

Sugar & Gur Domestic & International Fundamentals

- Mixed sentiments recorded in key sugar spot markets on Thursday as markets could not find adequate cues to decide the prices either side.
- 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	1.00	3025.00	3026.00	3016.00	3023.00
Sept-13	-4.00	3038.00	3038.00	3031.00	3037.00
Oct-13	-12.00	3062.00	3069.00	3061.00	3063.00

Contract	Volume	Change	OI	Change
Aug-13	3950	940	30230	-1050
Sept-13	1650	-860	17340	-830
Oct-13	320	-960	10070	10

Spread	Aug-13	Sept-13	Oct-13
Basis	27		
Aug-13		14	40
Sept-13			26

Stocks	Demat 24.7.13	In-Process 24.7.13	Total 24.7.13	FED 22.7.13
Kolhapur M	5779	0	5779	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	-6.50	1211.00	1217.00	1207.00	1208.50
Nov-13	-6.50	1113.00	1122.00	1113.00	1114.50
Dec-13	-3.00	1080.00	1086.00	1080.00	1084.00

Contract	Volume	Change	OI	Change
Sept-13	4070	-1570	8390	-140
Nov-13	390	-60	1180	150
Dec-13	110	20	210	-10

Spread	Sept-13	Nov-13	Dec-13
Basis	-48.5		
Sept-13		-94	-124.5
Oct-13			-30.5

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
		25-07-13	24-07-13	Change
Sugar	Delhi - Grade M	3235	3235	Unch
	Delhi - Grade S	3205	3195	+10
	Delhi - Grade L	3290	3290	Unch
	UP- Khatauli Grade M	3225	3230	-5
	UP- Ramala Grade M	3170	3170	Unch
	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	3286	3246	+40
	Mumbai –Grade S	3086	3086	Unch
	Kolhapur – Grade M	3050	3050	Unch
	Kolhapur – Grade S	2950	2950	Unch
	Vijayawada – Grade M	3550	3580	-30
	Vijayawada- Grade S	3400	3430	-30
	Nagpur – Grade M	3250	3250	Unch
	Nagpur – Grade S	3150	3150	Unch
	Kolkata – Grade M	-	-	-
	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)				
		25-07-13	24-07-13	Change
Muzaffar Nagar	Chaku(Cold)	2900	2913	-13
	Khurpa(Cold)	2500	2500	Unch
	Laddu	2900	2700	+200
	Rascut(Cold)	2675	2650	+25
Maharashtra	Lal Variety(Cold)	3250	3250	Unch

	Kolhapur	4600	4600	Unch
Bangalore	Achhu	3100	3100	Unch
	Mudde	3200	3200	Unch
Belgaum	Mudde	3000	3000	-
Belthangadi	Yellow (Average)	2600	2600	-
Bijapur	Achhu	3300	--	
Gulbarga	Other (Average)	2950	3000	-50
Mahalingapura	Penti (Average)	3280	3150	+130
Mandya	Achhu (Medium)	3000	3000	Unch
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2500	2500	Unch
	Yellow (Medium)	2900	2950	-50
Shimoga	Achhu (Average)	-	-	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	25-07-13	24-07-13	Change
Dorala	M-30	3135	3130	+5
Mawana	M-30	3135	3130	+5
Khatauli	M-30	3110	3110	Unch
Modinagar	M-30	3135	3130	+5
Malakpur	M-30	-	-	
Simbholi	M-30	3190	3180	+10
Asamoli	M-30	3160	3170	-10
Dhanora	M-30	3120	3115	+5
Dhampur	M-30	3100	3095	+5
Kinnoni	M-31	3200	3180	+20
Budhana	M-31	3130	3120	+10
Thanabhavan	M-31	3125	3115	+10

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	25-07-13	24-07-13	Change
Baghpat	M-30	3110	3100	+10
Gajraula	M-30	3090	3080	+10
BulandShahar	M-30	3095	3090	+5
Anupshahar	M-30	3090	3085	+5

UP Government Mills Tender Rates				
Centre	Origin/Grade	25-07-13	24-07-13	Change
Morna	M-30	3100	3090	+10
Nanotha	M-30	3090	3085	+5
Nazibabad	M-30	3090	3080	+10
Sakoti	M-30	3090	3085	+5

Amroha	M-30	3090	3085	+5
Chandpur	M-31	3085	3075	+10

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