

## Sugar & Gur Domestic & International Fundamentals

### Recent updates.

- The government on Tuesday scrapped the 20% export duty on sugar in a bid to boost overseas sales of the commodity and lift its domestic price.
- Sugar prices at Vashi and mill level climbed up on Tuesday as government scrapped the 20 per cent export duty.

### Previous updates.

- According to ISMA, Sugarcane mills in the country have produced 25.806 million tonne of sugar during the current season up to March 15, 2018, which is 8.256 million tonne more than the last year's production of 17.55 million tonne.
- It is important to note that out of 523 sugar mills in the country, 106 mills have already shut their operations — 31 in Maharashtra, 48 in Karnataka, 5 in Uttar Pradesh, 9 in Tamil Nadu, 7 in Andhra Pradesh and Telangana, and 6 mills in other states —, said Indian Sugar Mills' Association (ISMA) in a release on Monday.
- Sugar mills in Maharashtra have produced 9.383 mt, UP produced 8.439 mt till March 15, 2018. Karnataka produced 3.510 mt of sugar. The mills in other states have a combined production of 4.474 mt (Gujarat 9.10 lakh tonne; Bihar 5.80 LT; Haryana 5.25 LT; Punjab 5.80 LT; AP & Telangana 6.40 LT; Tamil Nadu 4.20 LT; Uttarakhand 3.25 LT; Madhya Pradesh & Chhattisgarh 4.50 LT) till March 15.
- Ex-mill sugar prices have once again started plummeting and are now hovering between Rs 2,900 per quintal in western and southern states, and Rs 3,000 per quintal in north. Mills are incurring losses compared to their cost of production of around `3,500-3,600 per quintal. They are unable to pay cane price to the farmers on time.
- Since sugar production during the current 2017-18 SS will be excess by 45 LT over and above the domestic requirement and anticipation of another surplus sugar year in 2018-19 SS which is to be started from October 1, 2018, India needs to export at least 20 LT in the current season and another 40-50 LT in the next season.
- The total investment in the production of one quintal of sugar is at least Rs. 3,450. Right now, the rate of sugar has gone down to Rs. 3,220 [per quintal], which means that we are bearing a loss of at least Rs. 230 per quintal.
- According to the Uttar Pradesh Sugar Mills Association (UPSMA), farmers sold cane worth Rs 22,880 crore to sugar mills and received Rs16,380.78 crore till March 16. Overall, mill owners have managed to pay about 71.59% of the total money they owe to farmers.
- Raw-sugar futures in New York are down 17 percent this year to 12.65 cents a pound. That's the biggest loss among the 22 components of the Bloomberg Commodity Index.
- Sugar output in Thailand, the world's biggest exporter of the sweetener behind Brazil, is likely to touch a record 12-13 million tonnes in the 2017/18 season.
- India will soon bring in rules to force sugar mills to export millions of tonnes of surplus supplies to prop up local prices, a move that could drag down global rates, which have hovered near eight-and-a-half month lows.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 21-03-2018)

| Contract   | +/-           | Open | High | Low  | Close | Volume | O.I |
|------------|---------------|------|------|------|-------|--------|-----|
| Cont. (C1) | +291          | 3361 | 3361 | 3361 | 3361  | -      | -   |
| Spread     | Cont Mar (C1) |      |      |      |       |        |     |
| Spot       | -             | -    | -    | -    | -     | -      | -   |
|            | -             | -    | -    | -    | -     | -      | -   |

## NCDEX Stock & Fed Position

| Stocks   | Grade | Demat     | In-Process | Total     | FED       |
|----------|-------|-----------|------------|-----------|-----------|
|          |       | 20-Mar-18 | 20-Mar-18  | 20-Mar-18 | 12-Mar-18 |
| Delhi    | M     | -         | -          | -         | -         |
| Sangli   | M     | -         | -          | -         | -         |
| Sholapur | M     | -         | -          | -         | -         |
| Kolhapur | M     | -         | -          | -         | -         |
| Belgaum  | M     | -         | -          | -         | -         |
| Delhi    | S     | -         | -          | -         | -         |
| Sangli   | S     | -         | -          | -         | -         |
| Sholapur | S     | -         | -          | -         | -         |
| Kolhapur | S     | 50        | 0          | 50        | 50        |
| Belgaum  | S     | -         | -          | -         | -         |

