

Sugar & Gur Domestic & International Fundamentals

Recent updates

- Sugar prices spurted 2.94 per cent to Rs 3,042 per quintal in futures market today as speculators built up fresh positions. At the National Commodity and Derivatives Exchange, sugar for delivery in March jumped up by Rs 87, or 2.94 per cent, to Rs 3,042 per quintal with an open interest of 50 lots.
- Sugar prices ended mixed at the Vashi wholesale market today on alternate bouts of buying and selling.

Previous 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.
- 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.
- 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 01-02-2018)

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
		31-Jan-18	31-Jan-18	31-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 31 st January,2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
Mar-18	13.72	13.72	13.17	13.23	-0.49
May-18	13.80	13.81	13.31	13.37	-0.45
July-18	14.04	14.04	13.60	13.67	-0.38
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Mar-18	361.80	361.80	350.90	352.40	-9.90
May-18	365.20	365.20	354.90	356.50	-8.60
Aug-18	368.60	368.70	360.00	361.50	-8.60

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

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			1-Feb-18	31-Jan-18	
Delhi	Delhi	M-Grade	3182	3200	-18
	Delhi	S-Grade	3162	3180	-18
Uttar Pradesh	Khatauli	M-Grade	3200	3200	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3070	3070	Unch
	Dhampur	S-Grade Ex-Mill	3050	3050	Unch
	Dhampur	L-Grade Ex-Mill	3120	3120	Unch
Maharashtra	Mumbai	M-Grade	3300	3300	Unch
	Mumbai	S-Grade	3050	3060	-10
	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)			1-Feb-18	31-Jan-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2563	2563	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2500	5000	-2500
	Muzaffarnagar	Khurpa (Fresh)	2680	2638	43
	Muzaffarnagar	Laddoo (Fresh)	2570	2613	-43

	Muzaffarnagar	Rascut (Fresh)	2163	2100	63
	Hapur	Chaursa	2313	2325	-13
	Hapur	Balti	2275	2288	-13
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4800	NA	-
	Belgaum	Mudde (Average)	NA	3700	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3135	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3200	3100	100
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3000	3000	Unch
	Mandya	Yellow (Medium)	3050	3150	-100
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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