

Sugar & Gur Domestic & International Fundamentals

- Market sentiments traded between firmer to normal zone with price trending up for the day.
- Owing to multiple crisis and disputes, sugarcane acreage in U.P is expected to decline 10% from 23.60 lakh hectares to 21.24 lakh hectares in 2014-15.
- Thailand reduced its sugar consumption quota from 2.4 million tons to 2.5 million tons for 2013-14. The move was taken in an attempt to increase sugar export from the country at a tone of 8.8 million tons for marketing year 2014.
- Raw sugar export from Brazil declined 8.46% from 2.04 million tons in July to 1.86 million tons this month. The situation is much graving when compared on y-o-y basis, where sugar export turned around 2.68 million tons in Aug, 2013.
- U.P govt announced an additional rebate of Rs6/quintal (on sugarcane) as a spurring step to promote crushing in the state. Reportedly, the millers are now supposed to pay their pending cane arrears at a rate of Rs 280/quintal by end of September.
- As of 28th Aug, 2014, total area occupied under cane cultivation has been reached to 4.72 million hectare, down by 6.2% on y-o-y comparison.
- Total around 604000 bags of gur stored in cold storages till 25th August 2014 lower compared to 649000 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 05:20 p.m.)

| Contract | +/- | Open | High | Low | Close |
|----------|-------|---------|---------|---------|---------|
| Sept-14 | -6.00 | 3004.00 | 3007.00 | 3001.00 | 3001.00 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Sept-14 | 570 | -380 | 10230 | -460 |

Spread Sept-14

Basis 09.00

Sept-14

NCDEX Stock & Fed Position

| Stocks | Demat | In-Process | Total | FED |
|------------|--------|------------|--------|--------|
| | 3.9.14 | 3.9.14 | 3.9.14 | 1.9.14 |
| Kolhapur M | 191 | 0 | 191 | 191 |
| Delhi M | - | - | - | - |
| Belgaum M | 0 | 0 | 0 | 0 |
| Kolhapur S | 5321 | 0 | 5321 | 5321 |
| Sholapur S | 0 | 0 | 0 | - |
| Sangli S | - | - | - | - |
| Belgaum S | 3971 | 0 | 3971 | 3971 |
| Delhi S | - | - | - | - |

NCDEX Gur Future Quotes:

| Contract | +/- | Open | High | Low | Close |
|----------|-------|---------|---------|---------|---------|
| Sep-14 | 5.00 | 1121.00 | 1126.00 | 1116.00 | 1124.50 |
| Nov-14 | 4.50 | 972.50 | 974.00 | 966.00 | 974.00 |
| Dec-14 | 10.00 | 961.50 | 963.50 | 955.00 | 962.50 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Sep-14 | 2150 | 390 | 6140 | 230 |
| Nov-14 | 870 | -1320 | 2900 | -90 |
| Dec-14 | 550 | 190 | 1670 | 90 |

| Spread | Sept-14 | Nov-14 | Dec-14 |
|---------|---------|--------|--------|
| Basis | -4.5 | | |
| Sept-14 | | -150.5 | -162 |
| Nov-14 | | | -11.5 |

| Gur Stock Position | Chaku | Raskut | Papdi | Total |
|--------------------|--------|--------|--------|--------|
| 2014 | 325000 | 28000 | 124000 | 532000 |
| 2013 | 445000 | 82000 | 94000 | 671000 |

Brazil Sugar Quotes (Kingsman US\$/MT)(As on 03.09.14)

| Commodity | Place | Price | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT) | Santos Port | 345.50 | - |
| Raw Sugar C&F (\$/MT) | Black Sea | 375.50 | - |
| Sugar White FOB (\$/MT) | Santos Port | 448.75 | - |

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 | 425.60 | -3.20 |

LIFFE Sugar Futures (In US\$/MT)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|------|
| 14-Oct | 428.5 | 428.6 | 425.0 | 425.6 | -3.2 |
| 14-Dec | 444.8 | 445.0 | 441.2 | 442.6 | -2.5 |
| 15-Mar | 462.6 | 462.6 | 458.3 | 459.6 | -3.2 |

