

Sugar & Gur Domestic & International Fundamentals

- Mixed sentiments recorded in key sugar spot markets on Saturday as markets could find adequate cues to decide the prices either side.
- Sugar prices might drop further in International bourses as increasing demand of ethanol led the millers from Brazil to shift the cane to make more ethanol than sugar. Presently, millers are using 45:55 ratio for producing sugar and ethanol respectively.
- 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.
- 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	1	3015	3025	3015	3020
July-13	1	3058	3064	3054	3060
Aug-13	7	3109	3115	3107	3111

Contract	Volume	Change	OI	Change
June-13	4920	2420	17320	-2080
July-13	3590	960	22300	930
Aug-13	860	340	12870	160

Spread	June-13	July-13	Aug-13
Basis	-20		
June-13		40	51
July-13			48

Stocks	Demat 31.5.13	In-Process 31.5.13	Total 31.5.13	FED 27.5.13
Kolhapur M	3792	0	3792	5261
Kolhapur S	-	-	-	-
Sangli M	1072	0	1072	1572
Delhi M	0	99	99	-

LIFFE Sugar Futures (In US\$/MT)

	Contract				
13-Aug	478	480.4	476	477.3	-0.7
13-Oct	469.9	472.7	468.6	469.9	-0.1
13-Dec	476.8	479	475	476.9	0.1
13-Aug	478	480.4	476	477.3	-0.7

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
July-13	2.0	1256	1288	1255	1264
Sept-13	3.0	1330	1330.5	1316.5	1327.5
Nov-13	1.0	1215	1215	1215	1215

Contract	Volume	Change	OI	Change
July-13	5860	2090	11750	60
Sept-13	630	-440	4790	0
Nov-13	10	-20	360	10

Spread	July-13	Sept-13	Nov-13
Basis	-61		
July-13		64	-47
Sept-13			-111

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	16.68	16.75	16.52	16.55	-0.10
13-Oct	16.96	17.03	16.86	16.90	-0.03
14-Mar	17.92	17.97	17.82	17.86	-0.01

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	368.5	+1.25
Raw Sugar C&F (\$/MT)	Black Sea	404.5	+1.25
Sugar White FOB (\$/MT)	Santos Port	468.50	Unch

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
		1-Jun-13	31-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	3225	3220	5
	UP- Ramala Grade M	3180	3190	-10
	UP- Dhampur Grade M Ex-Mill	3080	3100	-20
	UP- Dhampur Grade S Ex-Mill	3060	3080	-20
	UP- Dhampur Grade L Ex-Mill	3130	3150	-20
	Mumbai –Grade M	3252	3252	Unch
	Mumbai –Grade S	3106	3106	Unch
	Kolhapur – Grade M	3000	3000	Unch
	Kolhapur – Grade S	2900	2925	-25
	Vijayawada – Grade M	3530	3530	Unch
	Vijayawada- Grade S	3420	3420	Unch
	Nagpur – Grade S	3250	3210	40
	Kolkata – Grade M	3310	3295	15
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3200	-100
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3100	3200	-100
	Chennai - Grade S	3075	3075	Unch

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

Gur Spot Prices (Rs/Qtl)

		1-Jun-13	31-May-13	
Muzaffar Nagar	Chaku	-	-	-
	Chaku New(Arrival)	500	200	300
	Khurpa	2925	2950	-25

	Laddu	3100	3000	100
	Rascut	-	-	-
Maharashtra	Lal Variety	3175	3100	75
	Kolhapur	-	-	-
Bangalore	Achhu	2900	2900	Unch
	Mudde	3000	3000	Unch
Belgaum	Mudde	2900	3000	-100
Belthangadi	Yellow (Average)	-	2700	-
Bijapur	Achhu	-	3000	-
Gulbarga	Other (Average)	2900	2950	-50
Mahalingapura	Penti (Average)	-	3160	-
Mandya	Achhu (Medium)	2800	2800	Unch
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2500	2500	Unch
	Yellow (Medium)	2800	2800	Unch
Shimoga	Achhu (Average)	3600	3625	-25

UP Private Mills Tender Rates				
Centre	Origin/Grade	1-Jun-13	31-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	1-Jun-13	31-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	1-Jun-	31-May-	Chang

		13	13	e
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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