

Sugar & Gur Domestic & International Fundamentals

- Steady to weak sentiments recorded in key sugar spot markets on Monday.
- Presently, government is not in a mood to hike import duty on both raw as well as white sugar, as per the news sources. This news might depress the sugar prices further in spot as well in future market.
- Declining sugar prices in International arena gives domestic refineries an opportunity to make profit by importing cheap raw sugar and refined it which become cheaper compared to domestic sugar prices.
- Shree Renuka Sugars begged 1.5 million tons capacity per year captive berth at Kandla port to reduce the transportation cost by handling large size Panamax vessels. It is notable that Shree Renuka Sugars has sugar refinery unit near to Kandla port which has the capacity of 3000 tons per day. Company is looking forward to handle 1 million tons raw sugar and around 2.5 lac tons of coal to fuel its facilities. This move helps a lot to SRS to increase its raw sugar import from its Brazil sugar unit. It is notable that around 7-8 lac tons of raw sugar imports already imported from Brazil by SRS as reported.
- Karnataka produced 15.84 lac tons of sugar after crushing 159.75 lac tons cane with an average recovery of 9.91% till 15th December 2012. However, existing production figures are higher compared to last year same period which stood at 13.39 lac tons with an average recovery of 10.59%.
- Thailand sugar production reached 2 million ton mark till December 2012 which is lower from 2.190 million tons, raw value, produced last year same period.
- Gur prices steady today owing to increase in gur arrivals in Muzaffar nagar market.
- Meanwhile, prices of gur should remain range bound in the coming week. However, we are expecting a sharp hike in gur prices after Makar Sakranti due to expected demand. Also, lower cane production in Maharashtra kept the gur production at lower side this year.

Outlook:

Sugar prices are moving down like anything. Meanwhile, 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	-3	3214	3225	3207	3210
Feb-13	-5	3276	3282	3261	3268
Mar-13	-6	3308	3308	3290	3294

Contract	Volume	Change	OI	Change
Jan-13	5260	-990	12340	-1150
Feb-13	7290	-80	29790	400
Mar-13	1080	100	8110	160

Spread	Jan-13	Feb-13	Mar-13
Basis	-10		
Jan-13		58	84
Feb-13			26

Stocks	Demat	In-Process	Total	FED
	05.01.13	05.01.13	05.01.13	31.12.12
Kolhapur M(old)	2935	0	2935	2935
Kolhapur S(New)	927	0	927	927
Sangli S	0	692	692	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
13-Mar	511	521.9	508.4	510.4	-4.2
13-May	516.7	518.1	513.8	515.6	-4.3
13-Jul	520.7	520.9	517.3	519.1	-4.3

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Jan-13	1.5	1075.5	1088.5	1075.5	1081.5
March-13	-3	1107	1109.5	1100	1101
July-13	-2	1233	1234.5	1227	1227

Contract	Volume	Change	OI	Change
Jan-13	570	-1030	1520	-60
March-13	4140	1340	9960	150
July-13	300	140	910	120

Spread	Jan-13	Mar-13	July-13
Basis	-55.5		
Jan-13		19.5	145.5
Feb-13			126

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
13-Mar	19.06	19.1	18.77	18.85	-0.25
13-May	19.18	19.2	18.94	19	-0.23
13-Aug	19.37	19.39	19.15	19.19	-0.21

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	407.75	
Raw Sugar C&F (\$/MT)	Black Sea	436.75	
Sugar White FOB (\$/MT)	Santos Port	488.00	

Brazil White Sugar Premium (US\$/MT)

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

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Dec'12	18.93	
Mar'12	18.19	
May'12	20.24	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		07-Jan-13	05-Jan-13	
Sugar	Delhi - Grade M	3400	3400	Unch
	Delhi - Grade S	3375	3375	Unch
	Delhi - Grade L	3425	3430	-5
	UP- Khatauli Grade M	3400	-	-
	UP- Ramala Grade M (New)	3320	3320	Unch
	Mumbai –Grade M	3451	3451	Unch
	Mumbai –Grade S	3306	3306	Unch
	Kolhapur – Grade M	3200	3220	-20
	Kolhapur – Grade S	3145	3150	-5
	Vijayawada – Grade M	3620	3650	-30
	Vijayawada- Grade S	3520	3550	-30
	Nagpur – Grade S	3450	3450	Unch
	Kolkata – Grade M	-	-	-
Chennai - Grade S	3120	3125	-5	

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

Gur Spot Prices (Rs/Qtl)

		07-Jan-13	05-Jan-13	
Muzaffar Nagar	Chaku New	2563	2563	Unch
	Arrival(Chaku New)	1000	9000	+1000
	Khurpa	2550	2563	-13
	Laddu	2725	2638	+87
	Rascut	-	-	-
Maharashtra	Lal Variety	2800	2800	Unch
Maharashtra	Kolhapur	3500	3500	Unch
Bangalore	Achhu	3500	3500	Unch
	Mudde	3600	3600	Unch
Belgaum	Mudde	3100	3100	Unch
Belthangadi	Yellow (Average)	3200	3200	Unch
Bijapur	Achhu	-	-	-

Gulbarga	Other (Average)	3000	3000	Unch
Mahalingapura	Penti (Average)	3140	-	-
Mandya	Achhu (Medium)	-	2750	Unch
	Kurikatu (Medium)	-	2450	
	Other (Medium)	-	2500	Unch
	Yellow (Medium)	-	2700	Unch
Shimoga	Achhu (Average)	3125	3100	+25

UP Private Mills Tender Rates

Centre	Origin/Grade	07-Jan-13	05-Jan-13	Change
Dorala	M-30	3320	3320	Unch
Mawana	M-30	3330	3330	Unch
Modinagar	M-30	3315	3315	Unch
Malakpur	M-30	3290	3290	Unch
Simbholi	M-30	3420	3420	Unch
Asamoli	M-30	3425	3425	Unch
Dhanora	M-30	3325	3325	Unch
Dhampur	M-30	3290	3290	Unch
Kinnoni	M-31	3445	3445	Unch
Budhana	M-31	3340	3340	Unch
Thanabhavan	M-31	3340	3340	Unch

UP Government Mills Tender Rates

Centre	Origin/Grade	07-Jan-13	05-Jan-13	Change
Nazibabad	M-30	3200	3200	Unch
Sakoti	M-30	3220	3220	Unch
Amroha	M-30	3250	3250	Unch
Chandpur	M-31	3240	3240	Unch

UP Cooperative Mills Tender Rates

Centre	Origin/Grade	07-Jan-13	05-Jan-13	Change
Baghpat	M-30	3280	3280	Unch
Gajraula	M-30	3270	3270	Unch
BulandShahar	M-30	3290	3290	Unch
Anupshahar	M-30	3260	3260	Unch

Maharashtra Cooperative Mills Tender Prices

Centre	Origin/Grade	5-Jan-13
SADASHIV	S.JB	3130.00-3138.00
	M.JB	3143.00-3153.00
VRIDESHWAR	S.PP	3125
	S.JB	3141
ASHOK	S.PP	3151.00-3153.00
	M.PP	3311
JAWAHAR	S2.PP	3115.00 OPEN
	M2.PP-M1.PP	3150.00-3228.00

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