

Sugar & Gur Domestic & International Fundamentals:

- Sugar prices continued to surge today in spot market. Heavy buying of stocks, in view of increased demand in this festive season.
- Prices of sugar moved upwards ahead of VAT notification by the government, which is planning to implement 5.5 percent tax on sugar. This is going to further increase the price, also supported by seasonal demand.
- Poor rainfall has hit sugar cane production in Maharashtra and Karnataka, and the price on the local market has reached an 18-month high.
- Empowered Committee on Economic Affairs (CCEA) has increased Fair and Remunerative Price (FRP) to Rs170/quintal for 2012-13 from Rs 145/quintal last year. CCEA has raised the statutory minimum price for sugarcane by 17.25% to pay off farmers for rising cultivation costs. Increased FRP may not cover entire cost of production (especially labour and diesel costs) due to this farmers may suffer from losses. Sugarcane producers wait for the state advised price (SAP) is announced later by Uttar Pradesh, Punjab and Tamil Nadu, the FRP as its base.
- According to Agriculture department of Rajasthan Sugarcane has been planted in 5.4 thousand hectares so far. Sugarcane has been planted in 0.3 thousand hectares less than that in 2011-12.
- Sugarcane has been planted in 52.81 lac.hectares so far. Sugarcane has been planted in 2.02 lakh hectares more than that in 2011-12. (Source: Pib)
- Around 1084000 bags (40 kg each) has been stored in Muzaffar nagar cold storage till 23rd July 2012 which are 977000 bags higher compared to last year same period stock position of gur. Out of total gur stock position, there are around 750000 bags of Chaku variety and 121000 bags of Papdi variety gur stored in Cold storages.

Outlook:

Sugar prices at NCDEX witnessed dull tone on profit booking while cash market remains up on strong fundamentals. However, gur prices are moving range bound but likely to surge in the coming days due to depleting Gur stock position in the cold storages.

NCDEX Sugar Futures

Contract	+/-	Open	High	Low	Close
Aug-12	-54	3369	3395	3273	3355
Sept-12	-70	3445	3463	3325	3424
Oct-12	-87	3500	3510	3372	3487

Contract	Volume	Change	OI	Change
Aug-12	46400	11020	35450	-1760
Sept-12	29570	11760	31840	3020
Oct-12	4770	1970	11010	880

Spread	Aug-12	Sept-12	Oct-12
Basis	195		
Aug-12		69	
Sept-12			63

Stocks	Demat	In-Process	Total	FED
	21-07-12	21-07-12	21-07-12	16-07-12
Kolhapur M	1518	0	1518	2247
Kolhapur S	34	0	34	34
Sangli S	-	-	-	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Oct-12	636.3	652.1	635.7	650.5	14.2
Dec-12	612.4	626.1	611	624.2	11.2
Mar-13	614.4	626.7	612.3	624.2	10.1

NCDEX Gur Futures:

Contract	+/-	Open	High	Low	Close
Sept-12	-19	1312	1314	1290	1315
Nov-12	-8.5	1190	1195	1182	1196.5
Dec-12	10	1170	1170	1169.5	1159.5

Contract	Volume	Change	OI	Change
Sept-12	12040	-3460	12650	-1070
Nov-12	550	-40	1360	20
Dec-12	20	-200	510	10

Spread	Sept-12	Nov-12	Dec-12
Basis	-105		
Sept-12		-118.5	
Nov-12			-37

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-12	23.25	23.99	23.08	23.92	0.67
Mar-13	23.48	24.1	23.43	23.98	0.4
May-13	23.12	23.54	23.07	23.29	0.09

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	530.25	+8.75
Raw Sugar C&F (\$/MT)	Black Sea	571.25	+8.75
Sugar White FOB (\$/MT)	Santos Port	618.50	+8.70

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Oct'12/Oct'12	123	-0.5
Dec'12/Oct'12	95	-6.25
Dec'12/Mar'13	93.25	-1.25

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Commodity	Price	Change
Brazil Domestic Sugar	21.91	0.25
Brazil Anhydrous	19.31	0.02
Brazil Hydrous	17	0.02

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		23-7-2012	21-7-2012	
Sugar	Delhi - Grade M	3560	3500	+60
	Delhi - Grade S	3490	-	-
	Delhi - Grade L	3570	3550	+20
	UP- Khatauli Grade M	3660	3680	-20
	UP- Ramala Grade M	3490	-	-
	Mumbai –Grade M	3591	3521	+70
	Mumbai –Grade S	3491	3436	+55
	Kolhapur – Grade M	3550	3500	+50
	Kolhapur – Grade S	3450	3350	+100
	Vijayawada – Grade M	3730	3660	+70
	Vijayawada- Grade S	3620	3550	+70
	Nagpur – Grade S	3600	3500	+100
	Kolkata – Grade M	-	3490	-
	Chennai - Grade S	3425	3350	+75

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

Gur Spot Prices (Rs/Qtl)				
		23-7-2012	21-7-2012	
Muzaffar Nagar	Khurpa	3200	3200	Unch
	Laddu	-	-	-
	Rascut	2963	2963	Unch
	Sukha (Cold)	3025	3038	-13
	Gila	2975	2975	Unch
Maharashtra	Lal Variety	3150	3100	+50
Bangalore	Achhu	-	3050	-
	Mudde	-	3200	-
Belgaum	Mudde	-	-	-
Belthangadi	Yellow (Average)	-	2800	-
Bijapur	Achhu	-	2800	-
Gulbarga	Other (Average)	-	2875	-
Mahalingapura	Penti (Average)	-	-	-
Mandya	Achhu (Medium)	-	2600	-
	Kurikatu (Medium)	-	2300	-
	Other (Medium)	-	2450	-
	Yellow (Medium)	-	2450	-
Shimoga	Achhu (Average)	-	-	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	23-7-2012	21-7-2012	Change
Dorala	M-30	3540	3440	100
Mawana	M-30	3550	3450	100
Modinagar	M-30	3520	3400	120
Malakpur	M-30	3500	3390	110
Simbholi	M-30	3620	3500	120
Asamoli	M-30	3600	3480	120
Dhanora	M-30	3540	3380	160
Dhampur	M-30	3530	3360	170
Kinnoni	M-31	3660	3570	90
Budhana	M-31	3550	3450	100
Thanabhavan	M-31	3540	3440	100
UP Government Mills Tender Rates				
Centre	Origin/Grade	23-7-2012	21-7-2012	Change
Morna	M-30	3410	3330	80
Nanotha	M-30	3380	3300	80
Nazibabad	M-30	3380	3300	80
Sakoti	M-30	3400	3340	60
Amroha	M-30	3430	3350	80
Chandpur	M-30	3430	3330	100
UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	23-7-2012	21-7-2012	Change
Baghpat	M-30	3410	3330	80
Gajraula	M-30	3380	3300	80
BulandShahar	M-30	3420	3340	80
Anupshahar	M-30	3370	3310	60

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	21-07-2012
MANJARA	S1.PP	3410.00-3421.00
DATT SHIROL	S1.PP	3425
DAUND AGRO	S.PP	3425
SAMARTH	S.PP	3451
D.Y.PATIL	S.PP	3350
SHARAD	S1.PP	3383
	M.PP	3450
PRAVARA	S1.PP	3441
AMBEDKAR	S1.PP	3341.00-3375.00
	S1.JK	3351.00-3385.00

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