

## Sugar & Gur Domestic & International Fundamentals

- The Indian govt. approved the much awaited raw sugar export subsidy for this season 2014-15 i.e. 1<sup>st</sup> Oct, 2014- 30<sup>th</sup> Sep, 2015. Notably, the subsidy was given at a rate of Rs 4,000/ton up to a limit of 1.4 million tons to help the cash starved sugar industry in the country.
- Cyclone Marcia is expected to hit Australia today which could destruct more than 10 per cent of the Australian sugarcane crop. Notably, Australia is the third largest sugar exporter in the world after Brazil and Thailand.
- Owing to the ethanol demand by OMC's (Oil Marketing Companies), 35 sugar mills in Maharashtra had placed bid to supply 21 crore liters of ethanol in 2014-15 catering almost 65% of the total demand by firms.
- Tenders are invited for procurement of ISS grade S-30 sugar by GOVERNMENT OF TRIPURA. Opening date for tender has been fixed at 19th February, 2015.
- Sugar market condition worsens in Tamil Nadu as the neighboring state Karnataka, dumped its excessive production on to the state leading to a huge accumulation of buildup stock.
- The widening divergence between the production cost and revenue caused the Indian sugar industry to accumulate pending cane arrears worth Rs 12,300 crore for 2014-15 (1<sup>st</sup> Oct, 2014-15<sup>th</sup> Feb, 2015). Notably the sugar industry faced a double stroke off of higher sugarcane FRP on one hand and a lower sugar prices on the other which are the primary reason for the non-payment.
- 518 sugar mills in India had produced 167.08 lakh tons of sugar till 15th Feb, 2015 for MY 2014-15 which was 15.01% higher than the production made last year during the same interval.

**Outlook:** Sugar prices are expected to improve as the govt. announced export subsidy on raw sugar. In addition the major producer Brazil had also entered the intra harvest period and is no more left with enough sugarcane to crush.

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

| Contract | +/-    | Open    | High    | Low     | Close   |
|----------|--------|---------|---------|---------|---------|
| Mar-15   | -42.00 | 2716.00 | 2719.00 | 2664.00 | 2670.00 |
| May-15   | -44.00 | 2815.00 | 2825.00 | 2767.00 | 2774.00 |
| Jul-15   | -37.00 | 2841.00 | 2852.00 | 2810.00 | 2811.00 |

| Contract | Volume   | Change   | OI        | Change   |
|----------|----------|----------|-----------|----------|
| Mar-15   | 4,790.00 | 3,430.00 | 23,360.00 | 320.00   |
| May-15   | 4,850.00 | 3,720.00 | 25,550.00 | 6,910.00 |
| Jul-15   | 260.00   | 50.00    | 3,660.00  | 570.00   |

| Spread | Mar-15 | May-15 | Jul-15 |
|--------|--------|--------|--------|
| Basis  | -90.00 |        |        |
| Mar-15 |        | 104.00 | 141.00 |
| May-15 |        |        | 37.00  |

### NCDEX Stock & Fed Position

| Stocks     | Demat    | In-Process | Total    | FED      |
|------------|----------|------------|----------|----------|
|            | 19.02.15 | 19.02.15   | 19.02.15 | 17.02.15 |
| Kolhapur M | 0        | 919        | 919      | -        |
| Delhi M    | -        | -          | -        | -        |
| Belgaum M  | 0        | 1649       | 1649     | -        |
| Kolhapur S | 1240     | 919        | 2159     | 590      |
| Sholapur S | -        | -          | -        | -        |
| Sangli S   | 250      | 0          | 250      | 100      |
| Belgaum S  | 1519     | 1649       | 3168     | 470      |
| Delhi S    | -        | -          | -        | -        |

### NCDEX Gur Future Quotes:

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

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

### Spread

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

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

## Brazil Sugar Quotes (Kingsman US\$/MT)(As on 20.02.15)

| Commodity               | Place       | Price  | Change |
|-------------------------|-------------|--------|--------|
| Raw Sugar FOB (\$/MT)   | Santos Port | 326.75 | -      |
| Raw Sugar C&F (\$/MT)   | Black Sea   | 350.25 | -      |
| Sugar White FOB (\$/MT) | Santos Port | 386.00 | -      |

