

## Sugar & Gur Domestic & International Fundamentals

- **Mixed sentiments recorded in key sugar spot markets on Wednesday as markets could not find adequate cues to decide the prices either side.**
- **In a latest development private trade has finalized export deals of 1.75 lakh T raw sugars for Dec-Jan delivery.** However, more deals may hamper if mills are forced to pay higher prices for farmers. Market participant says that dispute over price between farmers and millers may delay crushing in Maharashtra and Uttar Pradesh.
- **Major banks in U.P. have refused to provide working capital for sugar mills.** 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 opinions 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 is much higher than actual realization. Sugar crushing season starts from 1st Nov. in Maharashtra.
- **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 Muzaffarnagar 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 as supply side is at comfortable level.

## Global Market Update:

- **Malaysian domestic Trade, Co-operatives and Consumer Affairs Minister Datuk Seri Hasan Malek** said that Sugar will continue to be a controlled item and even without its subsidy, the cost will not be increased indiscriminately.
- **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	2.00	2870.00	2876.00	2866.00	2873.00
Dec-13	1.00	2859.00	2859.00	2846.00	2853.00
Jan-14	-3.00	2880.00	2885.00	2868.00	2877.00

  

Contract	Volume	Change	OI	Change
Nov-13	4340	3850	19600	13860
Dec-13	1250	-7210	13160	-13070
Jan-14	2150	-510	12030	-4320

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

Stocks	Demat 29.10.13	In-Process 29.10.13	Total 29.10.13	FED 28.10.13
Kolhapur M	-	-	-	1099
Kolhapur S	-	-	-	-
Sangli M	-	-	-	-
Delhi M	779	0	779	200

## LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
<b>13-Dec</b>	497.00	497.30	488.10	488.80	<b>-10.90</b>
<b>14-Mar</b>	498.80	499.50	490.60	491.30	<b>-10.30</b>
<b>14-May</b>	502.90	503.90	495.40	496.10	<b>-9.70</b>

## NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Nov-13	-15.50	1078.00	1084.00	1063.00	1065.00
Dec-13	-17.00	1011.50	1016.50	994.50	996.00
Jan-13	-18.50	1031.00	1033.00	1015.00	1017.50

  

Contract	Volume	Change	OI	Change
Nov-13	5200	2480	7540	-2240
Dec-13	3500	1790	4230	-2700
Jan-13	460	330	680	110

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

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

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

## ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
<b>14-Mar</b>	18.85	18.88	18.43	18.45	<b>-0.46</b>
<b>14-May</b>	18.72	18.72	18.3	18.31	<b>-0.42</b>
<b>14-July</b>	18.52	18.52	18.15	18.16	<b>-0.39</b>

## Brazil Sugar Quotes (Kingsman US\$/MT)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	393	-
Raw Sugar C&F (\$/MT)	Black Sea	421.75	-
Sugar White FOB (\$/MT)	Santos Port	492.5	-

## 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
		30-Oct-13	29-Oct-13	
Sugar	Delhi - Grade M	3125	3125	Unch
	Delhi - Grade S	3080	3080	Unch
	Delhi - Grade L	3180	3180	Unch
	UP- Khatauli Grade M	3090	3095	-5
	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	3176	3226	-50
	Mumbai –Grade S	2936	2950	-14
	Kolhapur – Grade M	2900	2900	Unch
	Kolhapur – Grade S	2775	2750	25
	Guhawati – Grade S	3081	3055	26
	Shillong – Grade S	3095	3070	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	NA	NA	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	-
	Chennai - Grade S	2960	2960	Unch

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

Gur Spot Prices (Rs/Qtl)				
		30-Oct-13	29-Oct-13	Change
Muzaffar Nagar	Chaku	2950	2975	-25
	Khurpa(New)	1010	1115	-105
	Laddoo(New)	1100	1150	-50
	Rascut	2505	2575	-70

<b>Maharashtra</b>	Lal Variety	3250	3250	Unch
<b>Bangalore</b>	Achhu	3500	3500	Unch
	Mudde	3950	3950	Unch
<b>Belgaum</b>	Mudde	2700	NA	-
<b>Belthangadi</b>	Yellow (Average)	3000	3000	Unch
<b>Bijapur</b>	Achhu	NA	3300	-
<b>Gulbarga</b>	Other (Average)	3150	2850	300
<b>Mahalingapura</b>	Penti (Average)	3010	3140	-130
<b>Mandya</b>	Achhu (Medium)	2950	2950	Unch
	Kurikatu (Medium)	2500	2500	Unch
	Other (Medium)	2500	2500	Unch
	Yellow (Medium)	2900	2900	Unch
<b>Shimoga</b>	Achhu (Average)	3325	3300	25

UP Private Mills Tender Rates				
Centre	Origin/Grade	30-Oct-13	29-Oct-13	Change
Dorala	M-30	3015	3015	Unch
Mawana	M-30	3025	3025	Unch
Khatauli	M-30	2995	2995	Unch
Modinagar	M-30	NA	NA	-
Malakpur	M-30	2950	2950	Unch
Simbholi	M-30	3240	3240	Unch
Asamoli	M-30	3210	3210	Unch
Dhanora	M-30	3000	3000	Unch
Dhampur	M-30	2970	2970	Unch
Kinnoni	M-31	3275	3275	Unch
Budhana	M-31	3000	3000	Unch
Thanabhavan	M-31	2995	2995	Unch

UP Cooperative Mills Tender Rates				
Centre	Origin/Grade	30-Oct-13	29-Oct-13	Change
Baghpat	M-30	2905	2905	Unch
Gajraula	M-30	2890	2890	Unch
BulandShahar	M-30	NA	NA	-
Anupshahar	M-30	2870	2870	Unch

UP Government Mills Tender Rates				
Centre	Origin/Grade	30-Oct-13	29-Oct-13	Change
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	10/29/13
SANJIVANI	S.PP	2800
	M.PP	2925
VIJAY	S1.PP	2750
TAKLI SHIKNDAR	S.PP	2760.00-2770.00
	M.PP	2898.00-2908.00
BHIMA PATAS	S.PP	2748
KUKADI	S1.PP	2760.00-2761.00
	M.PP	2860.00-2861.00
AMBALIKA	S.PP	2750
	M.PP	2845
BHIMA SANSAR	S.PP	2818
	S.JK	2838
KOLPEWADI	S.PP	2810
SANGAMNER	S.PP	2860.00-2865.00
	M.PP	2925.00-2930.00
DAUND	S.PP-S1.PP	2745.00-2780.00
	M.PP	2970
BIDRI	S1.PP	2733.00-2735.00

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