

## Sugar & Gur Domestic & International Fundamentals

- Sugar prices declined sharply in key markets due to weak demand at current price levels and strong rupee sentiments which weaken the possibilities of sugar exports overseas.
- Consecutive fall in sugar prices can be seen as rumors of ban on essential commodities like Wheat, Sugar, Chana etc from futures platforms spreads fear in the market.
- Farmers in UP are sowing less cane for 2014-15 season due to delay in cane payment. However, situation is totally opposite in case of Maharashtra and Karnataka as reported.
- Various mills in Brazil are closing down for the current season as Brazilian govt curb fuel price hike concerning rising inflation rate. With over production of sugar and lesser demand of fuel urge Brazilian millers to sell sugar in the global markets to get some capital and minimize their losses.
- Weak demand of sugar and oversupply of sugar by mills led the prices down in UP as reported.
- Gur prices improved today due to lower arrivals.
- Total around 1061000 bags of 40 kg each of gur stored in warehouses presently which are lower compared to 1233000 bags stored last year at same period in warehouses. Out of total gur stocks, 560000 bags of Chaku, 61000 bags of Raskut, 202000 bags of Papdi and 23000 bags of Khurpa gur stored in cold storages. It is notable that lower gur stock stored in cold storages would support the prices of gur in the medium term.

**Outlook:** Sugar prices are presently in a profit booking state. However, overall sentiments remained bullish for medium term due to lower production. Sugar may trade steady in the short term.

### NCDEX Sugar Future Quotes

| Contract | +/- | Open | High | Low  | Close |
|----------|-----|------|------|------|-------|
| June-14  | -6  | 3000 | 3004 | 2982 | 2991  |
| July-14  | -22 | 2983 | 2995 | 2953 | 2961  |
| Aug-14   | -24 | 2984 | 2994 | 2965 | 2976  |

| Contract | Volume | Change | OI    | Change |
|----------|--------|--------|-------|--------|
| June-14  | 2520   | -680   | 41830 | -60    |
| July-14  | 4010   | 2630   | 25830 | 640    |
| Aug-14   | 1130   | 740    | 14910 | 950    |

| Spread  | July-14 | Sept-14 | Nov-14 |
|---------|---------|---------|--------|
| Basis   | 109     |         |        |
| July-14 |         | -30     | -15    |
| Sept-14 |         |         | 15     |

### NCDEX Stock & Fed Position

| Stocks     |  | In-     |         |         |         |
|------------|--|---------|---------|---------|---------|
|            |  | Demat   | Process | Total   | FED     |
|            |  | 31.5.14 | 31.5.14 | 31.5.14 | 26.5.14 |
| Kolhapur M |  | 8765    | 0       | 8765    | 9865    |
| Delhi M    |  | 2376    | 0       | 2376    | 3502    |
| Belgaum M  |  | 100     | 0       | 100     | 100     |
| Kolhapur S |  | 7347    | 0       | 7347    | 8737    |
| Sholapur S |  | 1519    | 0       | 1519    | 1519    |
| Sangli S   |  | 501     | 0       | 501     | 501     |
| Belgaum S  |  | 9820    | 0       | 9820    | 10458   |
| Delhi S    |  | 1133    | 0       | 1133    | 1523    |

### NCDEX Gur Future Quotes:

| Contract | +/- | Open   | High   | Low    | Close  |
|----------|-----|--------|--------|--------|--------|
| Jul-14   | -5  | 1161.5 | 1167.5 | 1159   | 1160   |
| Sep-14   | -7  | 1171   | 1176   | 1166.5 | 1168   |
| Nov-14   | -9  | 1081   | 1081.5 | 1081   | 1081.5 |

| Contract | Volume | Change | OI   | Change |
|----------|--------|--------|------|--------|
| Jul-14   | 3640   | -960   | 9230 | -580   |
| Sep-14   | 2780   | -820   | 5650 | 630    |
| Nov-14   | 20     | 0      | 140  | 0      |

| Spread  | July-14 | Sept-14 | Nov-14 |
|---------|---------|---------|--------|
| Basis   | 60      |         |        |
| July-14 |         | 8       | -78.5  |
| Sept-14 |         |         | -86.5  |

| Gur Stock Position | Chaku  | Raskut | Papdi  | Total   |
|--------------------|--------|--------|--------|---------|
| 2014               | 560000 | 61000  | 202000 | 1061000 |
| 2013               | 752000 | 135000 | 197000 | 1233000 |

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

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

## Brazil White Sugar Premium (US\$/MT)

| Contract      | Close | +/- |
|---------------|-------|-----|
| May'14/May'14 | NR    | -   |
| Aug'14/Jul'14 | NR    | -   |
| Oct'14/Oct'14 | NR    | -   |

## Brazil Sugar/ Ethanol Prices (In Cents/lb)

| Contract              | Close | +/- |
|-----------------------|-------|-----|
| Brazil Domestic Sugar | NR    | -   |
| Brazil Anhydrous      | NR    | -   |
| Brazil Hydrous        | NR    | -   |

| Commodity                | Price (\$/Ton) | Change |
|--------------------------|----------------|--------|
| Thai Sugar FOB 45 Icumsa | 470.10         | -      |