## Sugar Futures ICE& LIFFE as on 20<sup>th</sup> March,2018

### ICE Sugar Futures (In Cents/Pound)

| Contract | Open  | High  | Low   | Close | +/-   |
|----------|-------|-------|-------|-------|-------|
| May-18   | 12.89 | 12.91 | 12.54 | 12.56 | -0.33 |
| July-18  | 13.05 | 13.08 | 12.73 | 12.75 | -0.30 |
| Oct-18   | 13.40 | 13.43 | 13.11 | 13.13 | -0.27 |

### LCE Sugar Futures (In US\$/MT)

| Contract | Open   | High   | Low    | Close  | +/-   |
|----------|--------|--------|--------|--------|-------|
| May-18   | 356.10 | 357.00 | 349.10 | 349.80 | -6.80 |
| Aug-18   | 352.10 | 352.60 | 345.00 | 345.90 | -6.40 |
| Oct-18   | 352.50 | 352.70 | 345.90 | 346.60 | -6.40 |

| Commodity                | Price (\$/Ton) | Change |
|--------------------------|----------------|--------|
| Thai Sugar FOB 45 Icumsa | 348.30         | -0.70  |

| Sugar Prices at Key Spot Markets: |            |                        |                 |           |        |
|-----------------------------------|------------|------------------------|-----------------|-----------|--------|
| Commodity                         | Centre     | Variety                | Prices (Rs/Qtl) |           | Change |
| Sugar                             |            |                        | 21-Mar-18       | 20-Mar-18 |        |
| Delhi                             | Delhi      | M-Grade                | 3154            | 3158      | -4     |
|                                   | Delhi      | S-Grade                | 3134            | 3138      | -4     |
| Uttar Pradesh                     | Khatauli   | M-Grade                | 3150            | 3180      | -30    |
|                                   | Ramala     | M-Grade                | NA              | NA        | -      |
|                                   | Dhampur    | M-Grade Ex-Mill        | 3020            | 3000      | 20     |
|                                   | Dhampur    | S-Grade Ex-Mill        | 3000            | 2980      | 20     |
|                                   | Dhampur    | L-Grade Ex-Mill        | 3070            | 3050      | 20     |
| Maharashtra                       | Mumbai     | M-Grade                | 3326            | 3326      | Unch   |
|                                   | Mumbai     | S-Grade                | 3106            | 3106      | Unch   |
|                                   | 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              | 3335      | -      |
| Tamil Nadu                        | Chennai    | S-Grade                | 3300            | 3300      | 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)                              |               |                          | 21-Mar-18       | 20-Mar-18 |        |
| Uttar Pradesh                             | Muzaffarnagar | Chaku Sukha(Cold)        | 2450            | 2463      | -13    |
|   | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | 5000            | 8000      | -3000  |
|   | Muzaffarnagar | Khurpa (Fresh)           | 2190            | 2190      | Unch   |
|   | Muzaffarnagar | Laddoo (Fresh)           | 2395            | 2400      | -5     |
|   | Muzaffarnagar | Rascut (Fresh)           | 2025            | 2040      | -15    |
|   | Hapur         | Chaurasa                 | 2080            | 2075      | 5      |

|                    | Hapur              | Balti             | 2075 | 2075 | Unch |
|--------------------|--------------------|-------------------|------|------|------|
| <b>Maharashtra</b> | Latur              | Lal Variety       | NR   | NR   | -    |
| <b>Karnataka</b>   | Bangalore          | Mudde (Average)   | 4400 | 4400 | Unch |
|                    | Belgaum            | Mudde (Average)   | NA   | NA   | -    |
|                    | Belthangadi        | Yellow (Average)  | NA   | NA   | -    |
|                    | Bijapur/Vijayapura | Achhu             | NA   | 2508 | -    |
|                    | Gulbarga/Kalaburgi | Other (Average)   | NA   | 3680 | -    |
|                    | Mahalingapura      | Penti (Average)   | NA   | NA   | -    |
|                    | Mandya             | Achhu (Medium)    | 3650 | 3500 | 150  |
|                    | Mandya             | Kurikatu (Medium) | 3200 | 3200 | Unch |
|                    | Mandya             | Other (Medium)    | NA   | NA   | -    |
|                    | Mandya             | Yellow (Medium)   | 3500 | NA   | -    |
|                    | Shimoga/Shivamogga | Achhu (Average)   | NA   | 3900 | -    |

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