

Sugar & Gur Domestic & International Fundamentals

- Range –bound to firm tone featured in various sugar markets on Friday.
- The Central government is unlikely to lower import duty on sugar. The export duty imposed this year in June has been able to contain exports and ensure adequate availability of sugar in the domestic market according to government sources. With estimated domestic production of 22-23 million tonnes in the 2016-17 season (starting October), the likely shortfall of 2-3 million tonnes could be managed by carryover stocks if exports do not take place.
- The government of Tamil Nadu has kept the State Advised Price (SAP) for sugarcane unchanged at Rs.2850/ton in 2016 -17 same as that of previous year. The Sugar industry including farmers and the mill owners are not happy of the same as the decision was taken without consulting them.
- The Kolhapur division in Maharashtra state comprising Kolhapur and Sangli districts, which accounts for 40% of total sugar production in the state is expecting around 30% decline in sugar production this year. In 2016 -17 crushing is expected to decline to 175-180 lakh metric tonnes compared to 227 lakh metric tonnes in 2015 -16 following lack of sufficient rainfall.
- India is likely to produce 23.4 million tonnes of sugar in 2016/17, down by around 7 per cent compared to previous year amid droughts in the top –producing western state of Maharashtra.
- According to the industry group Unica, Brazil center-south cane belt produced 362,000 tonnes of sugar in the first half of December, around 43.9 per cent decline from the previous two-week period as most of the mills approached the end of the 2016/17 crushing season.

NCDEX Sugar (M grade) Future Quotes (As on 30th December, 2016)

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|------|-------|
| Dec-16 | - | - | - | - | - |
| Mar-17 | 34 | 3745 | 3754 | 3740 | 3754 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-----|--------|
| Dec-16 | - | - | - | - |
| Mar-17 | 70 | 4870 | 190 | 4900 |

| Spread | Dec-16 | Mar-17 |
|--------|--------|---------|
| Basis | - | - 54.00 |
| Dec-16 | - | - |

NCDEX Stock & Fed Position

| Stocks | Grade | Demat | In-Process | Total | FED |
|----------|-------|-----------|------------|-----------|-----------|
| | | 29-Dec-16 | 29-Dec-16 | 29-Dec-16 | 26-Dec-16 |
| Delhi | M | - | - | - | - |
| Sangli | M | - | - | - | - |
| Sholapur | M | - | - | - | - |
| Kolhapur | M | - | - | - | 30 |
| Belgaum | M | - | - | - | - |
| Delhi | S | - | - | - | - |
| Sangli | S | - | - | - | - |
| Sholapur | S | - | - | - | - |
| Kolhapur | S | 290 | 0 | 290 | 270 |
| Belgaum | S | - | - | - | - |

| ICE Sugar Futures (In Cents/Pound) | | | | | |
|------------------------------------|-------|-------|-------|-------|------|
| Contract | Open | High | Low | Close | +/- |
| Mar-17 | 19.04 | 19.72 | 19.01 | 19.49 | 0.50 |
| May-17 | 18.80 | 19.35 | 18.77 | 19.22 | 0.48 |
| Jul-17 | 18.38 | 18.86 | 18.38 | 18.81 | 0.42 |

| LIFFE Sugar Futures (In US\$/MT) | | | | | |
|----------------------------------|--------|--------|--------|--------|-------|
| Contract | Open | High | Low | Close | +/- |
| Mar-17 | 513.10 | 525.00 | 513.00 | 520.90 | 11.70 |
| May-17 | 506.60 | 517.80 | 506.60 | 515.30 | 11.50 |
| Aug-17 | 499.40 | 507.60 | 498.00 | 506.80 | 10.50 |

| Commodity | Price (\$/Ton) | Change |
|--------------------------|----------------|--------|
| Thai Sugar FOB 45 Icumsa | 509.20 | +18.20 |

| Sugar Prices at Key Spot Markets: | | | | | |
|-----------------------------------|------------|-----------------|-----------------|-----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Sugar | | | 30-Dec-16 | 29-Dec-16 | |
| Delhi | Delhi | M-Grade | 3780 | 3770 | 10 |
| | Delhi | S-Grade | 3760 | 3750 | 10 |
| Uttar Pradesh | Khatauli | M-Grade | 3770 | 3762 | 8 |
| | Ramala | M-Grade | NA | NA | - |
| | Dhampur | M-Grade Ex-Mill | 3720 | 3720 | Unch |
| | Dhampur | S-Grade Ex-Mill | 3600 | 3600 | Unch |
| | Dhampur | L-Grade Ex-Mill | 3770 | 3770 | Unch |
| Maharashtra | Mumbai | M-Grade | 3860 | 3862 | -2 |
| | Mumbai | S-Grade | 3676 | 3676 | Unch |
| | Nagpur | M-Grade | 3825 | 3825 | Unch |
| | Nagpur | S-Grade | 3725 | 3725 | Unch |
| | Kolhapur | M-Grade | 3700 | 3700 | Unch |
| | Kolhapur | S-Grade | 3600 | 3600 | Unch |
| Assam | Guhawati | S-Grade | 3918 | 3918 | Unch |
| Meghalaya | Shillong | S-Grade | 3920 | 3920 | Unch |
| Andhra Pradesh | Vijayawada | M-Grade | 4000 | 4000 | Unch |
| | Vijayawada | S-Grade | 3900 | 3900 | Unch |

| | | | | | |
|-------------|-----------|------------------------|------|------|----|
| West Bengal | Kolkata | M-Grade | 3935 | 3930 | 5 |
| Tamil Nadu | Chennai | S-Grade | 3550 | 3530 | 20 |
| Chattisgarh | Ambikapur | M-Grade (Without Duty) | NR | NR | - |
| | Ambikapur | S-Grade (Without Duty) | NR | NR | - |

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

| Jaggery (Gur) Prices at Key Spot Markets: | | | | | |
|---|---------------|--------------------------|-----------------|-----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Jaggery(Gur) | | | 30-Dec-16 | 29-Dec-16 | |
| Uttar Pradesh | Muzaffarnagar | ChakuSukha(Cold) | 3000 | 2975 | 25 |
| | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | 6000 | 8000 | -2000 |
| | Muzaffarnagar | Khurpa (Fresh) | 2875 | 2900 | -25 |
| | Muzaffarnagar | Laddoo (Fresh) | 3078 | 3075 | 3 |
| | Muzaffarnagar | Rascut (Fresh) | 2500 | 2500 | Unch |
| | Hapur | Chaurasa | 2650 | 2625 | 25 |
| | Hapur | Balti | 2825 | 2750 | 75 |
| Maharashtra | Latur | Lal Variety | NR | NR | - |
| Karnataka | Bangalore | Mudde (Average) | 4550 | 4550 | Unch |
| | Belgaum | Mudde (Average) | 3200 | 3200 | Unch |
| | Belthangadi | Yellow (Average) | NA | NA | - |
| | Bijapur | Achhu | NA | NA | - |
| | Gulbarga | Other (Average) | 3550 | NA | - |
| | Mahalingapura | Penti (Average) | 3655 | NA | - |
| | Mandya | Achhu (Medium) | 3500 | NA | - |
| | Mandya | Kurikatu (Medium) | 3400 | NA | - |
| | Mandya | Other (Medium) | 3350 | NA | - |
| | Mandya | Yellow (Medium) | 3500 | NA | - |
| | Shimoga | Achhu (Average) | 3600 | NA | - |

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