

## Sugar & Gur Domestic & International Fundamentals

- Market sentiments remained in a comfortable zone with price swinging up on Wednesday. However, the market is expected to fall down in medium run on back of ample stock availability and deficient demand in the country.
- Cane production in U.P is expected to decline for 2013-14 as the major crop growing belt has been fully submerged due to heavy rain flooding in the state. However, nothing in concrete can be said for now as the govt. needs to evaluate other supplementary factors as well.
- A major dispute out surged between sugar and food department in Uttarakhand over the sale of sugar at a discount for ration-card holders. Reportedly, cabinet had announced the sale of sugar at a rate of Rs32/kg which was fully disowned by the govt. millers who were asking for higher prices for their product.
- Tenders are invited by **UNION TERRITORY OF LAKSHADWEEP** for supply of pds sugar for approximate 950 mt (s-30 grade). Opening date for tenders has been fixed at 9<sup>th</sup> Sep, 2014.
- Future as well as spot sugar market in China is expected to trend low amid huge stock inventory accumulation within the country accompanied by a large production worldwide.
- Total around 675000 bags of gur stored in cold storages till 19<sup>th</sup> 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 is 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 05:15 p.m.)

| Contract | +/-    | Open    | High    | Low     | Close   |
|----------|--------|---------|---------|---------|---------|
| Aug-14   | 27.00  | 3146.00 | 3150.00 | 3146.00 | 3150.00 |
| Sept-14  | -25.00 | 3078.00 | 3078.00 | 3037.00 | 3054.00 |

| Contract | Volume | Change | OI    | Change |
|----------|--------|--------|-------|--------|
| Aug-14   | 840    | 130    | 2480  | -280   |
| Sept-14  | 3100   | 2130   | 13970 | 160    |

| Spread  | Aug-14 | Sept-14 |
|---------|--------|---------|
| Basis   | -90.00 |         |
| Aug-14  |        | -96.00  |
| Sept-14 |        |         |

### NCDEX Stock & Fed Position

| Stocks     | Demat   | In-Process | Total   | FED     |
|------------|---------|------------|---------|---------|
|            | 19.8.14 | 19.8.14    | 19.8.14 | 18.8.14 |
| Kolhapur M | 852     | 100        | 952     | 852     |
| Delhi M    | -       | -          | -       | -       |
| Belgaum M  | 100     | 0          | 100     | 100     |
| Kolhapur S | 10407   | 100        | 10507   | 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   | 2.50  | 1148.50 | 1160.00 | 1148.50 | 1151.00 |
| Nov-14   | 0.50  | 1000.00 | 1005.50 | 998.00  | 1004.00 |
| Dec-14   | -3.50 | 995.00  | 995.00  | 990.50  | 990.50  |

| Contract | Volume | Change | OI   | Change |
|----------|--------|--------|------|--------|
| Sep-14   | 1660   | -1170  | 6670 | -20    |
| Nov-14   | 280    | -770   | 2430 | -30    |
| Dec-14   | 20     | -20    | 1030 | 10     |

| Spread  | Sept-14 | Nov-14 | Dec-14 |
|---------|---------|--------|--------|
| Basis   | 9       |        |        |
| Sept-14 |         | -147   | -160.5 |
| Nov-14  |         |        | -13.5  |

| 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 20.08.14)

| Commodity               | Place       | Price  | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT)   | Santos Port | 327.25 | -5.00  |
| Raw Sugar C&F (\$/MT)   | Black Sea   | 358.75 | -5.00  |
| Sugar White FOB (\$/MT) | Santos Port | 424.00 | -1.00  |

## 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 | 420.10         | -5.30  |

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

| Contract | Open  | High  | Low   | Close | +/-  |
|----------|-------|-------|-------|-------|------|
| 14-Oct   | 425.1 | 426   | 419.5 | 420.1 | -5.3 |
| 14-Dec   | 442.7 | 443.3 | 437.7 | 438   | -4.8 |
| 15-Mar   | 463   | 463.3 | 457.8 | 458.1 | -4.7 |

