

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- As sugarcane arrears mount in most production centres in tandem with falling sugar prices in the backdrop of a generous harvest, the Centre hopes the mills export at least 2 million tonnes of sugar by September to ease the pressure in the domestic market.
- Sugar prices are ruling at about Rs 2,900 a quintal against a production cost of about Rs 3,300 and higher in the domestic market. If the government wants the industry to export when global prices are ruling even lower at about Rs1,900, it will have to support exports. It has to set up a sugar stabilisation fund to support the industry and farmers and come out with a comprehensive financial package for bank loans and Sugar Development Fund loans, Palani G Periasamy, President, South Indian Sugar Mills Association said.
- China's (official) sugar imports reached 380,000 tonnes in March 2018, up sharply from 22,943 in the previous month and the highest monthly count since January 2017, customs data showed.
- Kenya expects its sugar production to rise to 420,000-450,000 tonnes in 2018 as the country recovers from a drought-induced drop the previous year, said Solomon Odera, the head of the Sugar Directorate.

Previous updates.

- Brazilian sugar exports are expected to fall to 21.3 mln tonnes in the new 2018/19 (Apr/Mar) crop year, down 6.5 mln from 27.8 mln a year earlier due to a smaller cane crush and falling sugar production in both the Centre/South and Northeast regions, according to local consultancy JOB Economia.
- Uganda's sugar output may climb 17% this year to 428,000 tonnes as improved rainfall is likely to boost cane output, said Wilberforce Mubiru, secretariat manager at the Uganda Sugar Manufacturers' Association (USMA), according to Bloomberg.
- 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
- 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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 23-04-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2801	2801	2801	2801	-	-
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
		21-Apr-18	21-Apr-18	21-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 20th April,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
May-18	11.74	11.78	11.57	11.64	-0.11
July-18	11.92	12.00	11.78	11.87	-0.08
Oct-18	12.17	12.25	12.05	12.13	-0.06

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	341.80	345.00	340.20	342.40	-0.80
Oct-18	336.10	337.70	332.50	335.20	-2.00
Dec-18	340.20	341.40	336.90	339.60	-1.20

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	341.10	5.30

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			23-Apr-18	21-Apr-18	
Delhi	Delhi	M-Grade	2950	3000	-50
	Delhi	S-Grade	2930	2980	-50
Uttar Pradesh	Khatauli	M-Grade	2773	2823	-50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2700	2700	Unch
	Dhampur	S-Grade Ex-Mill	2680	2680	Unch
	Dhampur	L-Grade Ex-Mill	2750	2750	Unch
Maharashtra	Mumbai	M-Grade	3056	3100	-44
	Mumbai	S-Grade	2760	2752	8
	Nagpur	M-Grade	2725	2725	Unch
	Nagpur	S-Grade	2625	2625	Unch
	Kolhapur	M-Grade	2600	2600	Unch
	Kolhapur	S-Grade	2500	2500	Unch
Assam	Guhawati	S-Grade	2801	2801	Unch
Meghalaya	Shillong	S-Grade	2820	2820	Unch
Andhra Pradesh	Vijayawada	M-Grade	3320	3320	Unch
	Vijayawada	S-Grade	3260	3260	Unch
West Bengal	Kolkata	M-Grade	3075	NA	-
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)			23-Apr-18	21-Apr-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2613	2625	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	4000	1000
	Muzaffarnagar	Khurpa (Fresh)	2413	2430	-18
	Muzaffarnagar	Laddoo (Fresh)	2578	2600	-23

	Muzaffarnagar	Rascut (Fresh)	2103	2050	53
	Hapur	Chaursa	Closed	2175	-
	Hapur	Balti	Closed	2150	-
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	2485	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3300	-
	Mandya	Kurikatu (Medium)	NA	3200	-
	Mandya	Other (Medium)	NA	2900	-
	Mandya	Yellow (Medium)	NA	3250	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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