ICE Sugar Futures (In Cents/Pound)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|-------|
| 14-Oct | 15.86 | 15.87 | 15.56 | 15.62 | -0.20 |
| 15-Mar | 17.75 | 17.76 | 17.52 | 17.59 | -0.14 |
| 15-May | 18.22 | 18.22 | 18.00 | 18.07 | -0.08 |

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

| Commodity | Centre | Prices (Rs/Qtl) | | Change |
|-----------|-----------------------------|-----------------|----------|--------|
| | | 4-Sep-14 | 3-Sep-14 | |
| Sugar | Delhi - Grade M | 3250 | 3260 | -10 |
| | Delhi - Grade S | 3200 | 3200 | Unch |
| | Delhi - Grade L | 3280 | NA | - |
| | UP- Khatauli Grade M | 3270 | 3270 | Unch |
| | UP- Ramala Grade M | 3200 | 3200 | Unch |
| | UP- Dhampur Grade M Ex-Mill | 3220 | 3220 | Unch |
| | UP- Dhampur Grade S Ex-Mill | 3200 | 3200 | Unch |
| | UP- Dhampur Grade L Ex-Mill | 3270 | 3270 | Unch |
| | Mumbai –Grade M | 3200 | 3200 | Unch |
| | Mumbai –Grade S | 3162 | 3166 | -4 |
| | Kolhapur – Grade M | 3010 | 3025 | -15 |
| | Kolhapur – Grade S | 2910 | 2925 | -15 |
| | Guhawati – Grade S | 3218 | 3233 | -15 |
| | Shillong – Grade S | 3230 | 3245 | -15 |
| | Vijayawada – Grade M | 3540 | 3540 | Unch |
| | Vijayawada- Grade S | 3440 | 3440 | Unch |
| | Nagpur – Grade M | 3350 | 3350 | Unch |

| | | | | |
|--|---|------|------|------|
| | Nagpur – Grade S | 3200 | 3200 | Unch |
| | Kolkata – Grade M | 3330 | NA | - |
| | Ambikapur (Chattisgarh)- Grade M (Without Duty) | 3161 | 3161 | Unch |
| | Ambikapur (Chattisgarh)- Grade S (Without Duty) | 3135 | 3135 | Unch |
| | Chennai - Grade S | 3080 | 3080 | Unch |

| Jaggery(Gur) Spot Prices (Rs/Qtl) | | | | |
|-----------------------------------|-------------------|----------|----------|--------|
| | | 4-Sep-14 | 3-Sep-14 | Change |
| Muzaffar Nagar | Chaku | 2800 | 2800 | Unch |
| | Chaku(Arrival) | NA | NA | - |
| | Khurpa(New) | 2750 | 2800 | -50 |
| | Laddoo(New) | 2950 | 2950 | Unch |
| | Rascut | 2625 | 2500 | 125 |
| Hapur | Chaurasa | NA | NA | - |
| | Balti | NA | NA | - |
| Maharashtra | Lal Variety | 3250 | 3250 | Unch |
| Bangalore | Achhu | NA | NA | - |
| | Mudde | 4200 | 4200 | Unch |
| Belgaum | Mudde | 2800 | 2800 | Unch |
| Belthangadi | Yellow (Average) | 3400 | NA | - |
| Bijapur | Achhu | 3000 | NA | - |
| Gulbarga | Other (Average) | 3150 | 3175 | -25 |
| Mahalingapura | Penti (Average) | NA | 3160 | - |
| Mandya | Achhu (Medium) | NA | NA | - |
| | Kurikatu (Medium) | NA | NA | - |
| | Other (Medium) | NA | NA | - |
| | Yellow (Medium) | NA | NA | - |
| Shimoga | Achhu (Average) | 3400 | 3300 | 100 |

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