## ICE Sugar Futures (In Cents/Pound)

| Contract | Open  | High  | Low   | Close | +/-   |
|----------|-------|-------|-------|-------|-------|
| 14-Oct   | 15.67 | 15.69 | 15.44 | 15.47 | -0.21 |
| 15-Mar   | 17.62 | 17.63 | 17.32 | 17.37 | -0.27 |
| 15-May   | 17.93 | 17.94 | 17.7  | 17.74 | -0.21 |

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

| Commodity | Centre                      | Prices (Rs/Qtl) |           | Change |
|-----------|-----------------------------|-----------------|-----------|--------|
|           |                             | 20-Aug-14       | 19-Aug-14 |        |
| Sugar     | Delhi - Grade M             | 3280            | 3275      | 5      |
|           | Delhi - Grade S             | 3200            | 3225      | -25    |
|           | Delhi - Grade L             | NA              | NA        | -      |
|           | UP- Khatauli Grade M        | 3335            | 3355      | -20    |
|           | UP- Ramala Grade M          | 3220            | 3240      | -20    |
|           | UP- Dhampur Grade M Ex-Mill | 3230            | 3240      | -10    |
|           | UP- Dhampur Grade S Ex-Mill | 3210            | 3220      | -10    |
|           | UP- Dhampur Grade L Ex-Mill | 3280            | 3290      | -10    |
|           | Mumbai –Grade M             | 3336            | 3336      | Unch   |
|           | Mumbai –Grade S             | 3172            | 3172      | Unch   |
|           | Kolhapur – Grade M          | 3060            | 3075      | -15    |
|           | Kolhapur – Grade S          | 3060            | 2975      | 85     |
|           | Guhawati – Grade S          | 2950            | 3284      | -334   |
|           | Shillong – Grade S          | 2950            | 3295      | -345   |
|           | 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                               | NA   | 3410 | -    |
|  | Chennai - Grade S                               | 3100 | 3100 | Unch |
|  | Ambikapur (Chattisgarh)- Grade M (Without Duty) | 3171 | 3125 | 46   |
|  | Ambikapur (Chattisgarh)- Grade S (Without Duty) | 3135 | NA   | -    |

| Gur Spot Prices (Rs/Qtl) |                   |           |           |        |
|--------------------------|-------------------|-----------|-----------|--------|
|                          |                   | 20-Aug-14 | 19-Aug-14 | Change |
| Muzaffar Nagar           | Chaku             | 2900      | 2938      | -38    |
|                          | Arrivals          | NA        | NA        | -      |
|                          | Khurpa            | 2750      | 2750      | Unch   |
|                          | Laddu             | 3025      | 3025      | Unch   |
|                          | Rascut            | 2750      | 2750      | Unch   |
| Seyana                   | Chaurasa          | NA        | NA        | -      |
| Hapur                    | Balti             | NA        | NA        | -      |
| Maharashtra              | Lal Variety       | 3200      | 3200      | Unch   |
| Bangalore                | Achhu             | NA        | NA        | -      |
|                          | Mudde             | 4200      | 4200      | Unch   |
| Belgaum                  | Mudde             | -         | -         | -      |
| Belthangadi              | Yellow (Average)  | 3400      | 3400      | Unch   |
| Bijapur                  | Achhu             | -         | 3100      | -      |
| Gulbarga                 | Other (Average)   | 3050      | 3211      | -161   |
| Mahalingapura            | Penti (Average)   | 2960      | -         | -      |
| Mandya                   | Achhu (Medium)    | -         | 2697      | -      |
|                          | Kurikatu (Medium) | -         | -         | -      |
|                          | Other (Medium)    | -         | 2815      | -      |
|                          | Yellow (Medium)   | -         | 3039      | -      |
| Shimoga                  | Achhu (Average)   | -         | 3500      | -      |

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