

Sugar & Gur Domestic & International Fundamentals

- Steady sentiments recorded in key sugar spot markets on Friday due to dull trading activities.
- Various trade houses sees present ICE raw sugar future prices made a bottom level which clearly shows a bullish view on sugar. We also expect prices of sugar would increase from here owing to increasing ethanol production diverted from sugar by Brazilian millers.
- 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	4.00	3025.00	3035.00	3017.00	3029.00
Sept-13	14.00	3035.00	3048.00	3031.00	3048.00
Oct-13	7.00	3058.00	3074.00	3058.00	3072.00

Contract	Volume	Change	OI	Change
Aug-13	3540	-410	30380	150
Sept-13	1080	-570	17360	20
Oct-13	190	-130	10200	130

Spread	Aug-13	Sept-13	Oct-13
Basis	21		
Aug-13		19	43
Sept-13			24

Stocks	Demat 25.7.13	In-Process 25.7.13	Total 25.7.13	FED 22.7.13
Kolhapur M	5650	0	5650	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	14.00	1213.50	1226.00	1210.00	1223.50
Nov-13	5.50	1116.00	1125.00	1115.00	1122.00
Dec-13	8.50	1074.00	1093.00	1074.00	1093.00

Contract	Volume	Change	OI	Change
Sept-13	4850	780	8780	390
Nov-13	420	30	1070	-110
Dec-13	20	-90	210	0

Spread	Sept-13	Nov-13	Dec-13
Basis	-53.5		
Sept-13		-101.5	-130.5
Oct-13			-29

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	26-07-13	Change
Sugar	Delhi - Grade M	3235	3240	+5
	Delhi - Grade S	3205	3205	Unch
	Delhi - Grade L	3290	3290	Unch
	UP- Khatauli Grade M	3225	3225	Unch
	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	3286	Unch
	Mumbai –Grade S	3086	3086	Unch
	Kolhapur – Grade M	3050	3050	Unch
	Kolhapur – Grade S	2950	2950	Unch
	Vijayawada – Grade M	3550	3550	Unch
	Vijayawada- Grade S	3400	3400	Unch
	Nagpur – Grade M	3250	3200	-50
	Nagpur – Grade S	3150	3150	Unch
	Kolkata – Grade M	-	3315	-
	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	26-07-13	Change
Muzaffar Nagar	Chaku(Cold)	2900	2925	+25
	Khurpa(Cold)	2500	2700	+200
	Laddu	2900	-	-
	Rascut(Cold)	2675	2700	+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	Unch
Belthangadi	Yellow (Average)	2600	Unch	-
Bijapur	Achhu	3300	3250	-50
Gulbarga	Other (Average)	2950	3050	+100
Mahalingapura	Penti (Average)	3280	3180	-100
Mandya	Achhu (Medium)	3000	2950	-50
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2500	2500	Unch
	Yellow (Medium)	2900	2950	Unch
Shimoga	Achhu (Average)	-	3425	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	25-07-13	26-07-13	Change
Dorala	M-30	3135	3135	Unch
Mawana	M-30	3135	3135	Unch
Khatauli	M-30	3110	3110	Unch
Modinagar	M-30	3135	3135	Unch
Malakpur	M-30	-	-	
Simbholi	M-30	3190	3190	Unch
Asamoli	M-30	3160	3160	Unch
Dhanora	M-30	3120	3120	Unch
Dhampur	M-30	3100	3100	Unch
Kinnoni	M-31	3200	3200	Unch
Budhana	M-31	3130	3130	Unch
Thanabhavan	M-31	3125	3125	Unch

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	25-07-13	25-07-13	Change
Baghpat	M-30	3110	3110	Unch
Gajraula	M-30	3090	3090	Unch
BulandShahar	M-30	3095	3095	Unch
Anupshahar	M-30	3090	3090	Unch

UP Government Mills Tender Rates				
Centre	Origin/Grade	25-07-13	24-07-13	Change
Morna	M-30	3100	3100	Unch
Nanotha	M-30	3090	3090	Unch
Nazibabad	M-30	3090	3090	Unch
Sakoti	M-30	3090	3090	Unch

Amroha	M-30	3090	3090	Unch
Chandpur	M-31	3085	3085	Unch

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