

Sugar & Gur Domestic & International Fundamentals

- Market sentiment traded again in between a moderate to lower zone as on 22nd July, 2014. A flimsy and sloppy demand conjuncted with an out-bound supply structure could be cited responsible.
- Indian exporters are offering white sugar at FOB \$510 per ton which is much higher compared to Thailand and Brazil which are offering sugar at \$475 and \$450 per ton respectively.
- Govt. raised special commodity levy on sugar import by Rs.3/kg which comes as a protective measure to safeguard domestic interest. Imported sugar can now be purchased at a rate of Rs 28/kg in India.
- Maharashtra govt. revamped its sugar production forecast from 25% to 15% for this planting session, 2014-15. Severe drought like condition in some major sugar production area could be seen as a cause of alteration. However, as per the Agriwatch findings, any major adverse effect relating to weather on production is nullified because of adequate water source availability. It is notable that most of the cane growing belt comes under irrigated areas in Maharashtra
- ICE raw sugar prices improved last night due to short covering by market participants at lower levels.
- Thailand may undergo a major shift in its production policy as the subsidy program allowed for rice production lapsed few months back entailing domestic farmers to diverge their investment towards sugar industry. As a result, the country's sugar production is likely to boost by 0.71 million metric tons for 2014-15 from 11.29 million tons sugar produced last year.
- Prices of gur improved today in key benchmark market Muzaffar nagar due to good demand at lower levels. It is notable that gur stock is less this year in cold storage compared to last year which likely to give bullish sentiments in the long run.
- Total around 1147000 bags of gur stored in cold storages till 7th July 2014 higher compared to 940000 bags at same period last year.

Outlook: Sugar prices are currently moving in a range with weaker tone due to lackluster trade. However, upcoming festive demand likely to increase sugar prices in the medium term as expected.

NCDEX Sugar Future Quotes

Contract	+/-	Open	High	Low	Close
Aug-14	-12.00	3074.00	3086.00	3060.00	3065.00
Sept-14	-13.00	3150.00	3150.00	3130.00	3135.00

Contract	Volume	Change	OI	Change
Aug-14	2,360	630	21760	-150
Sept-14	550	240	8910	270

Spread	Aug-14	Sept-14
Basis	35.00	
Aug-14		70
Sept-14		

NCDEX Stock & Fed Position

Stocks	Demat	In-Process	Total	FED
		21.7.14	21.7.14	21.7.14
Kolhapur M	461	0	461	461
Delhi M	0	0	0	0
Belgaum M	100	0	100	100
Kolhapur S	11812	0	11812	11812
Sholapur S	100	0	100	100
Sangli S	301	0	301	301
Belgaum S	9670	0	9670	9670
Delhi S	40	0	40	40

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Sep-14	6.00	1209.50	1213.50	1207.00	1213.00
Nov-14	-8.00	1078.00	1078.00	1064.50	1067.50
Dec-14	-5.00	1061.50	1064.00	1051.50	1058.00

Contract	Volume	Change	OI	Change
Sep-14	940	-320	6480	290
Nov-14	510	-730	2170	70
Dec-14	450	-580	1040	-60

Spread	Sept-14	Nov-14	Dec-14
Basis	2.2		
Sept-14		-145.5	-155
Nov-14			-9.5

Gur Stock Position	Chaku	Raskut	Papdi	Total
2014	480000	49000	191000	1054000
2013	66100	116000	164000	864000

Brazil Sugar Quotes (Kingsman US\$/MT)(As on 21.07.14)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	364.50	-
Raw Sugar C&F (\$/MT)	Black Sea	392.50	-
Sugar White FOB (\$/MT)	Santos Port	450.25	-

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	455.80	5.60

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
14-Oct	451.4	458.8	450.4	455.8	6.20
14-Dec	464.2	471.3	464.2	468.7	5.90
15-Mar	479.7	487	479.2	485	7.00

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
14-Oct	17.05	17.44	17.00	17.28	0.31
15-Mar	18.37	18.80	18.36	18.68	0.34
15-May	18.52	18.89	18.50	18.78	0.31

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

Commodity	Centre	Prices (Rs/Qtl)		Change
		22-Jul-14	21-Jul-14	
Sugar	Delhi - Grade M	3370	3350	20
	Delhi - Grade S	3300	3300	Unch
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	3435	3450	-15
	UP- Ramala Grade M	3300	3290	10
	UP- Dhampur Grade M Ex-Mill	3340	3340	Unch
	UP- Dhampur Grade S Ex-Mill	3320	3320	Unch
	UP- Dhampur Grade L Ex-Mill	3390	3390	Unch
	Mumbai -Grade M	3340	3346	-6
	Mumbai -Grade S	3186	3186	Unch
	Kolhapur - Grade M	3100	3100	Unch
	Kolhapur - Grade S	2975	2975	Unch
	Guhawati - Grade S	3284	3284	Unch
	Shillong - Grade S	3295	3295	Unch
	Vijayawada - Grade M	3580	3620	-40
	Vijayawada- Grade S	3460	3480	-20
	Nagpur - Grade M	3350	3350	Unch
	Nagpur - Grade S	3150	3150	Unch
	Kolkata - Grade M	NA	NA	-
	Chennai - Grade S	3150	3150	Unch
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3125	3125	Unch

	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	-
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Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

Gur Spot Prices (Rs/Qtl)				
		22-Jul-14	21-Jul-14	Change
Muzaffar Nagar	Chaku	3038	3025	13
	Arrivals	NA	NA	-
	Khurpa	2900	2950	-50
	Laddu	3200	3075	125
	Rascut	2900	2850	50
Seyana	Chaurasa	NA	NA	-
Hapur	Balti	NA	NA	-
Maharashtra	Lal Variety	3100	3100	Unch
Bangalore	Achhu	NA	NA	-
	Mudde	3800	NA	-
Belgaum	Mudde	NA	2900	-
Belthangadi	Yellow (Average)	3300	3300	Unch
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	NA	NA	-
Mahalingapura	Penti (Average)	2980	2950	30
Mandya	Achhu (Medium)	2450	2450	Unch
	Kurikatu (Medium)	2350	2350	Unch
	Other (Medium)	2400	2400	Unch
	Yellow (Medium)	2450	2450	Unch
Shimoga	Achhu (Average)	3400	3400	Unch

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