

Panic selling in sugar on reports of higher sale quota

Our Correspondent

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Sugar prices on the Vashi wholesale market ruled weak on Friday. Spot prices for S-Grade declined by Rs 15-20 following a drop of Rs 20-30 in Naka trade due to higher selling pressure on the back of reports that the Government is likely to permit a sale of about 70 lakh tonnes open sale sugar for December 2012-March 2013.

Mill tender rates were down by Rs 10-20 a quintal. Sugar prices on domestic futures market rebounded after witnessing a loss of Rs 65 in the previous three days.

Till noon, futures were up by Rs 20-30 for December-January.

The Vashi-based sugar and other commodity markets will observe a one-day token bandh on Monday in support of an indefinite bandh called



by the grain rice and oilseeds (Groma) markets in protest against the harassment by bureaucrats of the State's food and civil supply department.

According to the agency reports, the government is likely to permit a sale of about 70 lakh tonnes open sale sugar for Dec-Mar. A wholesaler said in absence of active retail demand and neighbouring states buying, mills are continuously offloading the commodity in the local markets,

making supply and market inventory sufficient. Currently, the Vashi market has about 100 trucks load of stocks.

Observers said considering the monthly domestic requirements of 17 lakh-18 lakh tonnes, the said 70 lakh tonnes quota will be sufficient, hence, there will not be any sudden spurt in the price.

On National Commodities and Derivatives Exchange, December futures were up by Rs 30 to Rs 3,300

(Rs 3,270), January by Rs 20 to Rs 3,315 (Rs 3,295) and February at Rs 3,335 (Rs 3,319).

In the Vashi market, arrivals were 67-68 truck loads (each of 100 bags) and local dispatches were lower about 64-65 trucks.

On Thursday evening, merely 8-10 came with tender offer and sold about 18,000-20,000 bags (each of 100 kg) to the local traders in the lower range of Rs 3,310-3,380 (Rs 3,320-3,380) for S-grade and Rs 3,350-3,460 (Rs 3,370-3,480) for M-grade.

The Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,452-3,521 (Rs 3,466-3,542) and M-grade Rs 3,502-3,721 (Rs 3,502-3,721). **Naka delivery rates:** S-grade Rs 3,380-3,440 (Rs 3,410-3,450) and M-grade Rs 3,450-3,550 (Rs 3,450-3,550).