

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- Sugar wholesale market prices were noticed weak on Saturday across all markets in the country.
- Crushers in Brazil's Centre South, responsible for some 90% of domestic cane output, processed 3.28m tonnes of the crop in the first half of March, a rise of some 1.7% year on year, Unica data showed.

Previous updates.

- The sugar market continued its weak trend on selling pressure. Prices at Vashi declined by Rs 10-20 as Maharashtra's mills sold commodity at Rs 10-20 lower previous adding pressure on spot market. *Naka* rates were also down by Rs 20.
- According to the representatives of the industry, sugar production of Maharashtra has already recorded 46% rise as compared to last year. Furthermore, 147 mills are still crushing cane to produce more sugar.
- According to trade sources, the abolition of sugar export tax would help push out just 100,000-150,000 tonnes of sugar mostly to neighbouring Bangladesh and Nepal as everywhere else global prices are weak.
- Domestically, ex-mill prices in most places have dropped to around Rs 2,900-3,000 per quintal, while the total cost of production is somewhere around Rs 3,000-3,500 per quintal. This means that for every quintal of sugarcane crushed, the mills are losing around Rs 400-500.
- 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.
- 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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 23-03-2018)

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

NCDEX Stock & Fed Position

Stocks	Grade	Demat	In-Process	Total	FED
		23-Mar-18	23-Mar-18	23-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 23rd March,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
May-18	12.76	12.86	12.50	12.57	-0.20
July-18	12.93	13.03	12.68	12.76	-0.19
Oct-18	13.30	13.38	13.07	13.14	-0.19

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
May-18	356.00	358.00	354.30	357.20	1.10
Aug-18	349.70	350.90	345.30	348.10	-1.60
Oct-18	349.70	350.70	344.10	347.00	-2.90

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icmsa	353.40	-

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			24-Mar-18	23-Mar-18	
Delhi	Delhi	M-Grade	3135	3135	Unch
	Delhi	S-Grade	3115	3115	Unch
Uttar Pradesh	Khatauli	M-Grade	3120	3120	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2980	2980	Unch
	Dhampur	S-Grade Ex-Mill	2960	2960	Unch
	Dhampur	L-Grade Ex-Mill	3030	3030	Unch
Maharashtra	Mumbai	M-Grade	3322	3322	Unch
	Mumbai	S-Grade	3070	3090	-20
	Nagpur	M-Grade	3075	3125	-50
	Nagpur	S-Grade	2975	3025	-50
	Kolhapur	M-Grade	2950	3000	-50
	Kolhapur	S-Grade	2850	2900	-50
Assam	Guhawati	S-Grade	3157	3207	-51
Meghalaya	Shillong	S-Grade	3170	3220	-50
Andhra Pradesh	Vijayawada	M-Grade	3500	3500	Unch
	Vijayawada	S-Grade	3440	3440	Unch
West Bengal	Kolkata	M-Grade	3320	3315	5
Tamil Nadu	Chennai	S-Grade	3200	3200	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)			24-Mar-18	23-Mar-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2428	2430	-3
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	4000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2175	2163	13
	Muzaffarnagar	Laddoo (Fresh)	2378	2375	3

	Muzaffarnagar	Rascut (Fresh)	2000	2000	Unch
	Hapur	Chaursa	2050	2050	Unch
	Hapur	Balti	2125	2100	25
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	2500	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3750	-
	Mahalingapura	Penti (Average)	NA	3185	-
	Mandya	Achhu (Medium)	3650	3650	Unch
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	3500	3500	Unch
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3800	-

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