

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 29-01-2018)

Contract	+/-	Open	High	Low	Close
C1	0	2873	2889	2815	2873

Contract	Volume
C1	50

Spread
Basis

NCDEX Stock & Fed Position					
Stocks	Grade	Demat	In-Process	Total	FED
		27-Jan-18	27-Jan-18	27-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	-

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			29-Jan-18	27-Jan-18	
Delhi	Delhi	M-Grade	3230	3325	-95
	Delhi	S-Grade	3210	3305	-95
Uttar Pradesh	Khatauli	M-Grade	3218	3218	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3100	3100	Unch
	Dhampur	S-Grade Ex-Mill	3080	3080	Unch
	Dhampur	L-Grade Ex-Mill	3150	3150	Unch
Maharashtra	Mumbai	M-Grade	3266	3300	-34
	Mumbai	S-Grade	3066	3152	-86
	Nagpur	M-Grade	3125	3025	100
	Nagpur	S-Grade	3025	3125	-100
	Kolhapur	M-Grade	3000	2900	100
	Kolhapur	S-Grade	2900	3000	-100
Assam	Guhawati	S-Grade	3207	3309	-102
Meghalaya	Shillong	S-Grade	3220	3320	-100
Andhra Pradesh	Vijayawada	M-Grade	3500	3500	Unch
	Vijayawada	S-Grade	3440	3440	Unch
West Bengal	Kolkata	M-Grade	NA	NA	-
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)			29-Jan-18	27-Jan-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2588	2588	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	6000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2653	2663	-10

	Muzaffarnagar	Laddoo (Fresh)	2638	2650	-13
	Muzaffarnagar	Rascut (Fresh)	2125	2125	Unch
	Hapur	Chaurasa	Closed	2330	-
	Hapur	Balti	Closed	2350	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4800	4800	Unch
	Belgaum	Mudde (Average)	NA	3600	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	2565	-
	Gulbarga/Kalaburgi	Other (Average)	3150	3400	-250
	Mahalingapura	Penti (Average)	3275	NA	-
	Mandya	Achhu (Medium)	3150	3150	Unch
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3100	3100	Unch
	Mandya	Yellow (Medium)	3200	3300	-100
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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