

Sugar & Gur Domestic & International Fundamentals

- As an outcome for the meeting held on Wednesday, CCEA had agreed upon the states' demand for granting flexibility in fixation of sugar retail issue prices (RIP) under PDS. Notably, the RIP of sugar under PDS had been last updated in 2002 at Rs13.50/kg and has been continuing the same so far. However, as per the new decision made by govt., the sugar subsidy rate for state purchase has now been modified to Rs 18.50/kg.
- A positive breakthrough is expected in Brazilian ethanol industry where the govt. announced a fuel tax, called Cide on gasoline and diesel that makes the alternative fuel, ethanol more competitive in comparison. Reportedly, the tax is expected to get enforced with effect from Feb 1, 2015 and could raise the price of gasoline and diesel by 0.22 reais and 0.15 reais per liter respectively. Meanwhile, a wider diversification of domestic cane towards ethanol production could also support the cash starved sugar industry to bloom well.
- Owing to higher international prices (both for raw and refined sugar); India's sugar import fell drastically down from 49.5 thousand tons to 18 thousand tons for the week ending 18th January, 2015. On the other hand, Indian sugar export rose up by 81% from 23.6 thousand tons to 42.8 thousand tons during the same period.
- In a big relief to the millers in state, the Maharashtra govt. had removed a 5% purchase tax on procurement of sugarcane for session 2013-14. The decision had been taken after carefully considering the indebtedness position of the millers in the state.
- Sugar production in India for 2014-15(Oct - Sep) lies at 103 lakh tons (till 15th Jan, 2015) which was 19.08% higher than the figure achieved during the same period last year. Reportedly, 494 sugar mills had participated in the crushing process this year compared to 486 mills last year.

Outlook: Sugar prices are currently trading low and are expected to decline further as the country is going through its peak production time that will last for some time from now.

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

| Contract | +/- | Open | High | Low | Close |
|----------|--------|---------|---------|---------|---------|
| Mar-15 | -39.00 | 2734.00 | 2734.00 | 2690.00 | 2705.00 |
| May-15 | -34.00 | 2819.00 | 2820.00 | 2785.00 | 2795.00 |
| Jul-15 | -24.00 | 2861.00 | 2861.00 | 2846.00 | 2848.00 |

| Contract | Volume | Change | OI | Change |
|----------|----------|---------|-----------|--------|
| Mar-15 | 3,670.00 | -400.00 | 21,640.00 | 760.00 |
| May-15 | 550.00 | -120.00 | 7,520.00 | 100.00 |
| Jul-15 | 130.00 | 90.00 | 2,030.00 | 50.00 |

| Spread | Mar-15 | May-15 | Jul-15 |
|--------|--------|--------|--------|
| Basis | -55.00 | | |
| Mar-15 | | 90.00 | 143.00 |
| May-15 | | | 53.00 |

NCDEX Stock & Fed Position

| Stocks | Demat | In-Process | Total | FED |
|------------|---------|------------|---------|---------|
| | 21.1.15 | 21.1.15 | 21.1.15 | 19.1.15 |
| Kolhapur M | - | - | - | - |
| Delhi M | - | - | - | - |
| Belgaum M | - | - | - | - |
| Kolhapur S | 600 | 0 | 600 | 360 |
| Sholapur S | - | - | - | - |
| Sangli S | - | - | - | - |
| Belgaum S | 160 | 0 | 160 | 160 |
| Delhi S | - | - | - | - |

NCDEX Gur Future Quotes:

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|-----|-------|
| | | | | | |
| | | | | | |
| | | | | | |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|----|--------|
| | | | | |
| | | | | |
| | | | | |

| Spread | |
|--------|--|
| | |
| | |
| | |

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

Brazil Sugar Quotes (Kingsman US\$/MT)(As on 21.01.15)

| Commodity | Place | Price | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT) | Santos Port | 348.00 | - |
| Raw Sugar C&F (\$/MT) | Black Sea | 376.00 | - |
| Sugar White FOB (\$/MT) | Santos Port | 422.25 | - |

