

Sugar & Gur Domestic & International Fundamentals

- Mixed sentiments recorded in key sugar spot markets on Friday as markets could not find adequate cues to decide the prices either side.
- 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 improved 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 230000 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	5.00	3110.00	3119.00	3104.00	3112.00
Aug-14	9.00	3140.00	3150.00	3137.00	3146.00
Sept-14	4.00	3203.00	3207.00	3197.00	3207.00

Contract	Volume	Change	OI	Change
July-14	3370	-3740	28960	680
Aug-14	1990	-4820	26270	-220
Sept-14	390	90	7660	250

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

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Jul-14	4.00	1186.00	1186.00	1176.00	1183.00
Sep-14	2.50	1213.50	1215.00	1208.50	1211.50
Nov-14	2.50	1116.00	1120.00	1110.50	1119.50

Contract	Volume	Change	OI	Change
Jul-14	920	-50	3780	-370
Sep-14	2960	1010	5620	-480
Nov-14	150	80	390	10

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

NCDEX Stock & Fed Position

Stocks		Demat	In-Process	Total	FED
		26.6.14	26.6.14	26.6.14	23.6.14
Kolhapur M		4318	240	4558	4918
Delhi M		0	0	0	1088
Belgaum M		100	0	100	100
Kolhapur S		10456	240	10696	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

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	-
Raw Sugar C&F (\$/MT)	Black Sea	421.00	-
Sugar White FOB (\$/MT)	Santos Port	477.25	-

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	487.40	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
14- Aug	488.7	490	485.5	487.4	-1
14-Oct	492	493.7	490.4	493.3	2
14-Dec	503.5	504.9	501.3	504.5	2.3

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
14-July	17.75	17.81	17.52	17.57	-0.15
14-Oct	18.61	18.75	18.58	18.73	0.12
15-Mar	19.63	19.83	19.63	19.81	0.15

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

Commodity	Centre	Prices (Rs/Qtl)		Change
		27-Jun-14	26-Jun-14	
Sugar	Delhi - Grade M	3400	3310	90
	Delhi - Grade S	3315	3255	60
	Delhi - Grade L	3365	3350	15
	UP- Khatauli Grade M	3440	3430	10
	UP- Ramala Grade M	NA	NA	-
	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	3352	3366	-14
	Mumbai –Grade S	3180	3186	-6
	Kolhapur – Grade M	3150	3125	25
	Kolhapur – Grade S	3000	3000	Unch
	Guhawati – Grade S	3309	3309	Unch
	Shillong – Grade S	3320	3320	Unch
	Vijayawada – Grade M	3620	3620	Unch
	Vijayawada- Grade S	3480	3480	Unch
	Nagpur – Grade M	3325	3325	Unch
	Nagpur – Grade S	3230	3225	5
	Kolkata – Grade M	3320	NA	-
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3150	3150	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	2985	2985	Unch

	Chennai - Grade S	3180	3180	Unch
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Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

Jaggery(Gur) Spot Prices (Rs/Qtl)				
		27-Jun-14	26-Jun-14	Change
Muzaffar Nagar	Chaku	3025	3000	25
	Chaku(Arrival)	NA	NA	-
	Khurpa(New)	2900	2825	75
	Laddoo(New)	3225	3175	50
	Rascut	2825	2750	75
Hapur	Chaurasa	NA	NA	-
	Balti	NA	NA	-
Maharashtra	Lal Variety	3050	3050	Unch
Bangalore	Achhu	NA	NA	-
	Mudde	3600	3600	Unch
Belgaum	Mudde	NA	2800	-
Belthangadi	Yellow (Average)	3100	3100	Unch
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	NA	3100	-
Mahalingapura	Penti (Average)	NA	NA	-
Mandya	Achhu (Medium)	2450	2450	Unch
	Kurikatu (Medium)	2200	2200	Unch
	Other (Medium)	2300	2300	Unch
	Yellow (Medium)	2350	2350	Unch
Shimoga	Achhu (Average)	3500	3400	100

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