

## Sugar & Gur Domestic & International Fundamentals

- Sugar market remained subdued amid ample sugar supply in the domestic market.
- Brazilian agency, CONAB forecasted central south cane production to 582.9 million tons (2014-15) which is 2.8% less than the previous estimate made by it. Notably, the agency attributed the severe draught weather condition in the country for the estimation cut.
- On the wake of rising refinery demand, the Indonesian govt. had approved an import quota of 0.6 million tons of raw sugar for the first quarter of 2015-16. The move was largely welcomed by the local refiners and food industry in particular who were affected hard by the supply constraint.
- Cane association UNICA predicted a production of 567 million tons of sugarcane in Brazil's Central South region for 2014-15; which was 4% higher than its previous estimate of 546 million tons. The up gradation has been primarily made due to an increase in area and productivity in the regions (centre-south Brazil) affected least by the drastic draught.
- An early start of crushing this season (Oct, 2014- Sep, 2015) led India to produce 42.25 lakh tons of sugar (till 15<sup>th</sup> Dec, 2014) which was 46.9% higher than the figure achieved last year during the same period. Reportedly, 442 Indian sugar mills participated in the crushing process as against 426 mills last year.
- Gur prices traded steady to strong amidst restricted arrival from major sources.

**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 (As on 19<sup>th</sup> Dec, 2014)

| Contract | +/-    | Open    | High    | Low     | Close   |
|----------|--------|---------|---------|---------|---------|
| Mar-15   | -19.00 | 2670.00 | 2676.00 | 2665.00 | 2670.00 |
| May-15   | -22.00 | 2741.00 | 2741.00 | 2731.00 | 2735.00 |
| Jul-15   | -9.00  | 2760.00 | 2764.00 | 2760.00 | 2764.00 |

| Contract | Volume | Change | OI    | Change |
|----------|--------|--------|-------|--------|
| Mar-15   | 320    | -1,540 | 17820 | 30     |
| May-15   | 50     | -500   | 3770  | -20    |
| Jul-15   | 20     | 20     | 1180  | 1180   |

| Spread | Dec-14 | Mar-15 | May-15 |
|--------|--------|--------|--------|
| Basis  | 5      |        |        |
| Mar-15 |        | 65     | 94     |
| May-15 |        |        | 29     |

### NCDEX Stock & Fed Position

| Stocks     | Demat    | In-Process | Total    | FED      |
|------------|----------|------------|----------|----------|
|            | 19.12.14 | 19.12.14   | 19.12.14 | 16.12.14 |
| Kolhapur M | 90       | 0          | 90       | 969      |
| Delhi M    | -        | -          | -        | -        |
| Belgaum M  | 969      | 0          | 969      | -        |
| Kolhapur S | -        | -          | -        | -        |
| Sholapur S | -        | -          | -        | -        |
| Sangli S   | -        | -          | -        | -        |
| Belgaum S  | -        | -          | -        | -        |
| Delhi S    | -        | -          | -        | -        |

### NCDEX Gur Future Quotes:

| Contract | +/-   | Open   | High   | Low    | Close  |
|----------|-------|--------|--------|--------|--------|
| Jan-15   | -1.00 | 972.00 | 972.00 | 964.00 | 964.00 |

| Contract | Volume | Change | OI   | Change |
|----------|--------|--------|------|--------|
| Jan-15   | 420    | 150    | 2540 | -90    |

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

### Gur

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

## Brazil Sugar Quotes (Kingsman US\$/MT)(As on 16.12.14)

| Commodity               | Place       | Price  | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT)   | Santos Port | 314.75 | -      |
| Raw Sugar C&F (\$/MT)   | Black Sea   | 345.75 | -      |
| Sugar White FOB (\$/MT) | Santos Port | 397.50 | -      |

## 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 | 387.70         | 4.00   |

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

| Contract | Open   | High   | Low    | Close  | +/-  |
|----------|--------|--------|--------|--------|------|
| 15-Mar   | 391.6  | 394.3  | 389.2  | 390.9  | Unch |
| 15-May   | 400.90 | 403.00 | 398.80 | 400.60 | Unch |
| 15-Aug   | 410.30 | 412.60 | 409.80 | 412.00 | -1   |

## ICE Raw Sugar Futures (In cents/Pound)

| Contract | Open  | High  | Low   | Close | +/-   |
|----------|-------|-------|-------|-------|-------|
| 15-Mar   | 14.94 | 15.10 | 14.88 | 14.98 | -0.01 |
| 15-May   | 15.35 | 15.44 | 15.22 | 15.33 | -0.02 |
| 15-Jul   | 15.7  | 15.70 | 15.49 | 15.60 | Unch  |

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

| Commodity | Centre                      | Prices (Rs/Qtl) |           | Change |
|-----------|-----------------------------|-----------------|-----------|--------|
|           |                             | 20-Dec-14       | 19-Dec-14 |        |
| Sugar     | Delhi - Grade M             | 2870            | 2890      | -20    |
|           | Delhi - Grade S             | 2850            | 2870      | -20    |
|           | Delhi - Grade L             | NA              | NA        | -      |
|           | UP- Khatauli Grade M        | 2900            | 2900      | Unch   |
|           | UP- Ramala Grade M          | 2770            | 2780      | -10    |
|           | UP- Dhampur Grade M Ex-Mill | 2820            | 2840      | -20    |
|           | UP- Dhampur Grade S Ex-Mill | 2800            | 2820      | -20    |
|           | UP- Dhampur Grade L Ex-Mill | 2870            | 2890      | -20    |
|           | Mumbai –Grade M             | 2960            | 2960      | Unch   |
|           | Mumbai –Grade S             | 2786            | 2766      | 20     |
|           | Kolhapur – Grade M          | 2650            | 2675      | -25    |
|           | 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            | 2800            | 2800      | Unch   |
|           | Kolkata – Grade M           | NA              | 3050      | -      |
|           | Chennai - Grade S           | 2750            | 2750      | 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)**

| Gur Spot Prices (Rs/Qtl) |                   |           |           |        |
|--------------------------|-------------------|-----------|-----------|--------|
|                          |                   | 20-Dec-14 | 19-Dec-14 | Change |
| Muzaffar Nagar           | Chaku             | 2375      | 2375      | Unch   |
|                          | Arrivals          | 3500      | 4000      | -500   |
|                          | Khurpa            | 2375      | 2350      | 25     |
|                          | Laddu             | 2650      | 2375      | 275    |
|                          | Rascut            | NA        | NA        | -      |
| Seyana                   | Chaurasa          | 2375      | 2325      | 50     |
| Hapur                    | Balti             | 2250      | 2200      | 50     |
| Maharashtra              | Lal Variety       | 2400      | 2400      | Unch   |
| BANGALORE<br>Belgaum     | Mudde             | 4250      | 4250      | Unch   |
|                          | Mudde             | 2800      | 2900      | -100   |
| Belthangadi              | Yellow (Average)  | 3150      | 3150      | Unch   |
| Bijapur                  | Achhu             | 2724      | 2600      | 124    |
| Gulbarga                 | Other (Average)   | 2700      | 2640      | 60     |
| Mahalingapura            | Penti (Average)   | NA        | 2610      | -      |
| Mandya                   | Achhu (Medium)    | 2500      | 2500      | Unch   |
|                          | Kurikatu (Medium) | 2250      | 2250      | Unch   |
|                          | Other (Medium)    | 2300      | 2300      | Unch   |
|                          | Yellow (Medium)   | 2500      | 2500      | Unch   |
| Shimoga                  | Achhu (Average)   | 2700      | 2700      | Unch   |

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