

Sugar & Gur Domestic & International Fundamentals

- Steady to weak sentiments recorded in key sugar spot markets on Saturday.
- Maharashtra has produced 19.79 lac tons of sugar till date in this season starting from Oct 1 2012 with an average recovery of 10.02% which that is higher from last year sugar production (~18.93 lac tons) at same period.
- Russia produced 4.261 million metric tonnes of refined sugar from domestically harvested beet to Dec. 17, compared with 4.333 million tonnes on the same date last year.
- Iran has issued a tender to buy minimum 50000 tons of white sugar from all origins. Closing date of the tender is 29th December, according to the Iraqi trade ministry.
- Government will reduce carryover period for unsold levy sugar to six months from present 24 months. It would give some respite to the millers. If government agencies failed to lift the stock in the mentioned time period then mills can sold it in the open market.
- Government has permitted 10000 tons of sugar exports to EU in the current marketing year 2012-13. It is notable that under a WTO rule, India has to export 10000 tons of sugar to EU annually.
- Higher sugar output in Brazil led the buyers getting good discount. Raw sugar premium was offered at a discount of 0.55 cents to the price of March ICE contract.
- Pakistan has allowed 5 lac tons of sugar export without putting any quantitative restrictions on mills. Exporters need to export sugar within 90 days after registering for exports.
- Gur prices declined sharply today owing to higher arrivals in Muzaffar nagar spot mandi..
- It is notable that availability of cane in Maharashtra is pretty less this year which might affect the gur production. Also, shift of various jaggery producing units from UP to MP likely to downgrade gur production. Long term prospects of gur became bullish after considering above facts.

Outlook:

Sugar prices are steady at the moment and waiting for some cues. However, severe downside from this level not seems possible as imported raw sugar and domestic prices are close enough.

NCDEX Sugar Future Quotes:

Contract	+/-	Open	High	Low	Close
Jan-13	0	3259.00	3270.00	3259.00	3265.00
Feb-13	2	3303.00	3311.00	3303.00	3310.00
Mar-13	3	3354.00	3360.00	3354.00	3360.00

Contract	Volume	Change	OI	Change
Jan-13	2,630	3,480	26950	1010
Feb-13	500	910	16800	40
Mar-13	110	300	6210	0

Spread	Jan-13	Feb-13	Mar-13
Basis	35		
Jan-13		-45	-50
Feb-13			53

Stocks	Demat	In-Process	Total	FED
	21.12.12	21.12.12	21.12.12	17.12.12
Kolhapur M(old)	13690	0	13690	14295
Kolhapur S(old)	369	0	369	315
Kolhapur S(New)	927	0	927	900
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
13-Mar	19.23	19.35	19.08	19.25	unch
13-May	19.4	19.47	19.22	19.4	0.04
13-Jul	19.47	19.62	19.37	19.56	0.07

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Jan-13	5	1110.00	1117.50	1110.00	1114.50
March-13	2	1136.50	1142.00	1136.50	1138.50
July-13	5	1249.5	1249.5	1246	1246

Contract	Volume	Change	OI	Change
Jan-13	2,170	1,430	5540	200
March-13	1,910	1,640	8820	-400
July-13	110	80	580	30

Spread	Jan-13	Mar-13	July-13
Basis	-59		
Jan-13		27.5	133
Feb-13			105.5

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
1-Mar	516.5	520	515.4	518.3	2.1
1-May	521.4	523.8	520.2	523	1.7
1-Aug	525.2	527.8	523	526.7	2.1

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	412.00	+3.25
Raw Sugar C&F (\$/MT)	Black Sea	441.00	+3.25
Sugar White FOB (\$/MT)	Santos Port	493.00	-6.75

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Mar'13/Mar'13	93.5	0.75
May'13/May'13	96	-0.25
Aug'13/July'13	96.5	-1

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Dec'12	18.42	0.09
Mar'12	19.69	-0.12
May'12	17.92	-0.11

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		22-Dec-12	21-Dec-12	
Sugar	Delhi - Grade M	3460	3450	+10
	Delhi - Grade S	3400	3400	Unch
	Delhi - Grade L	3485	3480	+5
	UP- Khatauli Grade M	-	-	-
	UP- Ramala Grade M	3205	3205	Unch
	Mumbai –Grade M	3526	3526	Unch
	Mumbai –Grade S	3351	3351	Unch
	Kolhapur – Grade M	3300	3300	Unch
	Kolhapur – Grade S	3200	3200	Unch
	Vijayawada – Grade M	3680	3680	Unch
	Vijayawada- Grade S	3560	3560	Unch
	Nagpur – Grade S	3450	3450	Unch
	Kolkata – Grade M	-	-	-
	Chennai - Grade S	3200	3200	Unch

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

Gur Spot Prices (Rs/Qtl)

		22-Dec-12	21-Dec-12	
Muzaffar Nagar	Chaku New	2650	2625	+25
	Arrival(Chaku New)	10000	15000	-5000
	Khurpa	2475	2450	+25
	Laddu	2550	2538	+12
	Rascut	-	-	-
Maharashtra	Lal Variety	2800	2800	Unch
Maharashtra	Kolhapur	3300	3300	Unch
Bangalore	Achhu	3400	3400	Unch
	Mudde	3500	3500	Unch
Belgaum	Mudde	-	3000	-
Belthangadi	Yellow (Average)	-	3200	-
Bijapur	Achhu	2880	3000	-120

Gulbarga	Other (Average)	-	2760	-
Mahalingapura	Penti (Average)	-	2940	-
Mandya	Achhu (Medium)	-	2700	-
	Kurikatu (Medium)	-	2500	-
	Other (Medium)	-	2550	-
	Yellow (Medium)	-	2650	-
Shimoga	Achhu (Average)	3375	3375	Unch

UP Private Mills Tender Rates				
Centre	Origin/Grade	22-Dec-12	21-Dec-12	Change
Dorala	M-30	3440	3440	Unch
Mawana	M-30	3460	3460	Unch
Modinagar	M-30	3385	3385	Unch
Malakpur	M-30	3355	3355	Unch
Simbholi	M-30	3520	3520	Unch
Asamoli	M-30	3510	3510	Unch
Dhanora	M-30	3390	3390	Unch
Dhampur	M-30	3380	3380	Unch
Kinnoni	M-31	3595	3595	Unch
Budhana	M-31	3495	3495	Unch
Thanabhavan	M-31	3495	3495	Unch

UP Government Mills Tender Rates				
Centre	Origin/Grade	22-Dec-12	21-Dec-12	Change
Nazibabad	M-30	3095	3095	Unch
Sakoti	M-30	-	-	-
Amroha	M-30	-	-	-
Chandpur	M-31	3350	3350	Unch

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	22-Dec-12	21-Dec-12	Change
Baghpat	M-30	3215	3215	Unch
Gajraula	M-30	3115	3115	Unch
BulandShahar	M-30	-	-	-
Anupshahar	M-30	3100	3100	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	21-Dec-12
AADINATH	S.PP	3153
VENKATESH	M.PP	3250
GHODGANGA	OLD S.PP	3155
	S.PP	3175
DAUND AGRO	S.JK	3180
	S1.PP	3185
MANJARA	OLD S.PP	3108.00 OPEN
	S.PP	3111.00-3115.00
WARANA	S1.PP	3188.00 OPEN

	S2.PP	3183.00 OPEN
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