

Sugar & Gur Domestic & International Fundamentals

- Sugar prices drifted on Wednesday, dragged down by persistent supplies by millers against subdued domestic demand
- Leading trade house Platts Kingsman expects a global sugar deficit of 1-2 million tons in 2014-15 amidst falling global production and steadily rising consumption this year. Similarly, the industry could face a global deficit of above 3 million tons in 2015-16 as the major sugar producer Brazil is most likely to divert its cane towards ethanol production next year.
- India produced 17.81 lakh tons of sugar till 3rd Nov, 2014 which was 56% higher than the quantity produced during the same period last year. Similarly, the country also saw an upsurge in the number of crushing units from 262 (in 2013) to 287 (in 2014) for the same duration.
- 31 sugar mills in Karnataka churned around 3.36 lakh tons of sugar this year (as on 30th Nov, 2014) compared to 3.28 lakh tons of sugar a year back. Crushing had also started recently in states like Gujarat which had produced around 1.6 lakh tons of sugar till 30th Nov, 2014.
- Cane crushing started in U.P and the state had churned around 196.86 lakh quintal of sugarcane to produce 16.91 lakh quintal of sugar till 02nd Dec, 2014. Not only this, the cane recovery rate in U.P had also improved from 7.48% in 2013 to 8.59% in 2014.
- Sugar production in Maharashtra for 2014-15 ((till 02nd Dec, 2014) stands out at 11.2 lakh tons which is 115% more than the production made last year during same time. Notably, the state crushed 119.1 lakh tons of sugarcane this season ((till 02nd Dec, 2014) with an average recovery rate of 9.4%.

Outlook: Ample supply, subdued demand and falling crude prices mainly kept pressure on sugar prices. However, the situation is expected to improve soon as Brazil is almost done with the cane crushing and is likely to divert the remaining cane towards ethanol production.

NCDEX Sugar Future Quotes (At 05: 05 p.m.)

| Contract | +/- | Open | High | Low | Close |
|----------|--------|---------|---------|---------|---------|
| Dec-14 | -49.00 | 2705.00 | 2709.00 | 2658.00 | 2666.00 |
| Mar-15 | -1.00 | 2778.00 | 2782.00 | 2771.00 | 2776.00 |
| May-15 | -8.00 | 2857.00 | 2874.00 | 2853.00 | 2858.00 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Dec-14 | 1,460 | 590 | 3190 | -1170 |
| Mar-15 | 1280 | 80 | 17500 | 410 |
| May-15 | 160 | 10 | 3400 | 40 |

| Spread | Dec-14 | Mar-15 | May-15 |
|--------|--------|--------|--------|
| Basis | 59 | | |
| Dec-14 | | 110 | 192 |
| Mar-15 | | | 82 |

NCDEX Stock & Fed Position

| Stocks | Demat | In-Process | Total | FED |
|------------|----------|------------|----------|----------|
| | 09.12.14 | 09.12.14 | 09.12.14 | 08.12.14 |
| Kolhapur M | 969 | 0 | 969 | 969 |
| Delhi M | - | - | - | - |
| Belgaum M | - | - | - | - |
| Kolhapur S | - | - | - | - |
| Sholapur S | - | - | - | - |
| Sangli S | - | - | - | - |
| Belgaum S | - | - | - | - |
| Delhi S | - | - | - | - |

NCDEX Gur Future Quotes:

| Contract | +/- | Open | High | Low | Close |
|----------|-------|--------|--------|--------|--------|
| Dec-14 | 3.50 | 946.00 | 954.00 | 944.50 | 953.00 |
| Jan-15 | -3.00 | 973.50 | 973.50 | 961.50 | 971.50 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Dec-14 | 1160 | 240 | 890 | -510 |
| Jan-15 | 940 | -10 | 1670 | 270 |

| Spread | Dec-14 | Jan-15 |
|--------|--------|--------|
| Basis | -33 | |
| Dec-14 | | 18.5 |
| Jan-15 | | |

Gur

| Gur Stock Position | Chaku | Raskut | Papdi | Total |
|--------------------|-------|--------|-------|-------|
| 2014 | - | - | - | - |
| 2013 | - | - | - | - |

Brazil Sugar Quotes (Kingsman US\$/MT)(As on 09.12.14)

| Commodity | Place | Price | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT) | Santos Port | 317.25 | - |
| Raw Sugar C&F (\$/MT) | Black Sea | 348.25 | - |
| Sugar White FOB (\$/MT) | Santos Port | 403.00 | - |