## 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 | 395.00         | 4.00   |

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

| Contract | Open   | High   | Low    | Close  | +/-  |
|----------|--------|--------|--------|--------|------|
| 15-May   | 392.40 | 395.00 | 383.50 | 387.30 | -8   |
| 15-Aug   | 398.3  | 400.8  | 390.2  | 393.4  | -7.4 |
| 15-Oct   | 405.1  | 408.4  | 398.3  | 401.1  | -7.3 |

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

| Contract | Open  | High  | Low   | Close | +/-   |
|----------|-------|-------|-------|-------|-------|
| 15-Mar   | 15.05 | 15.05 | 14.56 | 14.68 | -0.41 |
| 15-May   | 14.95 | 14.95 | 14.51 | 14.64 | -0.37 |
| 15-Jul   | 15.18 | 15.18 | 14.74 | 14.89 | -0.31 |

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

| Commodity | Centre                      | Prices (Rs/Qtl) |           | Change |
|-----------|-----------------------------|-----------------|-----------|--------|
|           |                             | 20-Feb-15       | 19-Feb-15 |        |
| Sugar     | Delhi - Grade M             | 2820            | 2835      | -15    |
|           | Delhi - Grade S             | 2780            | 2750      | 30     |
|           | Delhi - Grade L             | NA              | NA        | -      |
|           | UP- Khatauli Grade M        | NA              | NA        | -      |
|           | UP- Ramala Grade M          | 2770            | 2770      | Unch   |
|           | UP- Dhampur Grade M Ex-Mill | 2660            | 2750      | -90    |
|           | UP- Dhampur Grade S Ex-Mill | 2640            | 2730      | -90    |
|           | UP- Dhampur Grade L Ex-Mill | 2710            | 2800      | -90    |
|           | Mumbai –Grade M             | 2910            | Closed    | -      |
|           | Mumbai –Grade S             | 2712            | Closed    | -      |
|           | Kolhapur – Grade M          | NA              | Closed    | -      |
|           | Kolhapur – Grade S          | NA              | Closed    | -      |
|           | Guhawati – Grade S          | NA              | Closed    | -      |
|           | Shillong – Grade S          | NA              | Closed    | -      |
|           | Vijayawada – Grade M        | 3070            | 3070      | Unch   |
|           | Vijayawada- Grade S         | 2970            | 2970      | Unch   |
|           | Nagpur – Grade M            | 3000            | 3000      | Unch   |

|  |   |      |      |      |
|--|---|------|------|------|
|  | Nagpur – Grade S                                | 2750 | 2750 | Unch |
|  | Kolkata – Grade M                               | 2880 | 2860 | 20   |
|  | Chennai - Grade S                               | 2600 | 2625 | -25  |
|  | 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-Feb-15 | 19-Feb-15 | Change |
| Muzaffar Nagar           | Chaku             | 2413      | 2375      | 38     |
|                          | Arrivals          | 10000     | 8000      | 2000   |
|                          | Khurpa            | 2113      | 2150      | -37    |
|                          | Laddu             | 2300      | 2375      | -75    |
|                          | Rascut            | NA        | NA        | -      |
| Seyana                   | Chaurasa          | 2140      | 2138      | 2      |
| Hapur                    | Balti             | 2125      | 2113      | 12     |
| Maharashtra              | Lal Variety       | 2400      | 2400      | Unch   |
| Bangalore                | Mudde             | 4000      | 4000      | Unch   |
| Belgaum                  | Mudde             | 2600      | 2600      | Unch   |
| Belthangadi              | Yellow (Average)  | 3100      | 3100      | Unch   |
| Bijapur                  | Achhu             | NA        | NA        | -      |
| Gulbarga                 | Other (Average)   | 2525      | 2700      | -175   |
| Mahalingapura            | Penti (Average)   | 2380      | 2493      | -113   |
| Mandya                   | Achhu (Medium)    | 2400      | NA        | -      |
|                          | Kurikatu (Medium) | 2200      | NA        | -      |
|                          | Other (Medium)    | 2250      | NA        | -      |
|                          | Yellow (Medium)   | 2400      | NA        | -      |
| Shimoga                  | Achhu (Average)   | 2900      | 2900      | Unch   |

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