

Sugar & Gur Domestic & International Fundamentals**Recent updates**

- 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.
- Sugar mills' cane arrears for the 2017-18 season stand at Rs 7,826 crore, down 13% from a year ago, according to the food ministry. As on date, cane price arrears in the current season on SAP (state-advised price) basis are at Rs 7,826 crore in comparison with Rs 8,982 crore in the corresponding period of the last sugar season
- As prices have fallen Rs 6-8 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.
- The government may marginally raise the corpus for Sugar Development Fund (SDF) to Rs. 500 crore in the Budget for 2018-19. SDF, managed by the food ministry, is used for lending money to mills at lower interest rates. Till last fiscal year, the cess – collected from sugar mills – was deposited in it. When GST kicked in, the sugar cess was scrapped and hence a separate budgetary provision of Rs. 496 crore was made for SDF for 2017-18.
- 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. 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.
- Ukraine in 2017 exported 598,700 tonnes of sugar worth US\$279.9 million, which was 29% up on 465,600 tonnes in 2016. The major importers of Ukrainian sugar in 2017 were Sri Lanka (69,030 tonnes), Turkey (49,100 tonnes), Azerbaijan (44,900 tonnes), Sudan (40,000 tonnes), and Libya (39,900 tonnes), whereas Sri Lanka, Georgia, Tunisia, Romania and Egypt were the major consumer of Ukrainian sugar in 2016.

Previous updates.

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- 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.
- 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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 27-01-2018)

Contract	+/-	Open	High	Low	Close
C1	-14	2815	2889	2815	2873

Contract	Volume
C1	50

Spread
Basis

NCDEX Stock & Fed Position					
Stocks	Grade	Demat	In-Process	Total	FED
		25-Jan-18	25-Jan-18	25-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 25 th January 2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
Mar-18	13.23	13.38	13.09	13.24	0.08
May-18	13.38	13.52	13.26	13.42	0.11
July-18	13.62	13.75	13.54	13.68	0.12
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-

Mar-18	353.70	354.90	350.60	353.80	2.80
May-18	355.10	357.80	353.30	356.20	2.40
Aug-18	362.00	362.20	358.40	361.30	2.30

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			27-Jan-18	25-Jan-18	
Delhi	Delhi	M-Grade	3325	3257	68
	Delhi	S-Grade	3305	3237	68
Uttar Pradesh	Khatauli	M-Grade	3218	3240	-22
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3100	3140	-40
	Dhampur	S-Grade Ex-Mill	3080	3120	-40
	Dhampur	L-Grade Ex-Mill	3150	3190	-40
Maharashtra	Mumbai	M-Grade	3300	3296	4
	Mumbai	S-Grade	3152	3150	2
	Nagpur	M-Grade	3025	2925	100
	Nagpur	S-Grade	3125	3075	50
	Kolhapur	M-Grade	2900	2800	100
	Kolhapur	S-Grade	3000	2950	50
Assam	Guhawati	S-Grade	3309	3258	51
Meghalaya	Shillong	S-Grade	3320	3270	50
Andhra Pradesh	Vijayawada	M-Grade	3500	3500	Unch
	Vijayawada	S-Grade	3440	3440	Unch
West Bengal	Kolkata	M-Grade	NA	3500	-
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-Jan-18	25-Jan-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2588	2600	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	5000	1000
	Muzaffarnagar	Khurpa (Fresh)	2663	2650	13

	Muzaffarnagar	Laddoo (Fresh)	2650	2650	Unch
	Muzaffarnagar	Rascut (Fresh)	2125	2138	-13
	Hapur	Chaurasa	2330	2375	-45
	Hapur	Balti	2350	2400	-50
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)	3400	NA	-
	Mahalingapura	Penti (Average)	NA	3293	-
	Mandya	Achhu (Medium)	3150	3250	-100
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3100	3100	Unch
	Mandya	Yellow (Medium)	3300	3250	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3800	-

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