

Sugar & Gur Domestic & International Fundamentals

- Sugar prices are again follow the downward trend. Lackluster trade and weak demand led the sugar prices decline today in key cash markets on Wednesday.
- In a major turnaround, sugar mills fetch Rs 36-37 per litre for ethanol supply to Oil Market companies (OMCs). This would increase the profitability of sugar companies which are presently suffering from decreasing sugar prices.
- Sugar stock is going to dry up in ration shops in 15 states as many states not take any steps on the guidelines issued by Central government to procure sugar from Open markets. Some states already start procuring sugar from mills as reported. It is notable that Centre has abolished the levy sugar quota mechanism made for PDS. Central government decides to give Rs. 18.50 per kg to state government which would procure sugar from mills at Rs. 32 per kg as reported. States have the obligation to provide sugar at Rs 13.5 per kg for Public distribution.
- After achieving success in getting the sugar market decontrolled, sugar industry will now pursue the government to increase the import duty on sugar to 30% from current 10%.
- Gur prices are moving in a range overall owing to balanced supply and demand.
- Total around 1171000 bags of gur (40kg each) stored in cold storages till 29th April 2013 lower from 1418000 bags of gur at last year same period (40kg each). Out of total 1171000 bags of gur, around 698000 bags of Chaku gur, 132000 bags of Rascut, and 177000 bags of Papdi, stored in the cold storages as reported.

Outlook:

Sugar prices are ruling in a downward trend. Major influencing factors are sugar selling by millers in the open market, sugar imports, and overall weak international sentiments due to global sugar surplus. However, prices should move up in the coming days keeping in view close of crushing by millers and increasing summer sugar demand.

NCDEX Sugar Future Quotes:

Contract	+/-	Open	High	Low	Close
June-13	10	3006	3025	3006	3020
July-13	7	3057	3065	3054	3063
Aug-13	2	3118	3118	3103	3114

Contract	Volume	Change	OI	Change
June-13	3920	-2540	20740	-1730
July-13	3370	-2710	20990	870
Aug-13	2130	-40	12600	890

Spread	June-13	July-13	Aug-13
Basis	5		
June-13		43	94
July-13			51

Stocks	Demat	In-Process	Total	FED
	28.5.13	28.5.13	28.5.13	27.5.13
Kolhapur M	5261	0	5261	5261
Kolhapur S	-	-	-	-
Sangli M	1572	0	1572	1572
Delhi M	0	99	99	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
13-Aug	478.3	481.5	475.5	476.6	0.2
13-Oct	475.60	477.60	470.80	472	-1.20
13-Dec	485.20	485.60	478.80	480	-1.70

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
July-13	-2.5	1258	1260.5	1253	1254
Sept-13	Unch	1316	1321	1316	1318
Nov-13	Unch	1211	1212	1211	1212

Contract	Volume	Change	OI	Change
July-13	2520	-1250	11840	240
Sept-13	560	-720	4670	-30
Nov-13	100	-10	350	0

Spread	July-13	Sept-13	Nov-13
Basis	26		
July-13		64	-42
Sept-13			-106

Gur Stock Position	Chaku	Raskut	Papdi	Total
2013	698000	132000	177000	1171000
2012	948000	162000	187000	1418000

*Stock Positions stored in Warehouses are till 29th Apr 2013 (All figures in Bags 40 kg each)

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
13-Jul	16.89	17.00	16.70	16.72	-0.12
13-Oct	17.27	17.33	17.02	17.04	-0.15
14-Mar	18.21	18.31	17.99	18.01	-0.15

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	367.5	-
Raw Sugar C&F (\$/MT)	Black Sea	403.25	-
Sugar White FOB (\$/MT)	Santos Port	468.50	-

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Aug'13/July'13	103.75	
Oct'13/Oct'13	96	
Dec'13/Oct'13	103.25	

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Brazil Domestic Sugar	19.06	
Brazil Anhydrous	20.55	
Brazil Hydrous	18.64	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		29-May-13	28-May-13	
Sugar	Delhi - Grade M	3250	3250	Unch
	Delhi - Grade S	3200	3200	Unch
	Delhi - Grade L	3300	3300	Unch
	UP- Khatauli Grade M	3200	3220	-20
	UP- Ramala Grade M	3180	3200	-20
	UP- Dhampur Grade M Ex-Mill	3200	3100	100
	UP- Dhampur Grade S Ex-Mill	3080	3080	Unch
	UP- Dhampur Grade L Ex-Mill	3150	3150	Unch
	Mumbai –Grade M	3238	3272	-34
	Mumbai –Grade S	3131	3141	-10
	Kolhapur – Grade M	3025	3050	-25
	Kolhapur – Grade S	2925	2950	-25
	Vijayawada – Grade M	3530	3530	Unch
	Vijayawada- Grade S	3420	3420	Unch
	Nagpur – Grade S	3250	3250	Unch
	Kolkata – Grade M	3300	3420	-120
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3200	3200	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3200	3200	Unch
	Chennai - Grade S	3075	3075	Unch
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)				
Gur Spot Prices (Rs/Qtl)				
		29-May-13	28-May-13	
Muzaffar Nagar	Chaku	3200	3063	137
	Chaku New(Arrival)	600	500	100
	Khurpa	2900	2975	-75
	Laddu	3125	3163	-38
	Rascut	-	-	-
Maharashtra	Lal Variety	3150	3125	25
	Kolhapur	-	-	-

Bangalore	Achhu	2900	2900	Unch
	Mudde	3000	3000	Unch
Belgaum	Mudde	3000	-	-
Belthangadi	Yellow (Average)	-	3500	-
Bijapur	Achhu	-	3100	-
Gulbarga	Other (Average)	3000	2950	50
Mahalingapura	Penti (Average)	3150	-	-
Mandya	Achhu (Medium)	2850	2900	-50
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2550	2500	50
	Yellow (Medium)	2800	2800	Unch
Shimoga	Achhu (Average)	3675	3650	25

UP Private Mills Tender Rates

Centre	Origin/Grade	29-May-13	28-May-13	Change
Dorala	M-30	3135	3135	Unch
Mawana	M-30	3135	3135	Unch
Khatauli	M-30	3120	3120	Unch
Modinagar	M-30	3115	3115	Unch
Malakpur	M-30	3085	3085	Unch
Simbholi	M-30	3205	3205	Unch
Asamoli	M-30	3185	3185	Unch
Dhanora	M-30	3130	3130	Unch
Dhampur	M-30	3085	3085	Unch
Kinnoni	M-31	3245	3245	Unch
Budhana	M-31	3130	3130	Unch
Thanabhavan	M-31	3130	3130	Unch

UP Cooperative Mills Tender Rates

Centre	Origin/Grade	29-May-13	28-May-13	Change
Baghpat	M-30	3090	3090	Unch
Gajraula	M-30	3070	3070	Unch
BulandShahar	M-30	3100	3100	Unch
Anupshahar	M-30	3060	3060	Unch

UP Government Mills Tender Rates

Centre	Origin/Grade	29-May-13	28-May-13	Change
Morna	M-30	3080	3080	Unch
Nanotha	M-30	3070	3070	Unch
Nazibabad	M-30	3070	3070	Unch
Sakoti	M-30	3090	3090	Unch
Amroha	M-30	3100	3100	Unch
Chandpur	M-31	3070	3070	Unch

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