

Sugar & Gur Domestic & International Fundamentals

- **In a latest development major banks in U.P. have refused to provide working capital for sugar mills** in Uttar Pradesh. The main reason behind this refusal is mainly attributed to higher SAP, mill's persistence losses and fresh uncertainty over cane crushing this year.
- **Stir over cane price between Maharashtra farmers Sugar cooperative mills is likely to continue as both the party's have varied opinion over cane price.** Farmers association has demanded Rs 2700-3500 per T as a first advance. Against it Sugar cooperatives say that they are unable to pay as production cost much higher than actual realization. Sugar crushing season starts from 1st Nov. in Maharashtra. Situation for farmers and millers may turn even more bitter if crushing gets delayed in both major sugar producing states.
- **ISMA in its latest release has claimed that sugar consumption in 2012-13 increased by 3.6 percent to 22.8 million T** against previous year. Even higher consumption and lower production by 4.5 percent to 25.14 million T could not provide support for cash market. The top two producers-Maharashtra and Uttar Pradesh have contributed 7.99 and 7.48 million T respectively in the season ending Sept. 2013. Sugar output in Karnataka Tamil Nadu and Andhra Pradesh was recorded at 3.46, 1.96 and 0.99 million T respectively.
- **Sugar recovery too has decreased from 10.25 percent to 10.03 percent during the review period.** Lower recovery and sugarcane crushing were the main reasons for lower sugar production last year. According to ISMA new season started with 8.85 million T carry in stock.
- **As per by Ministry of Agriculture, The total sugarcane Kharif sown area, as per reports received from States,** during the week ending 11.10.2013 stands at 48.74 lakh hectare as compared to 50.06 lakh hectare at this time last year which is down about 1.32 lakh hectare from previous year. However against it ISMA projected total sugarcane acreage for crushing in India in sugar season 2013-14, will be around 52.89 lakh hectare which is almost 9% higher than the initial estimates of Ministry of Agriculture of 48.53 lakh hectare.
- **Gur prices are moving in a range from last couple of weeks in Muzaffar nagar spot market.** However, overall sentiments remained bearish as expected delay in crushing season by UP millers might urge farmers to divert their cane for making gur.

Outlook: Domestic market is likely to trade steady in the short term

Global Market Update:

- **A fire that blazed through Brazil's Santos port has ravaged six warehouses, destroying 180,000 tonnes of raw sugar** in the Copersucar terminal. The fire hit all of the sugar giant's warehouses at the port, driving prices up to the highest in a year.
- **ICE March raw sugar prices rose more than six per cent to a one-year high on news of the fire before paring gains.** The March contract settled up 2.5 per cent at 19.48 cents per lb as per the news published in The Independent. A conservative estimate would be six months to get this in operational form again.
- **However, any bull run due to this latest development is unlikely as supply from other sources is capable of taking care** of emerging demand. Higher global price may provide some respite to Indian sugar exporters. Market participant expects prices to move up in the medium term.
- **Indonesia's annual sugar consumption is estimated at 5 million tonnes, while the country produces only 2.50-2.57 million tonnes** sugar per year. Therefore, almost 50 percent of domestic demand is met by import from other sources.

NCDEX Sugar Future Quotes:

Contract	+/-	Open	High	Low	Close
Nov-13	-5.00	2880.00	2882.00	2867.00	2871.00
Dec-13	-7.00	2885.00	2885.00	2868.00	2868.00
Jan-14	-21.00	2920.00	2920.00	2897.00	2900.00

Contract	Volume	Change	OI	Change
Nov-13	2,000	-1270.00	24630	-600.00
Dec-13	1,010	-1090.00	13500	180.00
Jan-14	1,400	-680.00	10110	310.00

Spread	Nov-13	Dec-13	Jan-14
Basis			
Oct-13			
Nov-13			

Stocks	Demat 24.10.13	In-Process 24.10.13	Total 24.10.13	FED 21.10.13
Kolhapur M	-	-	-	1099
Kolhapur S	-	-	-	-
Sangli M	-	-	-	-
Delhi M	1198	0	1198	200

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
13-Dec	507.1	507.3	501.4	502.3	-6.7
14-Mar	508.2	508.5	502.6	503.4	-6.6
14-May	510.5	510.5	506	506.4	-6

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Nov-13	-4.50	1108.00	1112.50	1100.00	1102.50
Dec-13	-7.00	1041.00	1041.00	1031.50	1033.00
Jan-13	-8.50	1051.50	1051.50	1044.50	1045.50

Contract	Volume	Change	OI	Change
Nov-13	4,990	310.00	5820	260.00
Dec-13	1,180	240.00	3060	40.00
Jan-13	70	-30.00	470	40.00

Spread	Nov-13	Dec-13	Jan-14
Basis			
Sept-13			
Oct-13			

Gur Stock Position	Chaku	Raskut	Papdi	Total
2013	101000	40000	36000	186000
2012	60000	45000	30000	157000

