

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

- Sugar prices spurted 2.94 per cent to Rs 3,042 per quintal in futures market on Thursday 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 market ruled steady on Thursday. At Vashi, prices were Rs 5-7 a quintal higher or lower, in line with quality, while *naka* and mill tender rates were unchanged. As supply remains ample, demand from retailers were limited.
- Raw sugar futures edged up on Thursday, steadying after falling sharply in the prior session when speculative short covering came to a sudden halt. March raw sugar was up 0.02 cent, or 0.2 percent, at 13.25 cents per lb by 1150 GMT. Prices tumbled more than 3 percent on Wednesday, as a recent bout of speculative short covering petered out, giving way to long liquidation.
- US domestic consumption of ethanol has eaten through close to a million barrels of ethanol in the week ending January 26, with production falling slightly, data from the USDA has shown Wednesday. Ethanol production remained comfortably above the million barrel mark at 1.04 million barrels a day, a fall of 22,000 barrels per day from the previous week, according to the data.

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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 02-02-2018)

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	355.60	3.30

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			2-Feb-18	1-Feb-18	
Delhi	Delhi	M-Grade	3162	3182	-20
	Delhi	S-Grade	3142	3162	-20
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	3052	3050	2
	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)			2-Feb-18	1-Feb-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2563	2563	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	2500	1500
	Muzaffarnagar	Khurpa (Fresh)	2653	2680	-28
	Muzaffarnagar	Laddoo (Fresh)	2558	2570	-13
	Muzaffarnagar	Rascut (Fresh)	2175	2163	13

	Hapur	Chaurasa	2313	2313	Unch
	Hapur	Balti	2275	2275	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4800	4800	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2600	2545	55
	Gulbarga/Kalaburgi	Other (Average)	NA	3135	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3200	-
	Mandya	Kurikatu (Medium)	NA	3100	-
	Mandya	Other (Medium)	NA	3000	-
	Mandya	Yellow (Medium)	NA	3050	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3650	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2017 Indian Agribusiness Systems Pvt. Ltd.