

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

- Sugar market continues to be in bear grip on record sugar production thus increasing burden of surplus on producers and forcing them to sell the commodity at low prices. Prices at Vashi declined by ₹10-20 a quintal as Maharashtra mills sold at ₹10- ₹15 lower than previous day's close
- Despite government making it mandatory for sugar mills to export 2 million tonne sugar in 2017-18 marketing year as per the quota allocated to individual mills, India has not started sugar export due to lack of export parity. While mills are hopeful that the central government may announce export incentives, domestic market sugar prices have slid to Rs 26/kg, a new low for the year.

Previous updates.

- Sugar production in Maharashtra has almost reached its past record and mills produced 10.49 million tonnes up to April 15, 2018. Mills in Uttar Pradesh produced record 10.48 million tonnes of sugar. Crushing operations are almost over in Karnataka and only one sugar mill was operational as on April 15, 2018. The state has so far produced 3.63 million tonnes of sugar.
- On bumper production, ISMA said sugar prices have been under severe pressure in the last 4-5 months and have fallen by Rs 9 per kg across the country. As compared to the cost of production, the current ex-mill sugar prices are around Rs 8 per kg lower and the sugar mills are incurring substantial losses.
- Indian Sugar Mills Association (Isma), has forecast the country's production at 29.5 million tonnes for the current season; it estimates consumption of 25.5-26 mt. With four mt of carryover stock from the previous year, the overall surplus might jump to 7.5-8 mt. The government has, to reduce this surplus, also directed mills to export a cumulative two mt by September. The industry says this is impossible, as global prices have also been falling. Excess supply from Brazil and the European Union has led to a big slide in these; any exports would mean losses.
- The area sown under cane in UP has been growing consistently over the years. This year, too, it is estimated to increase by 100,000 hectares.
- As per the latest update on sugarcane arrears across the country, as on April 15, total cane arrears have touched Rs 20,683.35 crore. The maximum arrears are from Uttar Pradesh (Rs 8,976.59 crore), Maharashtra (Rs 2,457.55 crore), Karnataka (Rs 2,643.21 crore) and Tamil Nadu (Rs 2,007.27 crore). The cane arrears have occurred mainly because of steep slide in sugar realisation, which is almost lower than Rs 500-600 per quintal when compared with its production cost.
- Centre was in no mood to compromise with sugar mills over farmers' dues, which stood at over Rs 160 billion as on March 31. Food Minister Ram Vilas Paswan instructed states to take necessary action against sugar mills that have defaulted on their payment to farmers.
- Mexico produced 253,596 tonnes of sugar, in the week to April 7, down a bit from 256,177 in the previous week and also below 256,860 in the same week a year ago, official data showed.
- Spot sugar prices at benchmark Kolhapur market traded steady to weak during the week. Notably, the average price for sugar M'grade in key Kolhapur market settled at Rs 2841 per quintal, and it has been declined compared to last week it was 2900 per quintal. Similarly, spot sugar prices for the same variety/grade in Shamli district Rs 2871 per quintal this week.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 19-04-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2844	2844	2844	2844	-	-
Spread	Cont Mar (C1)						
Spot	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Note: There is no trade volume in near month future contract. Market participants are advised to wait until trade in volume starts

NCDEX Stock & Fed Position

Stocks	Grade	Demat	In-Process	Total	FED
		18-Apr-18	18-Apr-18	18-Apr-18	16-Apr-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 18th April,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
May-18	11.71	11.76	11.60	11.74	0.09
July-18	11.84	11.94	11.77	11.91	0.09
Oct-18	12.09	12.17	12.03	12.14	0.06

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	336.70	341.40	335.90	341.10	5.30
Oct-18	331.40	335.20	330.70	334.90	4.40
Dec-18	336.20	339.80	336.00	338.10	1.90

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	335.80	-27.40

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			19-Apr-18	18-Apr-18	
Delhi	Delhi	M-Grade	3040	3050	-10
	Delhi	S-Grade	3020	3030	-10
Uttar Pradesh	Khatauli	M-Grade	2845	2860	-15
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2800	2800	Unch
	Dhampur	S-Grade Ex-Mill	2780	2780	Unch
	Dhampur	L-Grade Ex-Mill	2850	2850	Unch
Maharashtra	Mumbai	M-Grade	3100	3166	-66
	Mumbai	S-Grade	2782	2786	-4
	Nagpur	M-Grade	2775	2725	50
	Nagpur	S-Grade	2675	2625	50
	Kolhapur	M-Grade	2650	2600	50
	Kolhapur	S-Grade	2550	2500	50
Assam	Guhawati	S-Grade	2852	2801	51
Meghalaya	Shillong	S-Grade	2870	2820	50
Andhra Pradesh	Vijayawada	M-Grade	3320	3320	Unch
	Vijayawada	S-Grade	3260	3260	Unch
West Bengal	Kolkata	M-Grade	3080	3080	Unch
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)			19-Apr-18	18-Apr-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2588	2553	35
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2500	3000	-500
	Muzaffarnagar	Khurpa (Fresh)	2313	2263	50
	Muzaffarnagar	Laddoo (Fresh)	2575	2575	Unch
	Muzaffarnagar	Rascut (Fresh)	1975	1968	8

	Hapur	Chaurasa	2125	2125	Unch
	Hapur	Balti	2125	2113	12
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3300	NA	-
	Mandya	Kurikatu (Medium)	3200	NA	-
	Mandya	Other (Medium)	3100	NA	-
	Mandya	Yellow (Medium)	3350	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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