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

| Contract       | Open  | High  | Low   | Close | +/-         |
|----------------|-------|-------|-------|-------|-------------|
| <b>14- Aug</b> | 474.8 | 475.3 | 467.9 | 470.9 | <b>-2.1</b> |
| <b>14-Oct</b>  | 482.3 | 482.8 | 475.8 | 478.8 | <b>-1.9</b> |
| <b>14-Dec</b>  | 492.7 | 493.2 | 486.2 | 488.7 | <b>-2.8</b> |

## ICE Sugar Futures (In Cents/Pound)

| Contract       | Open  | High  | Low   | Close | +/-          |
|----------------|-------|-------|-------|-------|--------------|
| <b>14-July</b> | 17.5  | 17.54 | 17.25 | 17.38 | <b>-0.1</b>  |
| <b>14-Oct</b>  | 18.33 | 18.36 | 18.09 | 18.19 | <b>-0.12</b> |
| <b>15-Mar</b>  | 19.22 | 19.23 | 18.99 | 19.07 | <b>-0.12</b> |

## Sugar and Jaggery (Gur) Prices at Key Spot Markets:

| Commodity | Centre  | Prices (Rs/Qtl) |            | Change |
|-----------|---|-----------------|------------|--------|
|           |   | 2-Jun-2014      | 1-Jun-2014 |        |
| Sugar     | Delhi - Grade M                                 | 3250            | 3250       | Unch   |
|           | Delhi - Grade S                                 | 3200            | 3200       | Unch   |
|           | Delhi - Grade L                                 | 3300            | 3300       | Unch   |
|           | UP- Khatauli Grade M                            | 3330            | 3330       | Unch   |
|           | UP- Ramala Grade M                              | 3260            | 3260       | Unch   |
|           | UP- Dhampur Grade M Ex-Mill                     | 3205            | 3205       | Unch   |
|           | UP- Dhampur Grade S Ex-Mill                     | 3185            | 3185       | Unch   |
|           | UP- Dhampur Grade L Ex-Mill                     | 3255            | 3255       | Unch   |
|           | Mumbai –Grade M                                 | 3270            | 3346       | -76    |
|           | Mumbai –Grade S                                 | 3162            | 3172       | -10    |
|           | Kolhapur – Grade M                              | 3100            | 3160       | -60    |
|           | Kolhapur – Grade S                              | 2950            | 3000       | -50    |
|           | Guhawati – Grade S                              | 3258            | 3309       | -51    |
|           | Shillong – Grade S                              | 3270            | 3320       | -50    |
|           | Vijayawada – Grade M                            | 3500            | 3520       | -20    |
|           | Vijayawada- Grade S                             | 3400            | 3420       | -20    |
|           | Nagpur – Grade M                                | 3250            | 3250       | Unch   |
|           | Nagpur – Grade S                                | 3100            | 3100       | Unch   |
|           | Kolkata – Grade M                               | NR              | 3290       | -      |
|           | Chennai - Grade S                               | 3050            | 3050       | Unch   |
|           | Ambikapur (Chattisgarh)- Grade M (Without Duty) | 3150            | 3150       | Unch   |
|           | Ambikapur (Chattisgarh)- Grade S (Without Duty) | 3125            | 3125       | Unch   |

| Gur Spot Prices (Rs/Qtl) |                   |            |            |        |
|--------------------------|-------------------|------------|------------|--------|
|                          |                   | 2-Jun-2014 | 1-Jun-2014 | Change |
| Muzaffar Nagar           | Chaku             | 3050       | 2975       | 75     |
|                          | Arrivals          | 300        | 300        | Unch   |
|                          | Khurpa            | 2713       | 2725       | -12    |
|                          | Laddu             | 3000       | 2950       | 50     |
|                          | Rascut            | 2313       | 2325       | -12    |
| Seyana                   | Chaurasa          | NA         | NA         | -      |
| Hapur                    | Balti             | NA         | NA         | -      |
| Maharashtra              | Lal Variety       | 2900       | 2900       | Unch   |
| Bangalore                | Achhu             | NA         | NA         | -      |
|                          | Mudde             | 3300       | 3300       | Unch   |
| Belgaum                  | Mudde             | 2600       | NR         | -      |
| Belthangadi              | Yellow (Average)  | 3200       | 3200       | Unch   |
| Bijapur                  | Achhu             | NR         | NR         | -      |
| Gulbarga                 | Other (Average)   | 3150       | 3050       | 100    |
| Mahalingapura            | Penti (Average)   | 2880       | NR         | -      |
| Mandya                   | Achhu (Medium)    | 2300       | 2300       | Unch   |
|                          | Kurikatu (Medium) | 2200       | 2200       | Unch   |
|                          | Other (Medium)    | 2300       | 2300       | Unch   |
|                          | Yellow (Medium)   | 2350       | 2350       | Unch   |
| Shimoga                  | Achhu (Average)   | 3400       | 3500       | -100   |

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