

Sugar & Gur Domestic & International Fundamentals

- Steady to weak sentiments witnessed in key spot markets of sugar today. Higher sugar quota and sluggish demand kept the prices range bound.
- UP sugar mills would start cane crushing operation after mid of November.
- The Central Government has decided to make available a quantity of 40.00 lakh tons of non-levy quota, for the months of October, 2012 and November 2012. Further, a quantity of 3.96 lakh tons of levy sugar quota, has been released for the months of October, 2012 (2.13 lakh tons) and November, 2012(1.83 lakh tons), for the Direct Allottee States.
- Sugarcane acreage has been increased by 20% in Bihar owing to handsome remuneration compared to other crops. However, sugarcane yield is likely to remain same compared to last year as reported.
- Mills in MP has announced to give Rs 215 per quintal as a cane payment to farmers which was Rs 200 per quintal last year.
- 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 declined today in Muzaffar nagar market. 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 over higher sugar quota for Oct-Nov. Recent release clearly shows that government doesn't want any further increase in sugar prices. Meanwhile, 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	15	3517	3540	3514	3539
Nov-12	-8	3457	3473	3455	3455
Dec-12	-6	3385	3395	3380	3380

Contract	Volume	Change	OI	Change
Oct-12	7480	-7360	22310	-1080
Nov-12	6560	-6100	24600	1330
Dec-12	3150	-2060	18810	120

Spread	Oct-12	Nov-12	Dec-12
Basis	61		
Oct-12		-84	-159
Nov-12			-75

Stocks	Demat	In-Process	Total	FED
	27.9.12	27.9.12	27.9.12	24.9.12
Kolhapur M	0	1485	1485	1110
Kolhapur S	0	0	0	990
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Dec-12	573.9	577.4	568.3	573.2	2.9
Mar-13	564.4	565.6	556.5	561.8	0.9
May-13	562.3	563.8	555.5	561.3	1.2

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Nov-12	-15.5	1186.5	1187.5	1167.5	1172
Dec-12	-12	1153	1153	1133	1138
Jan-13	-18	1165	1165	1144	1151

Contract	Volume	Change	OI	Change
Nov-12	5590	3370	8650	-490
Dec-12	1160	810	3560	80
Jan-13	80	40	210	-10

Spread	Nov-12	Dec-12	Jan-12
Basis	2		
Nov-12		-34	-21
Dec-12			13

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	19.42	19.79	19.31	19.6	0.03
Mar-13	20.29	20.57	20.1	20.39	0.01
May-13	20.38	20.57	20.14	20.43	unch

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	431.5	-4.25
Raw Sugar C&F (\$/MT)	Black Sea	461.5	-4.25
Sugar White FOB (\$/MT)	Santos Port	535	+8

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Dec'12/Oct'12	141.5	2.5
Dec'12/Mar'13	124	4
Mar'13/Mar'13	112.5	0.75

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Dec'12	18.54	Unch
Mar'12	18.21	Unch
May'12	17.23	Unch

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		9/28/2012	9/27/2012	
Sugar	Delhi - Grade M	3850	3850	Unch
	Delhi - Grade S	3780	3780	Unch
	Delhi - Grade L	3900	3900	Unch
	UP- Khatauli Grade M	3780	3780	Unch
	UP- Ramala Grade M	3720	3700	+20
	Mumbai –Grade M	3781	3786	-5
	Mumbai –Grade S	3656	3662	-6
	Kolhapur – Grade M	3600	3600	Unch
	Kolhapur – Grade S	3500	3500	Unch
	Vijayawada – Grade M	4100	4100	Unch
	Vijayawada- Grade S	3950	3950	Unch
	Nagpur – Grade S	3870	3870	Unch
	Kolkata – Grade M	3800	-	-
	Chennai - Grade S	3625	3675	-50

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

Gur Spot Prices (Rs/Qtl)				
		9/28/2012	9/27/2012	
Muzaffar Nagar	Khurpa	-	-	-
	Laddu	-	-	-
	Rascut	2803	2775	+28
	Sukha (Cold)	2938	2950	-12
	Gila	2900	2900	Unch
Maharashtra	Lal Variety	3200	3200	Unch
Bangalore	Achhu	3000	3000	Unch
	Mudde	3100	3100	Unch
Belgaum	Mudde	3000	3000	Unch
Belthangadi	Yellow (Average)	2700	2700	Unch
Bijapur	Achhu	2900	2925	-25
Gulbarga	Other (Average)	3300	-	-
Mahalingapura	Penti (Average)	-	2990	-
Mandya	Achhu (Medium)	2600	2600	Unch
	Kurikatu (Medium)	2300	2300	Unch
	Other (Medium)	2400	2450	-50
	Yellow (Medium)	2550	2500	+50
Shimoga	Achhu (Average)	3100	3125	-25

UP Private Mills Tender Rates				
Centre	Origin/Grade	9/28/2012	9/27/2012	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	9/28/2012	9/27/2012	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	9/28/2012	9/27/2012	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	9/27/2012
DWARAKADHISH	S.PP	3531
	S1.JB	3571.00-3575.00
LOKNETE	S.PP	3521.00-3528.00
	M.PP	3578
SANT DAMAJI	S.JB	3493.00-3511.00
	M.JB	3561.00-3571.00

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