

Sugar & Gur Domestic & International Fundamentals

- Mixed sentiments recorded in key spot markets of sugar today as markets couldn't find adequate cues to decide the prices either side.
- International raw sugar prices fall below 20 cents per lb and close at 19.85 cents/lb front month contract.
- Government decision to continue sugar export policy for 2012-13 might prove wrong as domestic sugar prices might test Rs.4000/Quintal level in the coming year supported by lower sugar production and 2.2% growth of sugar consumption Y-o-Y which might restrict the sugar exports. In addition to it, global sugar surplus owing to expected higher production in Thailand and Brazil might kept the prices in a range which kept the Indian sugar exporters out of the market as they wouldn't find export parity.
- Thai white sugar premium improved from \$20 to \$40 per ton owing to expected demand of sugar from Asian countries at lower quotes. However, no deals of sugar have been reported till yet in this week.
- Dataagro sees 545-575 million tons of Brazilian cane output for 2013-14 season.
- Continuous higher arrivals of gur kept the prices of gur weak in Muzaffar nagar market as reported. Raid by government officials to curb the gur trade out of the mandi increase the fear among traders and led the increase in arrivals in the gur mandi.
- Around 96000 bags (40 kg each) of Gur has been stored in Muzaffar nagar cold storage till 15th Oct 2012, which are 26000 bags higher compared to same period in last year, stock position. Out of total gur stock position, there are around 21000 bags of Chaku variety gur stored in Cold storages. This week around 61000 bags of gur has been lifted which increase the prices of gur last week.

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 Future Quotes:

Contract	+/-	Open	High	Low	Close
Oct-12	18	3460	3510	3420	3482
Nov-12	-22	3375	3379	3340	3340
Dec-12	-18	3340	3343	3313	3315

Contract	Volume	Change	OI	Change
Oct-12	150	130	1940	-1340
Nov-12	8430	-2260	32600	-1840
Dec-12	2050	-1090	16300	550

Spread	Oct-12	Nov-12	Dec-12
Basis	18		
Oct-12		-142	-167
Nov-12			-25

Stocks	Demat 15.10.12	In-Process 15.10.12	Total 15.10.12	FED 15.10.12
Kolhapur M	2971	0	2971	2971
Kolhapur S	492	0	492	492
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Dec-12	559.5	559.5	553.5	554.3	-3.5
Mar-13	547.1	547.6	541.9	542.8	-4
May-13	547.9	547.9	544.1	544.8	-2.9

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Nov-12	6.5	1158.5	1162	1154	1161.5
Dec-12	5.5	1122	1125	1116.5	1125
Jan-13	-4.5	1139.5	1139.5	1136.5	1136.5

Contract	Volume	Change	OI	Change
Nov-12	2910	-1380	8580	-230
Dec-12	710	-760	3730	-60
Jan-13	30	30	220	10

Spread	Nov-12	Dec-12	Jan-12
Basis	108.5		
Nov-12		-36.5	-25
Dec-12			11.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-13	20.11	20.14	19.81	19.85	-0.2
May-13	19.99	20.06	19.77	19.79	-0.21
Jul-13	19.95	19.98	19.71	19.74	-0.19

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	426.00	+3.75
Raw Sugar C&F (\$/MT)	Black Sea	457.00	+3.75
Sugar White FOB (\$/MT)	Santos Port	538.00	+4.75

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Dec'12/Mar'13	122.50	
Mar'13/Mar'13	105.50	
May'13/May'13	106	

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Dec'12	19.18	
Mar'12	17.48	
May'12	16.83	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		16-Oct-12	15-Oct-12	
Sugar	Delhi - Grade M	3710	3700	+10
	Delhi - Grade S	3620	3650	-30
	Delhi - Grade L	-	3720	-
	UP- Khatauli Grade M	3690	3680	+10
	UP- Ramala Grade M	3540	3538	+2
	Mumbai –Grade M	3726	3736	-10
	Mumbai –Grade S	3571	3581	-10
	Kolhapur – Grade M	3500	3500	Unch
	Kolhapur – Grade S	3400	3400	Unch
	Vijayawada – Grade M	3940	3940	Unch
	Vijayawada- Grade S	3780	3780	Unch
	Nagpur – Grade S	3720	3700	+20
	Kolkata – Grade M	3780	3750	+30
	Chennai - Grade S	3550	3550	Unch

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

Gur Spot Prices (Rs/Qtl)

		16-Oct-12	15-Oct-12	
Muzaffar Nagar	New Chaku	3175	3188	-13
	Chaku Sukha (Cold)	2900	2850	+50
	Chaku Gila (Cold)	2875	-	-
	Khurpa	2900	2825	+75
	Laddu	3125	3150	-25
	Rascut	2750	2725	+25
Maharashtra	Lal Variety	3200	3200	Unch
Bangalore	Achhu	3000	-	-
	Mudde	3100	-	-
Belgaum	Mudde	-	-	-
Belthangadi	Yellow (Average)	2900	-	-
Bijapur	Achhu	3000	-	-
Gulbarga	Other (Average)	-	-	-
Mahalingapura	Penti (Average)	3210	-	-
Mandya	Achhu (Medium)	2850	-	-
	Kurikatu (Medium)	2400	-	-
	Other (Medium)	2450	-	-
	Yellow (Medium)	2750	-	-
Shimoga	Achhu (Average)	3050	-	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	16-Oct-12	15-Oct-12	Change
Dorala	M-30	3570	3570	Unch
Mawana	M-30	3640	3640	Unch
Modinagar	M-30	3580	3580	Unch
Malakpur	M-30	-	-	-
Simbholi	M-30	3700	3700	Unch
Asamoli	M-30	3680	3680	Unch
Dhanora	M-30	3590	3590	Unch
Dhampur	M-30	-	-	-
Kinnoni	M-31	3850	3850	Unch
Budhana	M-31	-	-	-
Thanabhavan	M-31	-	-	-

UP Government Mills Tender Rates				
Centre	Origin/Grade	16-Oct-12	15-Oct-12	Change
Morna	M-30	3430	3430	Unch
Nanotha	M-30	3420	3420	Unch
Nazibabad	M-30	3420	3420	Unch
Sakoti	M-30	3420	3420	Unch
Amroha	M-30	-	-	-
Chandpur	M-31	-	-	-

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	16-Oct-12	15-Oct-12	Change
Baghpat	M-30	3440	3440	Unch
Gajraula	M-30	3420	3420	Unch
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3420	3420	Unch

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