

Sugar traders pin hopes on festival demand

Our Correspondent

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Sugar prices at the Vashi wholesale market declined by Rs 20 in spot and Rs 20-30 at naka level. Mill tender rates dropped by Rs 20 for S-grade and Rs 40 for M-grade on increased selling and weak futures markets.

Volume was routine in physical market but eased at mill level due to month end. Mood was positive as traders were optimistic about higher retail demand next month.

Meanwhile, the Government has declared 40 lakh tonnes of open sale quota, for October and November.

Jagdish Rawal, a Vashi-based wholesaler, said the new open sale quota is sufficient to meet the expected higher demand in next two months.

On Wednesday, Maharashtra's mills sold one rail rake - about 27,000 bags of S-grade to neighbouring states over

and above normal local sales.

In the last five days, five rail rakes of sugar were covered by the neighbouring States indicating higher festival demand. The Centre has released four lakh tonnes of additional open sale sugar for August, taking the total allocation of 51.66 lakh tonnes for the September quarter, he said.

Analysts said India is likely to produce surplus for the third straight year starting from Oct. 1, but the output is likely to drop sharply in the key producing Maharashtra. In Vashi market, arrivals were about 67-68 truck loads (each of 100 bags of quintal each) and local dispatches were about 64-65 truck loads.

On Wednesday evening, about 9-10 mills offered tenders and sold about 28,000-30,000 bags (each of 100 kg) to the local traders at Rs 3,520-3,570 (Rs 3,540-3,590) for S-grade and Rs 3,600-3,670 (Rs 3,630-3,720) for M-grade.

The Bombay Sugar Merchants Association's spot rates: S-grade Rs 3,602-3,696 (Rs 3,625-3,702) and M-grade Rs 3,701-3,791 (Rs 3,702-3,811). Naka delivery rates: S-grade Rs 3,575-3,640 (Rs 3,600-3,640) and M-grade Rs 3,650-3,740 (Rs 3,670-3,770).

