

Sugar & Gur Domestic & International Fundamentals

- Market sentiments remained in a comfortable zone with price swinging up on Tuesday. However, the market is expected to fall down in medium run on back of ample stock availability and deficient demand in the country.
- Sugarcane production is likely to fall aback in Tamil Nadu with a persistent scanty rainfall since past three years in the region. Notably, the harsh dry weather in the state negatively affected the cane productivity and acreage area under cultivation which ultimately resulted into a fall in sugar production from 18.88 lakh tons in 2012-13 to about 13.1 lakh tons in 2013-14. Also, it is likely to affect cane seed availability for the next sowing season.
- Maharashtrian cane production is expected to rise by 90 lakh tons to 850 lakh tons for this crushing season 2014-15. However, the surge is not fully welcomed by the millers who are still struggling hard to pay off the pending arrears.
- The Allahabad HC had ordered millers to pay off their pending cane arrears by selling 15% of their sugar stock in local market. It is further sentenced that 30% of the proceeds will be directly accredited to the farmers while the balance 70% will be utilized through a separate bank account.
- Total around 675000 bags of gur stored in cold storages till 19th August 2014 lower compared to 827000 bags at same period last year.
- Gur prices witness artificial firmness at present and likely move down in the coming days due to good stock availability in the Maharashtra markets. It is notable that cane has diverted more towards gur production in Pune and Sangli area this year. In addition to it, market participants are expecting early arrivals of gur for the next marketing year which drive the prices southwards in the medium term.

Outlook: Sugar prices are trading up due to strong market demand outlook in the country. In addition, upcoming festive demand is also likely to increase sugar prices in the medium term as expected.

NCDEX Sugar Future Quotes (At 06:30 p.m.)

Contract	+/-	Open	High	Low	Close
Aug-14	12.00	3111.00	3131.00	3108.00	3130.00
Sept-14	-3.00	3082.00	3090.00	3080.00	3085.00

Contract	Volume	Change	OI	Change
Aug-14	710	90	2760	-1990
Sept-14	970	-4180	13810	160

Spread	Aug-14	Sept-14
Basis	-55.00	
Aug-14		-45.00
Sept-14		

NCDEX Stock & Fed Position

Stocks	Demat	In-Process	Total	FED
	18.8.14	18.8.14	18.8.14	18.8.14
Kolhapur M	852	100	952	852
Delhi M	-	-	-	-
Belgaum M	100	0	100	100
Kolhapur S	10507	100	10607	10507
Sholapur S	50	0	50	50
Sangli S	-	-	-	-
Belgaum S	5987	0	5987	5987
Delhi S	-	-	-	-

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
Sep-14	9.50	1145.50	1158.00	1145.50	1151.00
Nov-14	0.00	1008.00	1008.00	1001.00	1001.50
Dec-14	3.00	994.00	994.00	993.50	994.00

Contract	Volume	Change	OI	Change
Sep-14	2830	-160	6690	340
Nov-14	1050	430	2460	-90
Dec-14	40	-230	1020	20

Spread	Sept-14	Nov-14	Dec-14
Basis	24.2		
Sept-14		-149.5	-157
Nov-14			-7.5

Gur Stock Position	Chaku	Raskut	Papdi	Total
2014	403000	36000	154000	675000
2013	536000	96000	124000	827000

Brazil Sugar Quotes (Kingsman US\$/MT)(As on 19.08.14)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	332.25	-
Raw Sugar C&F (\$/MT)	Black Sea	363.75	-
Sugar White FOB (\$/MT)	Santos Port	425.00	-

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	425.40	-

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
14-Oct	431.7	432.1	424.5	425.4	-6
14-Dec	448	448.4	442.1	442.8	-4.6
15-Mar	467.6	467.6	461.7	462.8	-4.4

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
14-Oct	16	16.01	15.63	15.68	-0.24
15-Mar	17.83	17.84	17.54	17.64	-0.13
15-May	18.08	18.11	17.84	17.95	-0.1

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

Commodity	Centre	Prices (Rs/Qtl)		Change
		19-Aug-14	16-Aug-14	
Sugar	Delhi - Grade M	3275	3245	30
	Delhi - Grade S	3225	3195	30
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	3355	3375	-20
	UP- Ramala Grade M	3240	3240	Unch
	UP- Dhampur Grade M Ex-Mill	3240	3260	-20
	UP- Dhampur Grade S Ex-Mill	3220	3240	-20
	UP- Dhampur Grade L Ex-Mill	3290	3310	-20
	Mumbai –Grade M	3336	3336	Unch
	Mumbai –Grade S	3172	3172	Unch
	Kolhapur – Grade M	3075	3075	Unch
	Kolhapur – Grade S	2975	2975	Unch
	Guhawati – Grade S	3284	3284	Unch
	Shillong – Grade S	3295	3295	Unch
	Vijayawada – Grade M	3550	3550	Unch
	Vijayawada- Grade S	3450	3450	Unch
	Nagpur – Grade M	3350	3350	Unch
	Nagpur – Grade S	3150	3150	Unch

	Kolkata – Grade M	3410	3410	Unch
	Chennai - Grade S	3100	3100	Unch
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	3125	3125	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	NA	NA	-

Gur Spot Prices (Rs/Qtl)				
		19-Aug-14	16-Aug-14	Change
Muzaffar Nagar	Chaku	2938	2950	-12
	Arrivals	NA	NA	-
	Khurpa	2750	2825	-75
	Laddu	3025	3000	25
	Rascut	2750	2750	Unch
Seyana	Chaurasa	NA	NA	-
Hapur	Balti	NA	NA	-
Maharashtra	Lal Variety	3200	3150	50
Bangalore	Achhu	NA	NA	-
	Mudde	4200	4200	Unch
Belgaum	Mudde	-	2800	-
Belthangadi	Yellow (Average)	3400	3400	Unch
Bijapur	Achhu	3100	2960	140
Gulbarga	Other (Average)	3211	3150	61
Mahalingapura	Penti (Average)	-	-	-
Mandya	Achhu (Medium)	2697	-	-
	Kurikatu (Medium)	-	-	-
	Other (Medium)	2815	-	-
	Yellow (Medium)	3039	-	-
Shimoga	Achhu (Average)	3500	-	-

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