

Sugar & Gur Domestic & International Fundamentals

- Downward movement of sugar prices continued owing to higher selling pressure of sugar on millers.
- Sugar prices are likely to continue its downward movement in spot markets as higher non-levy sugar quota released by government should depress the prices. However, long term outlook seems bullish due to increasing sugar demand Y-o-Y and lower sugar production in 2012-13.
- Pakistan continued to release sugar in the foreign markets. Recently it allowed around 2 lac tons of sugar exports at competitive rates on top of the 3 lac tons sugar export permits previously. Pakistan wants to reduce its sugar surplus.
- According to Agriwatch expectation, India is likely to import around 1 million tons of sugar imports in 2012-13 marketing year considering downward trend in international sugar arena. In addition to it, expected increase in sugar prices in the domestic markets and global surplus of sugar globally might increase the sugar import parity for Indian importers for the coming year. Also, lower cane availability to various mills situated near to coastal regions bound them to go for imports.
- Prices of gur trade steady to firm in today's trading session in Muzaffar nagar spot markets.
- Gur Manufacturers from UP are trying to move their unit from UP towards MP due to lower cane cost and higher gur recovery from cane from MP sugarcane as reported. Lower units of gur manufacturers in UP might led the gur prices upwards for the short term.
- Around 157000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 10th Oct 2012, which are 50000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 60000 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	28	3373	3420	3373	3391
Nov-12	30	3321	3360	3320	3356
Dec-12	34	3315	3344	3303	3334

Contract	Volume	Change	OI	Change
Oct-12	100	-400	6870	-50
Nov-12	11550	2630	30000	-1190
Dec-12	4260	570	14110	-220

Spread	Oct-12	Nov-12	Dec-12
Basis	29		
Oct-12		-35	-57
Nov-12			-22

Stocks	Demat	In-Process	Total	FED
	09.10.12	09.10.12	09.10.12	08.10.12
Kolhapur M	1749	0	1749	1749
Kolhapur S	0	0	0	-
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Dec-12	596.5	602.3	596.5	598.3	3.3
Mar-13	584.6	587.4	580	581.1	-1
May-13	583.6	585.5	579.1	580.4	-0.2

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Nov-12	15.5	1166	1182	1161.5	1177.5
Dec-12	9.5	1129.5	1139	1129	1137
Jan-13	3.5	1140	1146	1139	1140

Contract	Volume	Change	OI	Change
Nov-12	6980	2770	8930	-670
Dec-12	1610	510	3550	-50
Jan-13	60	20	220	-10

Spread	Nov-12	Dec-12	Jan-12
Basis	-17.5		
Nov-12		-40.5	-37.5
Dec-12			3

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-13	21.42	21.74	21.38	21.47	0.05
May-13	21.32	21.59	21.28	21.35	0.01
Jul-13	21.26	21.48	21.22	21.27	-0.01

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	455.50	-3.25
Raw Sugar C&F (\$/MT)	Black Sea	456.50	-3.25
Sugar White FOB (\$/MT)	Santos Port	455.00	+0.75

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-Oct-12	9-Oct-12	
Sugar	Delhi - Grade M	3650	3700	-50
	Delhi - Grade S	3600	3650	-50
	Delhi - Grade L	-	-	-
	UP- Khatauli Grade M	3680	3690	-10
	UP- Ramala Grade M	3605	3602	Unch
	Mumbai –Grade M	3686	3691	+5
	Mumbai –Grade S	3536	3546	-10
	Kolhapur – Grade M	3420	3420	Unch
	Kolhapur – Grade S	3320	3320	Unch
	Vijayawada – Grade M	3940	3940	Unch
	Vijayawada- Grade S	3780	3780	Unch
	Nagpur – Grade S	3680	3650	+30
	Kolkata – Grade M	3780	3785	-5
	Chennai - Grade S	3325	-	-

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

Gur Spot Prices (Rs/Qtl)

		10-Oct-12	9-Oct-12	
Muzaffar Nagar	Khurpa	3025	3000	+25
	Laddu	3350	3350	Unch
	Rascut	2750	2763	-13
	Sukha (Cold)	2900	2900	Unch
	Gila	2825	2825	Unch
Maharashtra	Lal Variety	3100	3100	Unch
Bangalore	Achhu	3000	3000	Unch
	Mudde	3100	3100	Unch
Belgaum	Mudde	3000	-	-
Belthangadi	Yellow (Average)	2950	2950	Unch
Bijapur	Achhu	-	2825	-
Gulbarga	Other (Average)	2975	3000	-25
Mahalingapura	Penti (Average)	3150	3100	+50
Mandya	Achhu (Medium)	2600	2600	Unch
	Kurikatu (Medium)	2400	2400	Unch
	Other (Medium)	2400	2400	Unch
	Yellow (Medium)	2550	2550	Unch
Shimoga	Achhu (Average)	3150	3150	Unch

UP Private Mills Tender Rates				
Centre	Origin/Grade	10-Oct-12	9-Oct-12	Change
Dorala	M-30	3600	3615	-15
Mawana	M-30	3560	3660	-100
Modinagar	M-30	3550	3590	-40
Malakpur	M-30	-	-	-
Simbholi	M-30	3700	3750	-50
Asamoli	M-30	3670	3720	-50
Dhanora	M-30	3580	3630	-50
Dhampur	M-30	-	-	-
Kinnoni	M-31	3840	3860	-20
Budhana	M-31	-	-	-
Thanabhavan	M-31	-	-	-

UP Government Mills Tender Rates				
Centre	Origin/Grade	10-Oct-12	9-Oct-12	Change
Morna	M-30	3460	3500	-40
Nanotha	M-30	3450	3490	-40
Nazibabad	M-30	3450	3490	-40
Sakoti	M-30	3440	3500	-60
Amroha	M-30	-	-	-
Chandpur	M-31	-	-	-

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	10-Oct-12	9-Oct-12	Change
Baghpat	M-30	3460	3510	-50
Gajraula	M-30	3440	3490	-50
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3440	3490	-50

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	9-Oct-12
VIGHNAHAR	S.PP	3383
	M.PP	3435
SHRIGONDA	S.PP	3375
	S.JB	3433
BIDRI	S.PP	3348
	M.PP	3448.00 OPEN
DAUND	S.PP	3380
	S1.PP	3400.00 OPEN
INDAPUR	S.JB	3368
	M.JB	3378
BHIMA PATAS	S.PP	3368
	M.PP	3408.00 OPEN
MALINAGAR	S.JK	3358

RAHURI	S1.PP	3415
	M.PP	3455.00 OPEN
VENKATESH	S.PP	3370.00 OPEN
KUKADI	S.PP	3380
	M.PP	3410
MULA	S.PP	3360
	S1.PP	3440
SANJIVANI	S.PP	3380
	M.PP	3410
DATT SHIROL	S1.PP	3377.00 OPEN
RAYAT	S.JB	3465
	M.JB	3600
KAGAL	S.PP	3430

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