydrous	18.76	0.36
Brazil Hydrous	17.61	0.73

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		05-9-2012	04-9-2012	
Sugar	Delhi - Grade M	3750	3700	+50
	Delhi - Grade S	3720	3700	+20
	Delhi - Grade L	3780	3740	+40
	UP- Khatauli Grade M	3790	3750	+40
	UP- Ramala Grade M	-	-	-
	Mumbai –Grade M	3771	3766	+5
	Mumbai –Grade S	3596	3596	Unch
	Kolhapur – Grade M	3575	3550	+25
	Kolhapur – Grade S	3475	3450	+25
	Vijayawada – Grade M	4080	4080	Unch
	Vijayawada- Grade S	3900	3900	Unch
	Nagpur – Grade S	3700	3700	Unch
	Kolkata – Grade M	3780	3725	+55
	Chennai - Grade S	3660	3700	-30

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

Gur Spot Prices (Rs/Qtl)				
		05-9-2012	04-9-2012	
Muzaffar Nagar	Khurpa	2700	2670	+30
	Laddu	-	-	-
	Rascut	2788	2775	+13
	Sukha (Cold)	2850	2825	+25
	Gila	2813	2800	+13
Maharashtra	Lal Variety	3050	3000	+50
Bangalore	Achhu	3000	3000	Unch
	Mudde	3200	3200	Unch
Belgaum	Mudde	3000	-	-
Belthangadi	Yellow (Average)	2900	2900	Unch
Bijapur	Achhu	-	-	-
Gulbarga	Other (Average)	-	3219	-
Mahalingapura	Penti (Average)	2980	2880	+100
Mandya	Achhu (Medium)	2450	2450	Unch
	Kurikatu (Medium)	2250	2250	Unch
	Other (Medium)	2350	2350	Unch
	Yellow (Medium)	2400	2400	Unch
Shimoga	Achhu (Average)	3150	3150	Unch

UP Private Mills Tender Rates				
Centre	Origin/Grade	05-9-2012	04-9-2012	Change
Dorala	M-30	3700	3650	50
Mawana	M-30	3720	3670	50
Modinagar	M-30	3680	3600	80
Malakpur	M-30	3660	3580	80
Simbholi	M-30	3780	3680	100
Asamoli	M-30	3780	3670	110
Dhanora	M-30	3680	3620	60
Dhampur	M-30	-	-	-
Kinnoni	M-31	3820	3780	40
Budhana	M-31	-	-	-
Thanabhavan	M-31	-	-	-
UP Government Mills Tender Rates				
Centre	Origin/Grade	05-9-2012	04-9-2012	Change
Morna	M-30	3590	3500	90
Nanotha	M-30	3560	3480	80
Nazibabad	M-30	3560	3470	90
Sakoti	M-30	3570	3490	80
Amroha	M-30	3640	-	-
Chandpur	M-30	3620	-	-
UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	05-9-2012	04-9-2012	Change
Baghpat	M-30	3590	3500	90
Gajraula	M-30	3560	3475	85
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3560	3470	90
Maharashtra Cooperative Mills Tender Prices				
Centre	Origin/Grade	04-09-2012		
VISHWAS	M2.PP	3558		
SONHIRA	M.PP	3648		
	M.JK	3658		
SAHYADRI	S.PP	3468		
VENKATESH	S.PP	3490		
GHODGANGA	S.PP	3500		
	M.JB	3565		
RAHURI	S1.PP	3550		
	M.PP	3570		
SHRIGONDA	S.PP	3500		
	S.JB	3550		
MADHUKAR	S.PP	3461		
	M.JK	3561		

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