

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	0	2940	2940	2940	2940

Contract	Volume
C1	10

Spread
Basis

NCDEX Stock & Fed Position					
Stocks	Grade	Demat	In-Process	Total	FED
		20-Jan-18	20-Jan-18	20-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			22-Jan-18	20-Jan-18	
Delhi	Delhi	M-Grade	3277	3325	-48
	Delhi	S-Grade	3257	3305	-48
Uttar Pradesh	Khatauli	M-Grade	3269	3297	-28
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3160	3200	-40
	Dhampur	S-Grade Ex-Mill	3140	3180	-40
	Dhampur	L-Grade Ex-Mill	3210	3250	-40
Maharashtra	Mumbai	M-Grade	3396	3396	Unch
	Mumbai	S-Grade	3210	3210	Unch
	Nagpur	M-Grade	3025	3125	-100
	Nagpur	S-Grade	3125	3025	100
	Kolhapur	M-Grade	2900	3000	-100
	Kolhapur	S-Grade	3000	2900	100
Assam	Guhawati	S-Grade	3309	3207	102
Meghalaya	Shillong	S-Grade	3320	3220	100
Andhra Pradesh	Vijayawada	M-Grade	3500	3600	-100
	Vijayawada	S-Grade	3440	3540	-100
West Bengal	Kolkata	M-Grade	3630	3640	-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)			22-Jan-18	20-Jan-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2600	2630	-30
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	7000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2425	2450	-25
	Muzaffarnagar	Laddoo (Fresh)	2675	2728	-53
	Muzaffarnagar	Rascut (Fresh)	2205	2188	18
	Hapur	Chaurasa	Closed	2375	-

	Hapur	Balti	Closed	2450	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4800	4800	Unch
	Belgaum	Mudde (Average)	NA	3500	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3645	3550	95
	Mahalingapura	Penti (Average)	NA	3219	-
	Mandya	Achhu (Medium)	3150	3200	-50
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3000	3000	Unch
	Mandya	Yellow (Medium)	3200	3200	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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