

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.
- Around 20% of the Southern Brazil sugarcane crop damaged due to recent frost, according to Dataagro. It is notable that trade houses estimates around 590 million tons of crop still remain unharvested as reported.
- Buyers are waiting for new month for sugar purchases as reported. Retailers buy sugar and sell it immediately at discount rate in the market to avoid quality deterioration in rainy season.
- Brazil cuts sugarcane interest rates to increase the investment in the crop.
- Sugar prices surge in ICE as well as in LIFFE over wet weather conditions in Brazil decreasing sucrose content in cane. In addition to it, USDA today bought 136000 tons of sugar also support the sugar prices.
- Central government might allow state govt. to raise PDS sugar prices considering increasing subsidy burden on states. It is notable that states are procuring sugar at Rs 3200 per quintal and make it available at Rs 1300 per quintal in PDS. However, transportation cost doesnot include in that which make it difficult to states which are far from sourcing states of sugar like UP and Maharashtra.
- Gur prices declined today in Muzaffar nagar market due to lower gur lifting in cold storages.
- Meanwhile, expected late crushing operations by millers in UP and Maharashtra also might urge farmers to divert their cane towards gur making. Weak lifting of gur by Rajasthan and Gujarat also curb any hike in prices of gur.

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	-8.00	3033.00	3033.00	3010.00	3017.00
Sept-13	-15.00	3042.00	3042.00	3005.00	3014.00
Oct-13	-8.00	3055.00	3055.00	3020.00	3034.00

Contract	Volume	Change	OI	Change
Aug-13	3410	-710	24670	-1350
Sept-13	3280	-90	17160	520
Oct-13	5320	1110	11430	-190

Spread	Aug-13	Sept-13	Oct-13
Basis	33		
Aug-13		-3	17
Sept-13			20

Stocks	Demat 31.7.13	In-Process 31.7.13	Total 31.7.13	FED 29.7.13
Kolhapur M	5650	0	5650	5650
Solapur	-	-	-	-
Sangli M	21	0	21	21
Delhi M	2548	0	2548	2548

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Sept-13	-16.00	1188.00	1190.00	1172.50	1172.50
Nov-13	-6.50	1102.00	1102.00	1096.00	1096.00
Dec-13	2.50	1072.00	1072.00	1072.00	1072.00

Contract	Volume	Change	OI	Change
Sept-13	5160	1980	7830	60
Nov-13	240	50	1230	30
Dec-13	10	-50	220	0

Spread	Sept-13	Nov-13	Dec-13
Basis	-8.5		
Sept-13		-76.5	-100.5
Oct-13			-24

Gur Stock Position	Chaku	Raskut	Papdi	Total
2013	635000	115000	114000	997000
2012	725000	125000	152000	1032000

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

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
13-Oct	489.6	492.5	485	490.7	1.50
13-Dec	480.1	482.5	475	481.0	1.00
14-Mar	478.8	479.9	473	478.7	0.20

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
13-Oct	16.9	17.08	16.68	16.97	0.04
14-Mar	17.4	17.56	17.18	17.47	0.02
14-May	17.24	17.37	17.05	17.3	0.01

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	373.75	Unch
Raw Sugar C&F (\$/MT)	Black Sea	408.75	Unch
Sugar White FOB (\$/MT)	Santos Port	474.00	Unch

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
		01-08-13	31-07-13	
Sugar	Delhi - Grade M	3235	3240	-5
	Delhi - Grade S	3215	3210	+5
	Delhi - Grade L	3300	3300	Unch
	UP- Khatauli Grade M	3210	3210	Unch
	UP- Ramala Grade M	3200	3150	+50
	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	3240	3238	+2
	Mumbai –Grade S	3102	3108	-6
	Kolhapur – Grade M	3050	3050	Unch
	Kolhapur – Grade S	2950	2950	Unch
	Vijayawada – Grade M	3530	3530	Unch
	Vijayawada- Grade S	3380	3380	Unch
	Nagpur – Grade S	3250	3250	Unch
	Kolkata – Grade M	3150	3150	Unch
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	3100	3100	Unch
	Chennai - Grade S	3085	3085	Unch

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

Gur Spot Prices (Rs/Qtl)				
		01-08-13	31-07-13	Change
Muzaffar Nagar	Chaku(Cold)	2912	2900	+12
	Khurpa(Cold)	2700	2700	Unch
	Laddu	2900	2800	+100
	Rascut(Cold)	2650	2650	Unch
Maharashtra	Lal Variety(Cold)	3225	3225	Unch
	Kolhapur	4600	4600	Unch
Bangalore	Achhu	3100	3100	Unch
	Mudde	3200	3200	Unch

Belgaum	Mudde	3200	3200	Unch
Belthangadi	Yellow (Average)	2800	2800	Unch
Bijapur	Achhu	3450	-	-
Gulbarga	Other (Average)	2800	2900	-100
Mahalingapura	Penti (Average)	3150	3190	-40
Mandya	Achhu (Medium)	2900	2950	-50
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2500	2500	Unch
	Yellow (Medium)	2900	2900	Unch
Shimoga	Achhu (Average)	-	3400	-

UP Private Mills Tender Rates				
Centre	Origin/Grade	01-08-13	31-07-13	Change
Dorala	M-30	3150	-	-
Mawana	M-30	3150	-	-
Khatauli	M-30	3120	-	-
Modinagar	M-30	3150	-	-
Malakpur	M-30	-	-	-
Simbholi	M-30	3210	-	-
Asamoli	M-30	3170	-	-
Dhanora	M-30	3140	-	-
Dhampur	M-30	3100	-	-
Kinnoni	M-31	3225	-	-
Budhana	M-31	3166	-	-
Thanabhavan	M-31	3150	-	-
UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	01-08-13	31-07-13	Change
Baghpat	M-30	3120	-	-
Gajraula	M-30	3100	-	-
BulandShahar	M-30	3100	-	-
Anupshahar	M-30	3100	-	-
UP Government Mills Tender Rates				
Centre	Origin/Grade	01-08-13	31-07-13	Change
Morna	M-30	3110	-	-
Nanotha	M-30	3100	-	-
Nazibabad	M-30	3100	-	-
Sakoti	M-30	3100	-	-
Amroha	M-30	3095	-	-
Chandpur	M-31	3095	-	-

Centre	Origin/Grade	31-Jul-13
UDGIRI	S2.PP	2923
	S.JK	2933
VENKATESH	S.PP	2935
	M.PP	3090.00 OPEN
GHODGANGA	S1.PP	2925.00 OPEN
MALINAGAR	S.PP	2908
VIJAY SUGAR	S1.PP	2938.00 OPEN
VRIDESHWAR	S.PP	2901.00-2906.00
	S1.PP	3115.00-3120.00
VITTHAL PANDHARPUR	S1.PP	2963.00-2968.00
	M.PP	3098.00 OPEN

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