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 | 407.30 | 10.00 |

LIFFE Sugar Futures (In US\$/MT)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|-----|
| 15-Mar | 408.0 | 412.4 | 406.0 | 408.3 | 1.0 |
| 15-May | 415.8 | 420.7 | 414.5 | 416.6 | 1.6 |
| 15-Aug | 425.4 | 429.8 | 424.6 | 426.8 | 2.1 |

ICE Raw Sugar Futures (In cents/Pound)

| Contract | Open | High | Low | Close | +/- |
|----------|-------|-------|-------|-------|------|
| 15-Mar | 15.86 | 16.16 | 15.78 | 15.92 | 0.09 |
| 15-May | 16.00 | 16.27 | 15.95 | 16.11 | 0.12 |
| 15-Jul | 16.17 | 16.40 | 16.14 | 16.29 | 0.13 |

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

| Commodity | Centre | Prices (Rs/Qtl) | | Change |
|-----------|-----------------------------|-----------------|-----------|--------|
| | | 22-Jan-15 | 21-Jan-15 | |
| Sugar | Delhi - Grade M | 2880 | 2890 | -10 |
| | Delhi - Grade S | 2850 | 2860 | -10 |
| | Delhi - Grade L | NA | NA | - |
| | UP- Khatauli Grade M | 2900 | 2900 | Unch |
| | UP- Ramala Grade M | 2870 | 2870 | Unch |
| | UP- Dhampur Grade M Ex-Mill | 2830 | 2840 | -10 |
| | UP- Dhampur Grade S Ex-Mill | 2810 | 2820 | -10 |
| | UP- Dhampur Grade L Ex-Mill | 2880 | 2890 | -10 |
| | Mumbai –Grade M | 2950 | 2950 | Unch |
| | Mumbai –Grade S | 2750 | 2750 | Unch |
| | Kolhapur – Grade M | 2650 | 2650 | Unch |
| | Kolhapur – Grade S | 2550 | 2550 | Unch |
| | Guhawati – Grade S | 2852 | 2852 | Unch |
| | Shillong – Grade S | 2870 | 2870 | Unch |
| | Vijayawada – Grade M | 3180 | 3180 | Unch |
| | Vijayawada- Grade S | 3050 | 3050 | Unch |
| | Nagpur – Grade M | 2950 | 2950 | Unch |

| | | | | |
|--|---|------|------|------|
| | Nagpur – Grade S | 2800 | 2800 | Unch |
| | Kolkata – Grade M | NA | 2900 | - |
| | Chennai - Grade S | 2700 | 2700 | 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) | | | | |
|--------------------------|-------------------|-----------|-----------|--------|
| | | 22-Jan-15 | 21-Jan-15 | Change |
| Muzaffar Nagar | Chaku | 2375 | 2375 | Unch |
| | Arrivals | 200 | 500 | -300 |
| | Khurpa | 2350 | 2350 | Unch |
| | Laddu | 2613 | 2575 | 38 |
| | Rascut | NA | NA | - |
| Hapur(Seyana) | Chaurasa | 2500 | 2500 | Unch |
| | Balti | 2400 | 2395 | 5 |
| Maharashtra | Lal Variety | 2450 | 2450 | Unch |
| BANGALORE | Mudde | 4100 | 4100 | Unch |
| Belgaum | Mudde | NA | NA | - |
| Belthangadi | Yellow (Average) | 3100 | 3100 | Unch |
| Bijapur | Achhu | NA | NA | - |
| Gulbarga | Other (Average) | NA | NA | - |
| Mahalingapura | Penti (Average) | NA | NA | - |
| Mandya | Achhu (Medium) | 2500 | 2500 | Unch |
| | Kurikatu (Medium) | 2300 | 2300 | Unch |
| | Other (Medium) | 2400 | 2400 | Unch |
| | Yellow (Medium) | 2500 | 2500 | Unch |
| Shimoga | Achhu (Average) | 2700 | 2700 | Unch |

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