

Sugar & Gur Domestic & International Fundamentals

- Tenders are invited by INTEGRATED CHILD DEVELOPMENT SERVICES (ICDS) for supply of sugar in marketing year 2015. Opening date for tender has been fixed at 27th January, 2015.
- Brazilian centre south region had churned around 28 thousand tons of sugar in the first two weeks of January (2015) which was 76.2% less than the production made in previous two weeks of December. However, an y-o-y comparison shows that the region had produced mere 8 thousand tons of sugar during the same period last year in 2014.
- The govt. in Brazil is planning to raise percentage share of ethanol in blending with gasoline from 25 per cent at present to 27.5 per cent. However, it also need to consider the probable ill effects of the policy to automobile sector as a higher mix of ethanol deteriorates motor performance of vehicles.
- 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.

Outlook: Sugar prices are expected to improve as the major producer Brazil is about to enter its interharvest period soon.

NCDEX Sugar Future Quotes (As on 23rd Jan, 2015)

Contract	+/-	Open	High	Low	Close
Mar-15	8.00	2696.00	2705.00	2690.00	2704.00
May-15	13.00	2795.00	2815.00	2795.00	2815.00
Jul-15	17.00	2871.00	2895.00	2871.00	2889.00

Contract	Volume	Change	OI	Change
Mar-15	2,110.00	-1,560.00	20,980.00	-660.00
May-15	1,450.00	900.00	7,610.00	90.00
Jul-15	140.00	10.00	2,040.00	10.00

Spread	Mar-15	May-15	Jul-15
Basis	-54.00		
Mar-15		111.00	185.00
May-15			74.00

NCDEX Stock & Fed Position

Stocks	Demat	In-Process	Total	FED
	23.1.15	23.1.15	23.1.15	19.1.15
Kolhapur M	-	-	-	-
Delhi M	-	-	-	-
Belgaum M	-	-	-	-
Kolhapur S	590	0	590	360
Sholapur S	-	-	-	-
Sangli S	-	-	-	-
Belgaum S	70	0	70	160
Delhi S	-	-	-	-

NCDEX Gur Future Quotes:

Contract	+/-	Open	High	Low	Close
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Contract	Volume	Change	OI	Change
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Spread

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

Brazil Sugar Quotes (Kingsman US\$/MT)(As on 23.01.15)

Commodity	Place	Price	Change
Raw Sugar FOB (\$/MT)	Santos Port	345.50	-
Raw Sugar C&F (\$/MT)	Black Sea	373.50	-
Sugar White FOB (\$/MT)	Santos Port	416.25	-

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	407.90	0.40

LIFFE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
15-Mar	407.30	407.60	392.70	393.40	-14.5
15-May	416.00	416.70	401.80	402.50	-14.0
15-Aug	426.9	427.4	413	413.5	-13.9

ICE Raw Sugar Futures (In cents/Pound)

Contract	Open	High	Low	Close	+/-
15-Mar	15.83	15.89	15.08	15.17	-0.74
15-May	16.15	16.15	15.38	15.49	-0.67
15-Jul	16.30	16.34	15.65	15.78	-0.59

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

Commodity	Centre	Prices (Rs/Qtl)		Change
		24-Jan-15	23-Jan-15	
Sugar	Delhi - Grade M	2880	2890	-10
	Delhi - Grade S	2800	2800	Unch
	Delhi - Grade L	NA	NA	-
	UP- Khatauli Grade M	2925	2925	Unch
	UP- Ramala Grade M	2870	2870	Unch
	UP- Dhampur Grade M Ex-Mill	2830	2830	Unch
	UP- Dhampur Grade S Ex-Mill	2810	2810	Unch
	UP- Dhampur Grade L Ex-Mill	2880	2880	Unch
	Mumbai –Grade M	2950	2950	Unch
	Mumbai –Grade S	2750	2750	Unch
	Kolhapur – Grade M	NA	2650	-
	Kolhapur – Grade S	NA	2550	-
	Guhawati – Grade S	NA	2852	-
	Shillong – Grade S	NA	2870	-
	Vijayawada – Grade M	3180	3180	Unch
	Vijayawada- Grade S	3050	3050	Unch
	Nagpur – Grade M	2950	2950	Unch

	Nagpur – Grade S	2750	2800	-50
	Kolkata – Grade M	2900	2900	Unch
	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)				
		24-Jan-15	23-Jan-15	Change
Muzaffar Nagar	Chaku	2650	2563	87
	Arrivals	2000	500	1500
	Khurpa	2350	2375	-25
	Laddu	2613	2625	-12
	Rascut	NA	NA	-
Seyana	Chaurasa	2500	2500	Unch
Hapur	Balti	2375	2375	Unch
Maharashtra	Lal Variety	2450	2450	Unch
Bangalore	Mudde	4150	4150	Unch
Belgaum	Mudde	2800	NA	-
Belthangadi	Yellow (Average)	3100	3100	Unch
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	NA	2600	-
Mahalingapura	Penti (Average)	NA	NA	-
Mandya	Achhu (Medium)	2450	2500	-50
	Kurikatu (Medium)	2300	2300	Unch
	Other (Medium)	2350	2400	-50
	Yellow (Medium)	2450	2500	-50
Shimoga	Achhu (Average)	2700	2700	Unch

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