

Sugar & Gur Domestic & International Fundamentals

- Steady to weak sentiments recorded in key spot markets on Wednesday as markets are expecting higher sugar quota for upcoming quarter. Also, recent import forward booking of sugar at lower quotes spread bearish news in the markets.
- Food ministry not seeing more than 24.5 million tons of sugar production for the coming marketing year starting from 1st October 2012.
- Maharashtra millers sold around 1.25 lac bags of sugar on Monday including 2 rakes of around 54000 bags towards eastern side.
- In a major decision, government increase the ratio of selling molasses in the open markets to 95% from 77.5% which would spread some cheer to UP millers. Sugar mills have to sell rest 5% of molasses to the state government. Currently, prices of molasses stood at Rs 360 per quintal.
- Indian Sugar millers are importing raw sugar after the gap of two years owing to downfall of sugar prices in International arena thanks to Brazilian cane crush. Indian millers made a forward booking and buy around 450,000 tons of raw sugar from Brazil for Oct-Dec Delivery at around \$500 CIF basis. Also, increase in sugar prices in domestic markets and lower cane availability expectation to millers due to cane diversion towards fodder in the coming marketing urge them to import raw sugar from International markets at lower quotes.
- Gur prices improved today in Muzaffar nagar market. However, higher stock position of gur still left in cold storages increase the pressure to sell gur in the open markets which pressurize the prices.

Outlook:

Sugar prices are likely to move range bound with weak tone as markets are expecting higher sugar quota for upcoming quarter starting from Oct. However, government doesn't want any further increase in sugar prices and might give higher sugar quota for the coming season. In addition to it, Indian millers are importing raw sugar from Brazil that would put bearish impact on sugar prices.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Oct-12	-36	3546	3546	3515	3515
Nov-12	-41	3486	3495	3467	3470
Dec-12	-25	3393	3410	3392	3395

Contract	Volume	Change	OI	Change
Oct-12	13490	-830	25750	-1930
Nov-12	14090	2080	24610	960
Dec-12	13490	-830	25750	-1930

Spread	Oct-12	Nov-12	Dec-12
Basis	135		
Oct-12		-45	-120
Nov-12			-75

Stocks	Demat 25.9.12	In-Process 25.9.12	Total 25.9.12	FED 24.9.12
Kolhapur M	1110	0	1110	1110
Kolhapur S	990	0	990	990
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Dec-12	567	579.7	567	576.1	8.3
Mar-13	560.1	569	560.1	567.7	8.3
May-13	562.1	569.4	562.1	568	7.3

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Nov-12	-5.5	1187	1193	1177	1184
Dec-12	-4	1155.5	1156.5	1143.5	1150
Jan-13	-4	1170	1170	1157	1166

Contract	Volume	Change	OI	Change
Nov-12	4810	920	9140	810
Dec-12	1000	80	3450	0
Jan-13	110	100	230	30

Spread	Nov-12	Dec-12	Jan-12
Basis	-10		
Nov-12		-34	-18
Dec-12			16

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	19.45	19.88	19.38	19.86	0.36
Mar-13	20.25	20.75	20.19	20.72	0.45
May-13	20.35	20.77	20.35	20.76	0.4

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	439.75	+9.75
Raw Sugar C&F (\$/MT)	Black Sea	469.75	+9.75
Sugar White FOB (\$/MT)	Santos Port	534.25	+9.75

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Dec'12/Oct'12	139	1.75
Dec'12/Mar'13	120	0.25
Mar'13/Mar'13	111.75	0.5

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Dec'12	18.63	-0.28
Mar'12	18.19	-0.03
May'12	17.21	-0.03

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		9/26/2012	9/25/2012	
Sugar	Delhi - Grade M	3850	3850	Unch
	Delhi - Grade S	3800	3800	Unch
	Delhi - Grade L	3900	3920	-20
	UP- Khatauli Grade M	3860	3870	-10
	UP- Ramala Grade M	3700	3705	-5
	Mumbai –Grade M	3796	-	-
	Mumbai –Grade S	3671	-	-
	Kolhapur – Grade M	3650	3650	Unch
	Kolhapur – Grade S	3550	3550	Unch
	Vijayawada – Grade M	4070	4070	Unch
	Vijayawada- Grade S	3920	3920	Unch
	Nagpur – Grade S	3870	3870	Unch
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	3650	3650	Unch

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

Gur Spot Prices (Rs/Qtl)				
		9/26/2012	9/25/2012	
Muzaffar Nagar	Khurpa	-	-	-
	Laddu	-	-	-
	Rascut	2813	2778	+35
	Sukha (Cold)	2938	2850	+88
	Gila	2875	2888	+13
Maharashtra	Lal Variety	3200	3200	Unch
Bangalore	Achhu	3000	3200	-200
	Mudde	3100	3300	-200
Belgaum	Mudde	3200	-	-
Belthangadi	Yellow (Average)	2700	-	-
Bijapur	Achhu	-	2950	-
Gulbarga	Other (Average)	3325	3350	-25
Mahalingapura	Penti (Average)	-	-	-
Mandya	Achhu (Medium)	2600	2600	Unch
	Kurikatu (Medium)	2300	2300	Unch
	Other (Medium)	2450	2450	Unch
	Yellow (Medium)	2500	2500	Unch
Shimoga	Achhu (Average)	3150	3175	-25

UP Private Mills Tender Rates				
Centre	Origin/Grade	9/26/2012	9/25/2012	Change
Dorala	M-30	3820	3820	Unch
Mawana	M-30	3840	3840	Unch
Modinagar	M-30	3730	3730	Unch
Malakpur	M-30	-	-	-
Simbholi	M-30	3900	3900	Unch
Asamoli	M-30	3890	3890	Unch
Dhanora	M-30	3790	3790	Unch
Dhampur	M-30	-	-	-
Kinnoni	M-31	3920	3920	Unch
Budhana	M-31	-	-	-
Thanabhavan	M-31	-	-	-
UP Government Mills Tender Rates				
Centre	Origin/Grade	9/26/2012	9/25/2012	Change
Morna	M-30	3630	3630	Unch
Nanotha	M-30	3620	3620	Unch
Nazibabad	M-30	3560	3560	Unch
Sakoti	M-30	3620	3620	Unch
Amroha	M-30	3650	3650	Unch
Chandpur	M-30	3640	3640	Unch
UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	9/26/2012	9/25/2012	Change
Baghpat	M-30	3640	3640	Unch
Gajraula	M-30	3610	3610	Unch
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3610	3610	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	9/25/2012
CHANDRABHAGA	S.PP	3533.00 OPEN
BHIMA PATAS	S.PP	3528
	M.PP	3598
LOKMANGAL BHANDARKOTHE	S1.PP	3518
	S1.PP	3523.00 OPEN
LOKNATE	S.PP	3548
	M.PP	3598
SIDDHESHAWR	OLD S1.PP	3478
	S1.PP	3523
DAUND AGRO	S.PP	3530
	S1.PP	3550
ASHOK	S.PP	3570
	M.PP	3680

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