

Sugar & Gur Domestic & International Fundamentals

- Sugar prices declined in key spot markets on Wednesday.
- Bihar government lease out 7 seven sick sugar mills to the private sector.
- Government of India warns sugar millers not to obstruct the sugar supply during festive season in the open market. It is notable that demand usually increase of sugar in festive seasons like Diwali etc.
- 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.
- 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	-34	3431	3445	3431	3431
Nov-12	4	3350	3350	3330	3345
Dec-12	-1	3310	3317	3303	3315

Contract	Volume	Change	OI	Change
Oct-12	300	150	1340	-600
Nov-12	4880	-3550	32950	350
Dec-12	1700	-350	16280	-20

Spread	Oct-12	Nov-12	Dec-12
Basis	19		
Oct-12		-86	-116
Nov-12			-30

Stocks	Demat 16.10.12	In-Process 16.10.12	Total 16.10.12	FED 15.10.12
Kolhapur M	2971	268	3239	2971
Kolhapur S	492	0	492	492
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Dec-12	557.6	562.8	554	557.9	3.6
Mar-13	546.2	550.8	543.1	546.4	3.6
May-13	548.9	551.3	545.1	549	4.2

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Nov-12	5.5	1163	1166	1156.5	1166
Dec-12	3.5	1124	1127	1120.5	1125.5
Jan-13	2	1138	1140.5	1136.5	1140

Contract	Volume	Change	OI	Change
Nov-12	3080	170	8460	-120
Dec-12	570	-140	3690	-40
Jan-13	110	80	250	30

Spread	Nov-12	Dec-12	Jan-12
Basis	94		
Nov-12		-40.5	-26
Dec-12			14.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-13	19.88	20.23	19.87	20.17	0.32
May-13	19.85	20.13	19.82	20.08	0.29
Jul-13	19.88	20.1	19.76	19.98	0.24

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	429.00	+3
Raw Sugar C&F (\$/MT)	Black Sea	460.00	+3
Sugar White FOB (\$/MT)	Santos Port	539.5	+1.5

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Dec'12/Mar'13	116.5	-6
Mar'13/Mar'13	104.75	-0.75
May'13/May'13	108	2

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Dec'12	19.55	0.37
Mar'12	17.29	-0.19
May'12	16.65	-0.18

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		17-Oct-12	16-Oct-12	
Sugar	Delhi - Grade M	3680	3710	-30
	Delhi - Grade S	3600	3620	-20
	Delhi - Grade L	3615	-	-
	UP- Khatauli Grade M	3680	3690	-10
	UP- Ramala Grade M	3530	3540	-10
	Mumbai –Grade M	3718	3726	-8
	Mumbai –Grade S	3591	3571	-10
	Kolhapur – Grade M	3450	3500	-50
	Kolhapur – Grade S	3350	3400	-50
	Vijayawada – Grade M	3920	3940	-20
	Vijayawada- Grade S	3750	3780	-30
	Nagpur – Grade S	3720	3720	Unch
	Kolkata – Grade M	-	3780	-
	Chennai - Grade S	3450	3550	-100

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

Gur Spot Prices (Rs/Qtl)

		17-Oct-12	16-Oct-12	
Muzaffar Nagar	New Chaku	3150	3175	-25
	Chaku Sukha (Cold)	2938	2900	+38
	Chaku Gila (Cold)	2875	2875	Unch
	Khurpa	2900	2900	Unch
	Laddu	3125	3125	Unch
	Rascut	2725	2750	-25
Maharashtra	Lal Variety	3200	3200	Unch
Bangalore	Achhu	3000	3000	Unch
	Mudde	3100	3100	Unch
Belgaum	Mudde	2800	-	-
Belthangadi	Yellow (Average)	3000	2900	+100
Bijapur	Achhu	-	3000	-
Gulbarga	Other (Average)	-	-	-
Mahalingapura	Penti (Average)	3240	3210	+30
Mandya	Achhu (Medium)	2850	2850	Unch
	Kurikatu (Medium)	2400	2400	Unch
	Other (Medium)	2450	2450	Unch
	Yellow (Medium)	2750	2750	Unch
Shimoga	Achhu (Average)	3050	3050	Unch

UP Private Mills Tender Rates				
Centre	Origin/Grade	17-Oct-12	16-Oct-12	Change
Dorala	M-30	3590	3570	20
Mawana	M-30	3670	3640	30
Modinagar	M-30	3550	3580	-30
Malakpur	M-30	3550	-	-
Simbholi	M-30	3720	3700	20
Asamoli	M-30	3680	3680	Unch
Dhanora	M-30	3590	3590	Unch
Dhampur	M-30	-	-	-
Kinnoni	M-31	3900	3850	50
Budhana	M-31	-	-	-
Thanabhavan	M-31	-	-	-

UP Government Mills Tender Rates				
Centre	Origin/Grade	17-Oct-12	16-Oct-12	Change
Morna	M-30	3420	3430	-10
Nanotha	M-30	3410	3420	-10
Nazibabad	M-30	3410	3420	-10
Sakoti	M-30	3420	3420	Unch
Amroha	M-30	-	-	-
Chandpur	M-31	-	-	-

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	17-Oct-12	16-Oct-12	Change
Baghpat	M-30	3430	3440	-10
Gajraula	M-30	3410	3420	-10
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3410	3420	-10

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	16-Oct-12
BHIMA PATAS	S.PP	3408.00 OPEN
PRAVARA	M.JK	3522.00 OPEN
INDAPUR	S.JB	3398
	M.JB	3423
KRISHNA ATHANI	S1.PP	3383
UGAR	S1.PP	3435
	S2.PP	3420
SONHIRA	M.JK	3538.00 OPEN
SAHYADRI	S2.PP	3418.00 OPEN
	M.PP-JB	3480.00-3500.00
SANJIVANI	S.PP	3430.00-3440.00
	M.JB	3565
MAHISGAON	S.PP	3440
	M.PP	3490.00 OPEN

MULA	S.JK-S1.PP	3430.00-3470.00
	M.PP-JB	3520.00-3550.00
MADHUKAR	M.JK	3585.00 OPEN

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