

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

- Benchmark New York raw sugar futures were quoted around 11.35 cents per pound on Friday, slightly better than seen earlier this week when futures went below 11 cents and reached the lowest levels in two and a half years.
- According to data from brokerage and consultancy INTL FCS tone, compiled by Reuters, Brazilian exportable surplus would fall from 30 million tonnes in the 2016-17 global crop year (October/September) to 22.2 million tonnes in the current crop year.
- The world's biggest and second biggest sugar producers, Brazil and Thailand, as well as Australia, Asia's second biggest sugar exporter, are working together to raise awareness of the issue at a meeting of the Global Sugar Alliance in May, with the aim of stopping India and Pakistan from subsidizing sugar exports, said Sirivuth Siamphakdee, chairman of the Thai Sugar Millers Corporation (TSMC).
- The International Sugar Organization projected the global sugar surplus in 2017/18 (October/September) would be 5.15 million tons, up from a previous forecast of 5.03 million tons

**Previous updates.**

- Benchmark physical market under a week review at Kolhapur and Muzaffar Nagar traded negative on the back of poor sugar demand on higher sugar production coupled with panic sugar selling from millers to minimize cane arrears.
- Farmer's cane arrear issue is likely to adding up pressure on govt and sugar mills as well which is expected to direct centre governing body to maintain/ revise upward domestic sugar prices in medium term.
- Looking at current juncture, ambiguous govt policy towards sugar economy, normal S-W monsoon forecasts, depressed global sugar market, panic sugar selling from millers, hand to mouth sugar demand, piling of cane dues, and surging sugar output directs prices to trade on negative note in moving forward.
- Production updates from world's largest sugar producer and exporter (Brazil), in the end of crushing season 2017-18, its mills crushed 596.31 mln ton cane with resulted sugar output of 36.05 mln ton which is marginally up (1.21%) compared to previous season's 35.62 mln ton.
- There is a ₹ 8 gap between sugar price and the cost of production which is about ₹ 34 a kg. Mills can only support a sugarcane price of about ₹2,100 a tonne whereas they are expected to shell out ₹ 2,800 assuming an average 10 per cent recovery.
- According to Government officials, The Goods and Services Tax (GST) Council, headed by finance minister Arun Jaitley, will likely take up as early as in its next meeting, a proposal for the imposition of a cess on sugar to create a fund that will help mills clear cane dues owed to farmers.
- Sugar prices have declined to their lowest level in 28 months owing to distress sales by mills on account of storage problems. Storage problems are because of a production glut this season. With the output being 30 million tonnes by mid-April and 227 mills still in operation, the industry is now forecasting production at a record 31.5 million tonnes for the season 2017-18 as against 20.3 million tonnes during last season (October-September).
- The Centre is considering various options to help sugarcane farmers whose arrears have ballooned. The options include giving a production subsidy to sugarcane farmers, slapping a sugar cess on sales, reducing GST on ethanol being procured from sugar mills, and increasing the purchase price of ethanol for sugar mills.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 28-04-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2711	2711	2711	2711	-	10
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
		27-Apr-18	27-Apr-18	27-Apr-18	23-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 27<sup>th</sup> April,2018

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

Contract	Open	High	Low	Close	+/-
May-18	10.99	11.38	10.82	11.22	0.25
July-18	11.39	11.68	11.18	11.52	0.14
Oct-18	11.71	11.94	11.51	11.79	0.09

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

Contract	Open	High	Low	Close	+/-
Aug-18	322.70	329.90	318.20	327.60	5.90
Oct-18	321.70	327.40	316.20	325.10	5.40
Dec-18	328.10	332.40	323.00	330.40	4.10

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	312.30	-12.20

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-Apr-18	27-Apr-18	
Delhi	Delhi	M-Grade	3010	3000	10
	Delhi	S-Grade	2990	2980	10
Uttar Pradesh	Khatauli	M-Grade	2764	2764	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2660	2660	Unch
	Dhampur	S-Grade Ex-Mill	2640	2640	Unch
	Dhampur	L-Grade Ex-Mill	2710	2710	Unch
Maharashtra	Mumbai	M-Grade	3016	3016	Unch
	Mumbai	S-Grade	2740	2720	20
	Nagpur	M-Grade	2775	2775	Unch
	Nagpur	S-Grade	2675	2675	Unch
	Kolhapur	M-Grade	2650	2650	Unch
	Kolhapur	S-Grade	2550	2550	Unch
Assam	Guhawati	S-Grade	2852	2852	Unch
Meghalaya	Shillong	S-Grade	2870	2870	Unch
Andhra Pradesh	Vijayawada	M-Grade	3100	3100	Unch
	Vijayawada	S-Grade	3040	3040	Unch
West Bengal	Kolkata	M-Grade	NA	3050	-
Tamil Nadu	Chennai	S-Grade	3000	3200	-200
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)			28-Apr-18	27-Apr-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2625	2575	50
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2500	2500	Unch
	Muzaffarnagar	Khurpa (Fresh)	2425	2415	10
	Muzaffarnagar	Laddoo (Fresh)	2613	2603	10
	Muzaffarnagar	Rascut (Fresh)	2100	2063	38
	Hapur	Chaurasa	2250	2250	Unch

	Hapur	Balti	2250	2250	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	2835	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2680	-
	Mahalingapura	Penti (Average)	NA	2962	-
	Mandya	Achhu (Medium)	3300	3250	50
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3150	3150	Unch
	Mandya	Yellow (Medium)	NA	3200	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

## 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.