

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

- Government of Pakistan has increased the volume of sugar eligible for an export subsidy from 500,000 metric tons to 2.0 million metric tons. The subsidy is categorized as a freight subsidy of up to \$97 per metric ton, for total potential subsidy expenditures of \$194 million. Pakistan has utilized export subsidies to move sugar off its domestic market during four of the past five marketing years.
- Sugar prices dropped further by Rs 20 per quintal at the wholesale market in the national capital today following relentless supplies from mills amid sluggish demand.
- March raw sugar was off 0.08 cents, or 0.6 percent, to 13.59 cents per lb by 1302 GMT after rising to a peak of 13.71 cents, its highest in almost two weeks. Dealers said the market rose on Monday on data that showed speculators held a sharply increased net short position, a possible signal that the selling spree was about to end.

Previous updates.

- Cuba canceled sugar exports this month and is struggling to meet local demand after rain all but washed out harvesting, the head of the state sugar monopoly said over the weekend.
- 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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 31-01-2018)

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

Contract	Volume
C1	-

Spread
Basis

NCDEX Stock & Fed Position					
Stocks	Grade	Demat	In-Process	Total	FED
		30-Jan-18	30-Jan-18	30-Jan-18	29-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 30 th January 2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
Mar-18	13.69	13.75	13.48	13.72	0.05
May-18	13.80	13.84	13.59	13.82	0.06
July-18	14.02	14.07	13.83	14.05	0.03
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Mar-18	362.00	363.00	357.80	362.30	0.90
May-18	365.50	366.00	361.50	365.10	0.30
Aug-18	369.70	371.00	366.60	370.10	0.90

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	361.40	5.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			31-Jan-18	30-Jan-18	
Delhi	Delhi	M-Grade	3200	3220	-20
	Delhi	S-Grade	3180	3200	-20
Uttar Pradesh	Khatauli	M-Grade	3200	3218	-18
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3070	3100	-30
	Dhampur	S-Grade Ex-Mill	3050	3080	-30
	Dhampur	L-Grade Ex-Mill	3120	3150	-30
Maharashtra	Mumbai	M-Grade	3300	3266	34
	Mumbai	S-Grade	3060	3066	-6
	Nagpur	M-Grade	3125	3125	Unch
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	3000	3000	Unch
	Kolhapur	S-Grade	2900	2900	Unch
Assam	Guhawati	S-Grade	3207	3207	Unch
Meghalaya	Shillong	S-Grade	3220	3220	Unch
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)			31-Jan-18	30-Jan-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2563	2588	-25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	6000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2638	2653	-15
	Muzaffarnagar	Laddoo (Fresh)	2613	2638	-25
	Muzaffarnagar	Rascut (Fresh)	2100	2125	-25
	Hapur	Chaurasa	2325	2325	Unch
	Hapur	Balti	2288	2288	Unch

Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4800	-
	Belgaum	Mudde (Average)	3700	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3375	-
	Mahalingapura	Penti (Average)	NA	3232	-
	Mandya	Achhu (Medium)	3100	3150	-50
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3000	3100	-100
	Mandya	Yellow (Medium)	3150	3200	-50
	Shimoga/Shivamogga	Achhu (Average)	3650	NA	-

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