

Sugar & Gur Domestic & International Fundamentals

Recent updates

- Sugar prices on the Vashi wholesale market declined by Rs 15-30 a quintal on higher selling pressure backed by ample supplies. Producers continued selling the commodity at Rs 10-15 lower for old stocks. Naka trade for new stocks was done at steady prices. Arrivals were at 58-60 truck loads and local dispatches were at the same level

Previous updates.

- Sugar prices have fallen below Rs 3,000 a quintal for the first time in this crushing season due to intensified competition among mills. Mills in Maharashtra on last week quoted Rs 2,990 a quintal for sale of the S30 variety of sugar to stockists and traders. The realisation for mills for the S30 variety of sugar has slumped by over 15 per cent since the beginning of this crushing season in October. The M30 variety of sugar continued to trade above Rs 3,100 a quintal at the mill gate.
- Several sugar mills in India were unable to pay cane price to the farmers because of the recent fall in sugar prices which have started falling below the cost of production. There was concern about sugarcane farmers getting affected due to their cane price arrears accumulating.
- Indian Sugar Mills Association (ISMA) has increased sugar output estimate to 26.1mn tonnes in the crop year (October, 2017 to September, 2018) as against its earlier estimate of 25.1mn tonnes. The consumption of sugar in India is seen at 25mn tonnes in current year as against 24.6mn tonnes in earlier year. India may have surplus sugar available for exports in 2018-19. The main reason for the fall in sugar prices in the recent past was the expected sugar production during the current season, which is now looking to be more than the domestic requirement, because of which several sugar mills were under pressure to sell their sugar for revenue generation to pay to the cane farmers.
- Sugar futures fell hard in 2017, proving the worst performance of the major agricultural commodity contracts. New York-traded raw sugar futures tumbled by 22% - reversing 2016's gains almost exactly - while London white sugar plunged by 25%, undermined by the prospect of a return to a world production surplus. Besides unexpectedly strong output estimates for many major producers, such as the European Union and India, consumption ideas took a dent from health concerns – largely, but not universally, in Western nations.
- The Mexican sugar industry stands to lose almost US \$543 million annually as a result of a trade pact Mexico signed with the United States, according to an estimate by the CEO of a domestic sugar refinery. The two countries reached an agreement last June that on one hand avoided punishing tariffs but on the other reduced the quota of refined sugar that Mexico can export to its northern trade partner. The director of Sucroliq said the quota requirement, coupled with a provision that requires sugar producers to export their unrefined product to refineries by sea instead of directly over the border to end users, will have a significant impact on growers' bottom lines.
- Ukraine has almost completed the 2017/18 sugar season, processing 2.1 million tonnes of white sugar from the 2017 sugar beet harvest, the agriculture ministry said on Tuesday. It said 46 sugar refineries had processed 13.7 million tonnes of sugar beet so far this season out of the 13.8 million tonnes that have been harvested. Ukraine consumes about 1.5 million tonnes of sugar a year and produced 2 million tonnes of white sugar from beet in 2016. The country produced about 5 million tonnes of white beet sugar a year during Soviet times but has cut production sharply due to a lack of export markets in the face of competition from cheaper cane sugar

- Sugar production in Uttar Pradesh recorded a growth of 24.54% to 4.1 million tonnes until January 12 on the back of higher recovery and increased crushing. Last year, mills produced 3.32 million tonnes Sugar in the corresponding period.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 19-01-2018)

Contract	+/-	Open	High	Low	Close
C1	-207	3008	3008	3007	3008

Contract	Volume
C1	60

Spread
Basis

NCDEX Stock & Fed Position					
Stocks	Grade	Demat	In-Process	Total	FED
		19-Jan-18	19-Jan-18	19-Jan-18	8-Jan-18
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 19 th January 2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
Mar-18	13.15	13.45	13.02	13.25	0.17
May-18	13.33	13.59	13.17	13.40	0.16
July-18	13.56	13.81	13.41	13.64	0.16
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Mar-18	354.10	358.80	351.70	353.50	0.40
May-18	356.40	360.90	353.60	357.00	1.80
Aug-18	361.30	366.30	358.90	362.60	2.10

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	352.7	-

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			20-Jan-18	19-Jan-18	
Delhi	Delhi	M-Grade	3325	3296	29
	Delhi	S-Grade	3305	3276	29
Uttar Pradesh	Khatauli	M-Grade	3297	3315	-18
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3200	3200	Unch
	Dhampur	S-Grade Ex-Mill	3180	3180	Unch
	Dhampur	L-Grade Ex-Mill	3250	3250	Unch
Maharashtra	Mumbai	M-Grade	3396	3430	-34
	Mumbai	S-Grade	3210	3220	-10
	Nagpur	M-Grade	3125	3125	Unch
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	3000	3000	Unch
	Kolhapur	S-Grade	2900	2900	Unch
Assam	Guhawati	S-Grade	3207	3207	Unch
Meghalaya	Shillong	S-Grade	3220	3220	Unch
Andhra Pradesh	Vijayawada	M-Grade	3600	3600	Unch
	Vijayawada	S-Grade	3540	3540	Unch
West Bengal	Kolkata	M-Grade	3640	3650	-10
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)			20-Jan-18	19-Jan-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2630	2633	-3
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	6000	1000
	Muzaffarnagar	Khurpa (Fresh)	2450	2450	Unch
	Muzaffarnagar	Laddoo (Fresh)	2728	2778	-50
	Muzaffarnagar	Rascut (Fresh)	2188	2180	8
	Hapur	Chaurasa	2375	2413	-38

	Hapur	Balti	2450	2475	-25
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4800	4850	-50
	Belgaum	Mudde (Average)	3500	3600	-100
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	2735	-
	Gulbarga/Kalaburgi	Other (Average)	3550	NA	-
	Mahalingapura	Penti (Average)	NA	3128	-
	Mandya	Achhu (Medium)	3200	3200	Unch
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3000	3000	Unch
	Mandya	Yellow (Medium)	3200	3350	-150
	Shimoga/Shivamogga	Achhu (Average)	NA	3800	-

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