

Sugar & Gur Domestic & International Fundamentals

Recent updates

- Sugar prices dropped by Rs 50 per quintal at the wholesale market in the national capital today following mounting of stocks on relentless supplies from mills amid selective buying.
- Despite removal of stock limit on sugar on Tuesday, sugar prices have not improved much. Lack of demand due to winter season and expectations of higher production are keeping prices subdued. Sugar prices have declined by Rs 3-4 per kg during past two months.

Ethanol supplies by sugar mills and by ethanol producers finalised for the supply period 2017-2018 [December to November] will be 140 crore litres. This is 26% higher than the supply of 111 crore litres in 2015-2016. Ethanol supplies finalised last year were 66.5 crore litres.

Previous updates

- Mexico's sugar mills produced 197,425 tonnes of sugar, tel quel, in the week to December 16, up sharply from 149,390 in the same week last year.
- A surge in EU sugar production this year after the scrapping of output quotas will tail off in the coming decade as the market faces lower prices, consumer health concerns and competition from rival sweetener isoglucose, the EU Commission said.
- The government's Commodity Supply Corporation (Conab) raised its estimate for the Brazil's total sugar production in the current 2017/18 crop year fractionally to 39.46 mln tonnes, tel quel, from 39.39 mln in August, which would be up 2.0% from 38.6.
- Thailand's 2017/18 sugarcane crush continues to ramp up fast with 42 mills operational as of December 15, up from 30 a week earlier and compared with 35 at the same time last year, industry data showed. Total cane crushing has now reached 6.366 mln tonnes, up sharply from 2.248 mln crushed by the same time last year. Sugar output has reached 496,414 tonnes, raw value, compared with only 138,948 tonnes produced by the same day a year ago.(www.agra-net.com)
- The total sugar production this year is estimated to be around 249 lakh tonnes against estimated consumption requirement of about 250 lakh tonnes, an official statement said on Tuesday.
- Given the current comfortable position of production and in order to further smoothen the supply chain for easy availability of sugar in all regions, the government has withdrawn stock holding and turnover limits on dealers of sugar with immediate effect.
- Sugar Mills have produced 69.40 lakh tonne of sugar till December 15 of the 2017-18 marketing year as compared to 53.46 lakh tonne in the corresponding period of the previous year.
- Sugar millers want a reduction of export duty on sugar to zero as well as a total import ban on the sweetener. These, the millers said, were necessary in view of the decision of Pakistan to provide export subsidy to 15 lakh tones of sugar, which they say, will eat up India's traditional market of Bangladesh.
- Indian Sugar Mills Association (ISMA) has asked the government preferential duty structure from Bangladesh and Sri Lanka for Indian sugar. Sugar is expected to be surplus in India this year on account of higher output estimates in 2017 -18. Bangladesh levys import duty of USD 150 per tonne on sugar, Sri Lanka imposes USD 100 per tonne. The two neighbours import about 25-30 lakh tonnes of sweetener annually according to ISMA.
- Sugarcane crushing in Maharashtra has risen to 166.55 lakh tonnes against previous season's 104.11 Lakh tonnes. Sugar production increased to 154.99 lakh quintals from 99.11 lakh quintals registered last year.

- According to Sugar Mills Association (ISMA) has projected increase in sugar off take and improvement in market sentiments in next few weeks as it believes that the government has decided not to continue with stock holding limit on traders beyond December 31, 2017 which was implemented in April 2016.
- Due to good monsoon rain this year, sugar mills in Maharashtra have reported about 60 per cent increase in sugarcane crushing and a 56 per cent jump in sugar production over last year.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 22-12-2017)

Contract	+/-	Open	High	Low	Close
Mar-18	0	3270	3270	3270	3270

Contract	Volume
Mar-18	
Spread	
Basis	
Mar-18	

NCDEX Stock & Fed Position

Stocks	Grade	Demat	In-Process	Total	FED
		26-Dec-17	26-Dec-17	26-Dec-17	23-Dec-17
Delhi	M	-	-	-	-
Sangli	M	-	-	-	-
Sholapur	M	-	-	-	-
Kolhapur	M	-	-	-	-
Belgaum	M	-	-	-	-
Delhi	S	-	-	-	-
Sangli	S	-	-	-	-
Sholapur	S	-	-	-	-
Kolhapur	S	-	-	-	-
Belgaum	S	-	-	-	-

Sugar Futures ICE& LIFFE as on 26nd December,2017

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Mar-18	14.60	14.75	14.57	14.70	0.10
May-18	14.50	14.68	14.50	14.64	0.10
July-18	14.62	14.73	14.58	14.70	0.09

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Mar-18	385.90	387.50	385.00	385.50	-1.40
May-18	384.70	385.10	382.80	383.30	-1.60
Aug-18	387.30	388.00	386.10	386.60	-1.20

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	383.00	-

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			27-Dec-17	26-Dec-17	
Delhi	Delhi	M-Grade	3390	3400	-10
	Delhi	S-Grade	3370	3380	-10
Uttar Pradesh	Khatauli	M-Grade	3384	3384	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3300	3300	Unch
	Dhampur	S-Grade Ex-Mill	3280	3280	Unch
	Dhampur	L-Grade Ex-Mill	3350	3350	Unch
Maharashtra	Mumbai	M-Grade	3570	3570	Unch
	Mumbai	S-Grade	3290	3296	-6
	Nagpur	M-Grade	3225	3295	-70
	Nagpur	S-Grade	3125	3200	-75
	Kolhapur	M-Grade	3100	3170	-70
	Kolhapur	S-Grade	3000	3075	-75
Assam	Guhawati	S-Grade	3309	3385	-76
Meghalaya	Shillong	S-Grade	3320	3395	-75
Andhra Pradesh	Vijayawada	M-Grade	3700	3700	Unch
	Vijayawada	S-Grade	3640	3640	Unch
West Bengal	Kolkata	M-Grade	3610	3610	Unch
Tamil Nadu	Chennai	S-Grade	3500	3500	Unch
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)			27-Dec-17	26-Dec-17	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2700	2778	-78
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	7000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2600	2650	-50
	Muzaffarnagar	Laddoo (Fresh)	2850	2875	-25
	Muzaffarnagar	Rascut (Fresh)	2303	2175	128
	Hapur	Chaurasa	2450	2450	Unch
	Hapur	Balti	2525	2500	25
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4900	4900	Unch

Belgaum	Mudde (Average)	NA	NA	-
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur/Vijayapura	Achhu	NA	3100	-
Gulbarga/Kalaburgi	Other (Average)	3245	3425	-180
Mahalingapura	Penti (Average)	3357	3378	-21
Mandya	Achhu (Medium)	3250	3250	Unch
Mandya	Kurikatu (Medium)	3200	3200	Unch
Mandya	Other (Medium)	3150	3000	150
Mandya	Yellow (Medium)	3200	3100	100
Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

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