

Sugar & Gur Domestic & International Fundamentals

Recent updates

- Sugar prices tumbled Rs 70 per quintal at the wholesale market in the national capital on Wednesday on adequate position of ready stocks amid sluggish demand.
- India's sugar mills produced 3.211 mln tonnes of sugar, white value, in the first half of January, down from 3.386 mln in the previous fortnight but sharply above 2.289 mln in the same period last year.
- China, the world's top sugar importer, bought 2.29 million tonnes of the sweetener in 2017, down 25.2 percent from the year before and the lowest since 2010, data showed on Tuesday. That came in the wake of steps by China's government to protect the local sugar industry. China's December sugar imports dropped 38.7 percent to 130,000 tonnes, from 220,000 tonnes a year ago, data from the General Administration of Customs showed. December's imports were also down 19 percent from last month's 160,000 tonnes.

Previous updates.

- Sugar prices plunged to a two-year low of Rs 28.40 per kg at mill gates on Monday, prompting traders to express optimism that short-term bottom could be in sight since the government might announce some measures to arrest falling prices and in turn control mounting cane price arrears. As prices have fallen Rs 6 per kg since the beginning of the crushing season, traders have lost confidence in the market. If the government comes out with some policy measure, it could give a positive signal to the market.
- 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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 25-01-2018)

Contract	+/-	Open	High	Low	Close
C1	-14 2815	2889 2815	2887		

Contract	Volume
C1	50

Spread
Basis

NCDEX Stock & Fed Position					
Stocks	Grade	Demat	In-Process	Total	FED
		24-Jan-18	24-Jan-18	24-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 24 th January 2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
Mar-18	13.19	13.25	13.04	13.16	-0.03
May-18	13.37	13.40	13.21	13.31	-0.05
July-18	13.62	13.66	13.47	13.56	-0.06
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Mar-18	353.10	353.30	350.50	351.00	-1.00
May-18	355.80	356.00	353.20	353.80	-1.20
Aug-18	361.40	361.40	358.20	359.00	-1.80

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	351.00	-1

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			25-Jan-18	24-Jan-18	
Delhi	Delhi	M-Grade	3257	3277	-20
	Delhi	S-Grade	3237	3257	-20
Uttar Pradesh	Khatauli	M-Grade	3240	3254	-14
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3140	3150	-10
	Dhampur	S-Grade Ex-Mill	3120	3130	-10
	Dhampur	L-Grade Ex-Mill	3190	3200	-10
Maharashtra	Mumbai	M-Grade	3296	3360	-64
	Mumbai	S-Grade	3150	3170	-20
	Nagpur	M-Grade	2925	3025	-100
	Nagpur	S-Grade	3075	3125	-50
	Kolhapur	M-Grade	2800	2900	-100
	Kolhapur	S-Grade	2950	3000	-50
Assam	Guhawati	S-Grade	3258	3309	-51
Meghalaya	Shillong	S-Grade	3270	3320	-50
Andhra Pradesh	Vijayawada	M-Grade	3500	3500	Unch
	Vijayawada	S-Grade	3440	3440	Unch
West Bengal	Kolkata	M-Grade	3500	3550	-50
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)			25-Jan-18	24-Jan-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2600	2600	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	3000	2000
	Muzaffarnagar	Khurpa (Fresh)	2650	2613	38
	Muzaffarnagar	Laddoo (Fresh)	2650	2625	25
	Muzaffarnagar	Rascut (Fresh)	2138	2125	13
	Hapur	Chaurasa	2375	2375	Unch
	Hapur	Balti	2400	2400	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-

Karnataka	Bangalore	Mudde (Average)	4800	4800	Unch
	Belgaum	Mudde (Average)	3500	3500	Unch
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3450	-
	Mahalingapura	Penti (Average)	3293	3242	51
	Mandya	Achhu (Medium)	3250	3250	Unch
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3100	3100	Unch
	Mandya	Yellow (Medium)	3250	3250	Unch
	Shimoga/Shivamogga	Achhu (Average)	3800	NA	-

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