

Sugar & Gur Domestic & International Fundamentals

Recent updates

- The prices of M 30 and S 39 grades of sugar remained steady in Kolhapur sugar market today at Rs 3480/3500 and Rs 3380/3400 per quintal respectively.
- Sugar prices fell by Rs 80 per quintal at the wholesale market in the national capital today,

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	-39	2940	2901	2901	2901.00B

Contract	Volume
C1	10

Spread
Basis

NCDEX Stock & Fed Position					
Stocks	Grade	Demat	In-Process	Total	FED
		22-Jan-18	22-Jan-18	22-Jan-18	22-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 22 nd January 2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
Mar-18	13.31	13.47	13.16	13.17	-0.08
May-18	13.46	13.57	13.30	13.31	-0.09
July-18	13.68	13.80	13.55	13.56	-0.08
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Mar-18	355.80	358.40	352.40	352.90	-0.60
May-18	359.20	360.30	355.10	356.00	-1.00
Aug-18	364.90	365.70	360.40	361.40	-1.20

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	352.00	-2.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			23-Jan-18	22-Jan-18	
Delhi	Delhi	M-Grade	3250	3277	-27
	Delhi	S-Grade	3230	3257	-27
Uttar Pradesh	Khatauli	M-Grade	3269	3269	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3160	3160	Unch
	Dhampur	S-Grade Ex-Mill	3140	3140	Unch
	Dhampur	L-Grade Ex-Mill	3210	3210	Unch
Maharashtra	Mumbai	M-Grade	3360	3396	-36
	Mumbai	S-Grade	3170	3210	-40
	Nagpur	M-Grade	3025	3025	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	2900	2900	Unch
	Kolhapur	S-Grade	3000	3000	Unch
Assam	Guhawati	S-Grade	3309	3309	Unch
Meghalaya	Shillong	S-Grade	3320	3320	Unch
Andhra Pradesh	Vijayawada	M-Grade	3500	3500	Unch
	Vijayawada	S-Grade	3440	3440	Unch
West Bengal	Kolkata	M-Grade	3550	3630	-80
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)			23-Jan-18	22-Jan-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2610	2600	10
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2630	2425	205
	Muzaffarnagar	Laddoo (Fresh)	2625	2675	-50
	Muzaffarnagar	Rascut (Fresh)	2180	2205	-25
	Hapur	Chaurasa	2350	Closed	-

	Hapur	Balti	2388	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4800	4800	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3645	-
	Mahalingapura	Penti (Average)	NA	3290	-
	Mandya	Achhu (Medium)	3250	3150	100
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3000	3000	Unch
	Mandya	Yellow (Medium)	3250	3200	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

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