

Sugar & Gur Domestic & International Fundamentals

- Prices of sugar tumbled today in key markets thanks to weak demand at higher levels.
- Center South region Brazilian mills crush 16.3% more cane in the first half of June than in the same period last year. This news give some strength to the bears to pull the market down. However, overall sentiments are bullish due to lower sugar production estimates from Brazil as reported.
- Millers now make a hue and cry situation over the issue of increase in sugarcane prices for 2014-15. Mills gives warning for total shut down for next marketing year if govt. increases sugarcane prices.
- In a major turnaround, Food and Civil Supplies minister Mr. Ram Vilas Paswan increase sugar import duty to 40% from current 15%. This move will give huge respite to sugar mills. In addition to it, Food minister also assure cash starved mills to provide interest free loan of Rs 4400 crore to make payments of cane arrears to farmers. Govt. will also extend sugar export subsidy on raws of Rs 3300 per ton till September 2014.
- Prices of sugar likely to move up in the coming days keeping in view increasing sugar prices in International markets and increase in freight by central govt.
- Sugar exports from India likely to surge with increase in demand and prices of sugar due to upcoming Ramzan season. Also, Government also give some respite to millers after increasing raw sugar export incentive to Rs 3300 per ton for June-July month.
- Gur prices declined today in key markets due to weak demand at these levels.
- 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 Rascut, 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 (Till 6.00 PM)

Contract	+/-	Open	High	Low	Close
July-14	-17.00	3126.00	3126.00	3102.00	3111.00
Aug-14	-17.00	3155.00	3155.00	3130.00	3138.00
Sept-14	-17.00	3223.00	3223.00	3195.00	3195.00

Contract	Volume	Change	OI	Change
July-14	7110	-9810	28280	-1360
Aug-14	6810	-4730	26490	-840
Sept-14	300	-3040	7410	90

Spread	July-14	Aug-14	Sept-14
Basis	14		
July-14		27	84
Sept-14			57

NCDEX Stock & Fed Position

Stocks		In-			
		Demat	Process	Total	FED
		25.6.14	25.6.14	25.6.14	23.6.14
Kolhapur M		4918	130	5048	4918
Delhi M		0	0	0	1088
Belgaum M		100	0	100	100
Kolhapur S		10346	130	10476	10138
Sholapur S		1149	0	1149	1149
Sangli S		451	0	451	451
Belgaum S		9670	0	9670	9940
Delhi S		40	0	40	139

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Jul-14	1.00	1176.00	1179.50	1166.00	1179.50
Sep-14	1.50	1211.00	1211.00	1201.00	1208.00
Nov-14	7.50	1134.50	1134.50	1110.00	1118.50

Contract	Volume	Change	OI	Change
Jul-14	970	-2640	4150	-350
Sep-14	1950	-2730	6100	-10
Nov-14	70	-220	380	0

Spread	July-14	Sept-14	Nov-14
Basis	20.5		
July-14		28.5	-61
Sept-14			-89.5

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	391	+0.50
Raw Sugar C&F (\$/MT)	Black Sea	421.00	+0.50
Sugar White FOB (\$/MT)	Santos Port	477.25	+0.75

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	490	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
14- Aug	490.1	491.8	485	488	-2.1
14-Oct	493.2	494.5	488.5	491.4	-2
14-Dec	503.8	504.8	499.1	502.2	-1.7

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
14-July	17.76	17.84	17.53	17.72	-0.09
14-Oct	18.68	18.7	18.42	18.61	-0.08
15-Mar	19.65	19.68	19.46	19.66	-0.04

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

Commodity	Centre	Prices (Rs/Qtl)		Change
		26-Jun-14	25-Jun-14	
Sugar	Delhi - Grade M	3310	3325	-15
	Delhi - Grade S	3255	3250	5
	Delhi - Grade L	3250	3300	-50
	UP- Khatauli Grade M	3430	3450	-20
	UP- Ramala Grade M	NA	3225	-
	UP- Dhampur Grade M Ex-Mill	3200	3200	Unch
	UP- Dhampur Grade S Ex-Mill	3180	3180	Unch
	UP- Dhampur Grade L Ex-Mill	3250	3250	Unch
	Mumbai –Grade M	3366	3376	-10
	Mumbai –Grade S	3186	3192	-6
	Kolhapur – Grade M	3125	3150	-25
	Kolhapur – Grade S	3000	3050	-50
	Guhawati – Grade S	3309	3360	-51
	Shillong – Grade S	3320	3370	-50
	Vijayawada – Grade M	3620	3620	Unch
	Vijayawada- Grade S	3480	3480	Unch
	Nagpur – Grade M	3325	3350	-25
	Nagpur – Grade S	3225	3250	-25
	Kolkata – Grade M	NA	NA	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3150	3005	145
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	2985	2985	Unch

	Chennai - Grade S	3180	3135	45
--	-------------------	------	------	----

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

Jaggery(Gur) Spot Prices (Rs/Qtl)				
		26-Jun-14	25-Jun-14	Change
Muzaffar Nagar	Chaku	3000	3025	-25
	Chaku(Arrival)	NA	NA	-
	Khurpa(New)	2825	2900	-75
	Laddoo(New)	3175	3175	Unch
	Rascut	2750	2800	-50
Hapur	Chaurasa	NA	NA	-
	Balti	NA	NA	-
Maharashtra	Lal Variety	3050	3050	Unch
Bangalore	Achhu	NA	NA	-
	Mudde	3600	3700	-100
Belgaum	Mudde	2800	2800	Unch
Belthangadi	Yellow (Average)	3100	NA	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	3100	3150	-50
Mahalingapura	Penti (Average)	NA	3040	-
Mandya	Achhu (Medium)	2450	2450	Unch
	Kurikatu (Medium)	2200	2200	Unch
	Other (Medium)	2300	2300	Unch
	Yellow (Medium)	2350	2350	Unch
Shimoga	Achhu (Average)	3400	3400	Unch

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>

© 2014 Indian Agribusiness Systems Pvt Ltd.