

Sugar & Gur Domestic & International Fundamentals

- Sugar prices are moving down like anything due to sluggish demand of sugar in spot markets and strengthening Rupee gives opportunity to sugar importers to import raw sugar from abroad.
- Indian traders has made import deal of around 5000 tons of sugar from Pakistan at FOB price of \$545 per ton including import tax duty.
- Recent sugar estimate by the food ministry (~23 million tons) is very much in the range as decline in cane availability in Maharashtra and Karnataka due to decline in acreage and yield lower the cane as well as sugar production overall. Recently, Maharashtra government also lowered its sugar production estimate to 5.5 million tons from 6.5 million tons. It is notable that Agriwatch sugar production (~23.5-24 million tons) also support the food ministry production estimates.
- Sugar vessel line declined to 52 this week from 58 last week at major Brazilian ports owing to favorable weather and smooth movement of transportation of sugar from mills towards ports. Brazil has exported around 11.59 million tons of sugar in this marketing year and is expected to increase its sugar export operations in the coming months.
- Gur prices declined today in Muzaffar nagar market. Good amount of stock of gur left in the cold storages and new gur arrival in the markets depress the prices of gur in the domestic markets.
- Around 234000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 1st Oct 2012, which are 70000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 113000 bags of Chaku variety gur stored in Cold storages.

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	-78	3400	3409	3325	3329
Nov-12	-10	3337	3337	3290	3315
Dec-12	8	3296	3313	3275	3310

Contract	Volume	Change	OI	Change
Oct-12	8460	-2460	8430	-4520
Nov-12	15490	-1930	27350	260
Dec-12	6380	2140	12340	-1090

Spread	Oct-12	Nov-12	Dec-12
Basis	171		
Oct-12		-14	-19
Nov-12			-5

Stocks	Demat 04.10.12	In-Process 04.9.12	Total 04.9.12	FED 01.9.12
Kolhapur M	1485	0	1485	1485
Kolhapur S	0	0	0	-
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Dec-12	593	600	587.1	598	6.9
Mar-13	584.2	588	575.9	586.1	4.3
May-13	583.9	586.2	574.1	584.7	3.4

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Nov-12	-6.5	1156	1156	1143	1149.5
Dec-12	-1.5	1117	1124.5	1113	1119
Jan-13	-	-	-	-	-

Contract	Volume	Change	OI	Change
Nov-12	4470	-1820	9120	500
Dec-12	1320	520	3610	160
Jan-13	20	0	220	0

Spread	Nov-12	Dec-12	Jan-12
Basis	0.5		
Nov-12		-30.5	-23.5
Dec-12			7

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	21.57	21.77	21.12	21.6	0.02
Mar-13	21.5	21.69	21.11	21.56	0.04
May-13	21.4	21.6	21.08	21.49	0.05

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	457.25	-6
Raw Sugar C&F (\$/MT)	Black Sea	487.25	-6
Sugar White FOB (\$/MT)	Santos Port	562.75	-5.75

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Dec'12/Mar'13	115.25	
Mar'13/Mar'13	106	
May'13/May'13	107	

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Dec'12	18.25	
Mar'12	17.83	
May'12	17.1	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		10/05/2012	10/04/2012	
Sugar	Delhi - Grade M	3750	3820	-70
	Delhi - Grade S	3700	3750	-50
	Delhi - Grade L	3780	3870	-90
	UP- Khatauli Grade M	3800	3820	-20
	UP- Ramala Grade M	3685	3725	-45
	Mumbai –Grade M	3691	3716	-25
	Mumbai –Grade S	3556	3602	-46
	Kolhapur – Grade M	3500	3550	-50
	Kolhapur – Grade S	3400	3450	-50
	Vijayawada – Grade M	4100	4100	Unch
	Vijayawada- Grade S	3950	3950	Unch
	Nagpur – Grade S	3780	3780	Unch
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	3280	3400	-120

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

Gur Spot Prices (Rs/Qtl)				
		10/05/2012	10/04/2012	
Muzaffar Nagar	Khurpa (New)	2950	2975	-25
	Laddu	3250	3313	-63
	Rascut	2803	2803	Unch
	Sukha (Cold)	2875	2900	-25
	Gila	2800	2850	-50
Maharashtra	Lal Variety	3100	3100	Unch
Bangalore	Achhu	3000	3000	Unch
	Mudde	3100	3100	Unch
Belgaum	Mudde	2800	2800	Unch
Belthangadi	Yellow (Average)	3000	3000	Unch
Bijapur	Achhu	2900	2950	-50
Gulbarga	Other (Average)	3125	3000	+125
Mahalingapura	Penti (Average)	2980	2990	-10
Mandya	Achhu (Medium)	2600	2600	Unch
	Kurikatu (Medium)	2400	2400	Unch
	Other (Medium)	2400	2400	Unch
	Yellow (Medium)	2550	2550	Unch
Shimoga	Achhu (Average)	3125	3100	+25

UP Private Mills Tender Rates				
Centre	Origin/Grade	10/5/2012	10/4/2012	Change
Dorala	M-30	3690	3750	-60
Mawana	M-30	3730	3800	-70
Modinagar	M-30	3680	3730	-50
Malakpur	M-30	-	-	-
Simbholi	M-30	3830	3880	-50
Asamoli	M-30	3810	3860	-50
Dhanora	M-30	3690	3760	-70
Dhampur	M-30	-	-	-
Kinnoni	M-31	3940	4000	-60
Budhana	M-31	-	-	-
Thanabhavan	M-31	-	-	-
UP Government Mills Tender Rates				
Centre	Origin/Grade	10/5/2012	10/4/2012	Change
Morna	M-30	3560	3650	-90
Nanotha	M-30	3550	3640	-90
Nazibabad	M-30	3550	3640	-90
Sakoti	M-30	3560	3650	-90
Amroha	M-30	-	3710	-
Chandpur	M-30	-	3700	-
UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	10/5/2012	10/4/2012	Change
Baghpat	M-30	3570	3670	-100
Gajraula	M-30	3560	3640	-80
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3580	3640	-60

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	10/4/2012
MULA	S.PP-S1.PP	3411.00-3451.00
	M.JB	3530
SANJIVANI	S.JB	3525.00-3530.00
	M.JB	3586
SADASHIV	S.JB	3451
	M.JB	3460.00-3465.00

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