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 | 395.10 | - |

LIFFE Sugar Futures (In US\$/MT)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|------|
| 15-Mar | 397.3 | 399.7 | 395.6 | 398.9 | 1.40 |
| 15-May | 408.7 | 410.5 | 406.8 | 409.7 | 1.00 |
| 15-Aug | 420.1 | 421.6 | 418.2 | 421.2 | 0.80 |

ICE Raw Sugar Futures (In cents/Pound)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|------|
| 15-Mar | 15.25 | 15.45 | 15.21 | 15.42 | 0.12 |
| 15-May | 15.59 | 15.76 | 15.54 | 15.74 | 0.13 |
| 15-Jul | 15.78 | 15.97 | 15.75 | 15.95 | 0.13 |

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

| Commodity | Centre | Prices (Rs/Qtl) | | Change |
|-----------|-----------------------------|-----------------|----------|--------|
| | | 10-Dec-14 | 9-Dec-14 | |
| Sugar | Delhi - Grade M | 2950 | 2950 | Unch |
| | Delhi - Grade S | 2900 | 2900 | Unch |
| | Delhi - Grade L | NA | NA | - |
| | UP- Khatauli Grade M | 2950 | 3000 | -50 |
| | UP- Ramala Grade M | 2870 | 2830 | 40 |
| | UP- Dhampur Grade M Ex-Mill | 2900 | 2900 | Unch |
| | UP- Dhampur Grade S Ex-Mill | 2880 | 2880 | Unch |
| | UP- Dhampur Grade L Ex-Mill | 2950 | 2950 | Unch |
| | Mumbai –Grade M | 2976 | 2980 | -4 |
| | Mumbai –Grade S | 2802 | 2806 | -4 |
| | Kolhapur – Grade M | 2725 | 2725 | Unch |
| | Kolhapur – Grade S | 2550 | 2550 | Unch |
| | Guhawati – Grade S | 2852 | 2852 | Unch |
| | Shillong – Grade S | 2870 | 2870 | Unch |
| | Vijayawada – Grade M | 3250 | 3250 | Unch |
| | Vijayawada- Grade S | 3050 | 3050 | Unch |
| | Nagpur – Grade M | 3000 | 3000 | Unch |

| | | | | |
|--|---|------|------|------|
| | Nagpur – Grade S | 2850 | 2850 | Unch |
| | Kolkata – Grade M | NA | NA | - |
| | Chennai - Grade S | 2850 | 2850 | Unch |
| | Ambikapur (Chattisgarh)- Grade M (Without Duty) | 3035 | 3035 | Unch |
| | Ambikapur (Chattisgarh)- Grade S (Without Duty) | 3035 | 3035 | Unch |
| Sugar Prices are in INR/Quintal. (1 Quintal=100 kg) | | | | |

| Jaggery(Gur) Spot Prices (Rs/Qtl) | | | | |
|-----------------------------------|-------------------|-----------|----------|--------|
| | | 10-Dec-14 | 9-Dec-14 | Change |
| Muzaffar Nagar | Chaku | 2300 | 2300 | Unch |
| | Arrivals | 7000 | 7000 | Unch |
| | Khurpa | 2150 | 2175 | -25 |
| | Laddu | 2413 | 2413 | Unch |
| | Rascut | NA | NA | - |
| Seyana | Chaurasa | 2138 | 2080 | 58 |
| Hapur | Balti | 2200 | 2075 | 125 |
| Maharashtra | Lal Variety | NA | NA | - |
| Bangalore | Achhu | NA | NA | - |
| | Mudde | 4200 | 4200 | Unch |
| Belgaum | Mudde | 2700 | NA | - |
| Belthangadi | Yellow (Average) | 3150 | 3100 | 50 |
| Bijapur | Achhu | NA | 2500 | - |
| Gulbarga | Other (Average) | 2515 | 2510 | 5 |
| Mahalingapura | Penti (Average) | 2450 | 2550 | -100 |
| Mandya | Achhu (Medium) | NA | 2500 | - |
| | Kurikatu (Medium) | NA | 2200 | - |
| | Other (Medium) | NA | 2300 | - |
| | Yellow (Medium) | NA | 2500 | - |
| Shimoga | Achhu (Average) | 2700 | 2700 | Unch |

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