*Stock Positions stored in Warehouses are till 7th Oct 2013 (All figures in Bags 40 kg each)

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
14-Mar	19.21	19.22	18.8	18.97	-0.31
14-May	18.97	18.97	18.65	18.79	-0.26
14-July	18.83	18.83	18.5	18.63	-0.24

Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	417.00	-
Raw Sugar C&F (\$/MT)	Black Sea	445.75	-
Sugar White FOB (\$/MT)	Santos Port	510.00	-

Brazil White Sugar Premium (US\$/MT)

Contract	Close	+/-
Dec'13/Mar'14	89.50	
Mar'14/Mar'14	85.00	
May'14/May'14	90.50	

Brazil Sugar/ Ethanol Prices (In Cents/lb)

Contract	Close	+/-
Brazil Domestic Sugar	19.95	
Brazil Anhydrous	18.37	
Brazil Hydrous	17.90	

Sugar and Gur Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		25-Oct-13	24-Oct-13	
Sugar	Delhi - Grade M	3080	3140	-60
	Delhi - Grade S	3060	3095	-35
	Delhi - Grade L	3120	3120	Unch
	UP- Khatauli Grade M	3085	3085	Unch
	UP- Ramala Grade M	3000	3000	Unch
	UP- Dhampur Grade M Ex-Mill	3000	3000	Unch
	UP- Dhampur Grade S Ex-Mill	2980	2980	Unch
	UP- Dhampur Grade L Ex-Mill	3050	3050	Unch
	Mumbai –Grade M	3206	3211	-5
	Mumbai –Grade S	2916	2916	Unch
	Kolhapur – Grade M	2800	2810	-10
	Kolhapur – Grade S	2750	2775	-25
	Guhawati – Grade S	3055	3081	-26
	Shillong – Grade S	3070	3095	-25
	Vijayawada – Grade M	3500	3500	Unch
	Vijayawada- Grade S	3250	3250	Unch
	Nagpur – Grade M	3250	3250	Unch
	Nagpur – Grade S	3050	3050	Unch
	Kolkata – Grade M	3240	3390	-150
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	-
	Chennai - Grade S	2970	2980	-10

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

Gur Spot Prices (Rs/Qtl)				
		25-Oct-13	24-Oct-13	Change

Muzaffar Nagar	Chaku	3290	3025	+265
	Khurpa(New)	1240	1230	+10
	Laddoo(New)	1290	1290	Unch
	Rascut	2587	2600	-13
Maharashtra	Lal Variety	3400	3400	Unch
Bangalore	Achhu	3500	3500	Unch
	Mudde	3650	3950	-300
Belgaum	Mudde	2700	2700	Unch
Belthangadi	Yellow (Average)	-	2950	-
Bijapur	Achhu	3300	3350	-50
Gulbarga	Other (Average)	3100	3150	-50
Mahalingapura	Penti (Average)	3140	3160	-20
Mandya	Achhu (Medium)	2950	3000	-50
	Kurikatu (Medium)	2550	2550	Unch
	Other (Medium)	2550	2550	Unch
	Yellow (Medium)	2900	2950	-50
Shimoga	Achhu (Average)	3425	3475	-50

UP Private Mills Tender Rates

Centre	Origin/Grade	25-Oct-13	24-Oct-13	Change
Dorala	M-30	3000	3000	Unch
Mawana	M-30	3015	3015	Unch
Khatauli	M-30	2985	2985	Unch
Modinagar	M-30	NA	NA	-
Malakpur	M-30	2945	2945	Unch
Simbholi	M-30	3230	3230	Unch
Asamoli	M-30	3200	3200	Unch
Dhanora	M-30	2990	2990	Unch
Dhampur	M-30	2965	2965	Unch
Kinnoni	M-31	3260	3260	Unch
Budhana	M-31	3000	3000	Unch
Thanabhavan	M-31	3010	3010	Unch

UP Cooperative Mills Tender Rates

Centre	Origin/Grade	25-Oct-13	24-Oct-13	Change
Baghpat	M-30	2905	2905	Unch
Gajraula	M-30	2890	2890	Unch
BulandShahar	M-30	NA	NA	-
Anupshahar	M-30	2880	2880	Unch

UP Government Mills Tender Rates

Centre	Origin/Grade	25-Oct-13	24-Oct-13	Change
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Morna	M-30	2905	2905	Unch
Nanotha	M-30	2895	2895	Unch
Nazibabad	M-30	2885	2885	Unch
Sakoti	M-30	2920	2920	Unch
Amroha	M-30	NA	NA	-
Chandpur	M-31	2895	2895	Unch

Maharashtra Cooperative Mills Tender Prices		
Centre	Origin/Grade	10/24/13
SHARAD	S1.PP	2733

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