

Sugar & Gur Domestic & International Fundamentals

- Sugar prices moved in a steady tone in key cash markets. Markets are waiting for cues which decide the price movement further.
- Indian millers are not ready to sell sugar below \$480 per ton, according to trade sources. It is notable that depreciating rupee and increasing sugar demand due to Ramadan give Indian exporters some window to export sugar.
- Sugar prices made its bottom due to increasing raw sugar import from Brazil. Reported, around 2 million tons of sugar has been imported (mainly by Renuka Sugars) by India from Brazil. However, recent hike in sugar import duty from 10 to 15 percent by government remove the import parity. In addition to it, weak rupee increase the sugar export parity for Indian refiners and they export refined sugar to Middle east countries.
- International sugar prices increase owing to wet weather conditions in Brazil.
- Brazil sugar production likely to decline owing to higher cane diversion towards ethanol production. It is noticeable that crude oil prices are hovering at higher levels which urge Brazil millers to go for ethanol production rather than producing sugar considering higher ethanol demand.
- Sugar production in Thailand may climb by 10% to a record 11 million tonnes in 2013/14 (November to October) as yields increase, according to the Thai Sugar Millers Corp.

Outlook:

We expect sugar prices would improve in the coming months considering increase in sugar export and upcoming sugar festive demand. Also, lower sugar production estimate for 2013-14 also support the prices in the long run.

NCDEX Sugar Future Quotes:

Contract	+/-	Open	High	Low	Close
Aug-13	-2.00	3037.00	3038.00	3018.00	3023.00
Sept-13	2.00	3045.00	3045.00	3033.00	3040.00
Oct-13	8.00	3060.00	3077.00	3059.00	3069.00

Contract	Volume	Change	OI	Change
Aug-13	3010	360	31280	-1580
Sept-13	2510	1300	18170	580
Oct-13	1280	760	10060	190

Spread	Aug-13	Sept-13	Oct-13
Basis	22		
Aug-13		14	34
Sept-13			20

Stocks	Demat 22.7.13	In-Process 22.7.13	Total 22.7.13	FED 22.7.13
Kolhapur M	6017	0	6017	6017
Solapur	923	-	923	-
Sangli M	21	0	21	21
Delhi M	2548	0	2548	2548

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
13-Oct	471.1	479.7	470.6	475	3
13-Dec	466.4	472	465.5	467.7	0.4
14-Mar	468.3	472.6	467.5	468.7	-0.4

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Sept-13	4.00	1211.00	1224.50	1211.00	1212.50
Nov-13	3.50	1120.00	1128.50	1115.00	1117.00
Dec-13	8.00	1068.50	1092.00	1068.50	1088.50

Contract	Volume	Change	OI	Change
Sept-13	5640	-590	8530	-200
Nov-13	450	270	1030	30
Dec-13	90	70	220	40

Spread	Sept-13	Nov-13	Dec-13
Basis	-50		
Sept-13		-96	-134
Oct-13			-38

Gur Stock Position	Chaku	Raskut	Papdi	Total
2013	711300	125000	180000	1148500
2012	796600	128000	135000	1197500

*Stock Positions stored in Warehouses are till 10th June 2013 (All figures in Bags 40 kg each)

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
13-Oct	16.38	16.55	16.28	16.34	-0.06
14-Mar	17.09	17.21	16.97	17.02	-0.07
14-May	17.03	17.12	16.92	16.96	-0.07

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	356.75	-
Raw Sugar C&F (\$/MT)	Black Sea	391.75	-
Sugar White FOB (\$/MT)	Santos Port	459.75	-

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Oct'13/Oct'13	114.75	
Dec'13/Oct'13	111.5	
Dec'13/Mar'14	93.5	

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Brazil Domestic Sugar	17.63	
Brazil Anhydrous	18.08	
Brazil Hydrous	17.18	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		23-07-13	24-07-13	Change
Sugar	Delhi - Grade M	3235	3235	Unch
	Delhi - Grade S	3195	3195	Unch
	Delhi - Grade L	3290	3290	Unch
	UP- Khatauli Grade M	3210	3230	+20
	UP- Ramala Grade M	3150	3170	+20
	UP- Dhampur Grade M Ex-Mill	3100	3100	Unch
	UP- Dhampur Grade S Ex-Mill	3080	3080	Unch
	UP- Dhampur Grade L Ex-Mill	3150	3150	Unch
	Mumbai –Grade M	3302	3246	-56
	Mumbai –Grade S	3126	3086	-40
	Kolhapur – Grade M	3050	3050	Unch
	Kolhapur – Grade S	2950	2950	Unch
	Vijayawada – Grade M	3580	3580	Unch
	Vijayawada- Grade S	3430	3430	Unch
	Nagpur – Grade M	3250	3250	Unch
	Nagpur – Grade S	3200	3150	-50
	Kolkata – Grade M	3420	-	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3100	3100	Unch
	Chennai - Grade S	3075	3075	Unch

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

Gur Spot Prices (Rs/Qtl)				
		23-07-13	24-07-13	Change
Muzaffar Nagar	Chaku(Cold)	2900	2900	Unch
	Khurpa(Cold)	2400	2500	+100
	Laddu	2800	2700	-100
	Rascut(Cold)	2625	2650	+25
Maharashtra	Lal Variety(Cold)	3200	3250	+5-

	Kolhapur	4600	4600	Unch
Bangalore	Achhu	3100	3100	Unch
	Mudde	3200	3200	Unch
Belgaum	Mudde	-	3000	-
Belthangadi	Yellow (Average)	2600	--	-
Bijapur	Achhu	-	--	
Gulbarga	Other (Average)	2950	3000	+50
Mahalingapura	Penti (Average)	3240	3150	+90
Mandya	Achhu (Medium)	2950	3000	+50
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2500	2500	Unch
	Yellow (Medium)	2900	2950	+50
Shimoga	Achhu (Average)	3375	-	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	23-07-13	24-07-13	Change
Dorala	M-30	3130	3130	Unch
Mawana	M-30	3130	3130	Unch
Khatauli	M-30	3110	3110	Unch
Modinagar	M-30	3130	3130	Unch
Malakpur	M-30	-	-	
Simbholi	M-30	3180	3180	Unch
Asamoli	M-30	3170	3170	Unch
Dhanora	M-30	3115	3115	Unch
Dhampur	M-30	3095	3095	Unch
Kinnoni	M-31	3180	3180	Unch
Budhana	M-31	3120	3120	Unch
Thanabhavan	M-31	3115	3115	Unch

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	23-07-13	24-07-13	Change
Baghpat	M-30	3100	3100	Unch
Gajraula	M-30	3080	3080	Unch
BulandShahar	M-30	3090	3090	Unch
Anupshahar	M-30	3085	3085	Unch

UP Government Mills Tender Rates				
Centre	Origin/Grade	23-07-13	24-07-13	Change
Morna	M-30	3090	3090	Unch
Nanotha	M-30	3085	3085	Unch
Nazibabad	M-30	3080	3080	Unch
Sakoti	M-30	3085	3085	Unch

Amroha	M-30	3085	3085	Unch
Chandpur	M-31	3075	3075	Unch

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