

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

- In futures market NCDEX Sugar future contract continued to remain inactive as the glut in market has resulted in no takers of sugar from NCDEX warehouses. Further as the prices nosedived it seems the market has none long positions and thus positions are not squared off and thus price discovery is not happening at exchange. The open interest is also low in sugar trade which seems to be short in sugar.
- At the spot market too ample supplies have been kept the overall sentiments bearish and with culmination of sugar crushing season the production seems to be all time high. ISMA earlier has indicated the production can reach 32 lakh tons. According to USDA the last highest sugar production was recorded in 2014-15 with 30.465 lakh tons.
- With prices crashing govt has come forward to subsidize sugar production and which in turn has resulted in the furor among the major sugar producing countries on the ground of WTO mandate on agricultural subsidies.
- The Global Sugar Alliance has launched an investigation this year into whether the EU, India and Pakistan are in violation of WTO rules, with plans to conclude by July. The group is represented by Brazil, Australia and Thailand who are concerned about their interest in global sugar market. Fall in international sugar prices has resulted in millers and refiners churning out sugar for prices below production costs.
- The alliance are questioning the MSP in Pakistan and India alongwith export subsidies and surplus subsidies for crushing. As Australia, Thailand and Europe has also witnessed bumper crop, these countries are questioning the subsidies regime in India which has hampered their sugar industries.
- From the domestic markets the 2018-19 sugar planting campaign is very depressed as sugar prices have crashed. Further persisting drought in Tamil Nadu. However market is talking about another bumper production year in coming sugar season.

Previous updates.

- Expectations of a bumper sugarcane crop this year have led to falling prices and caused financial losses for sugar mills, which are seeking federal and state government support to cover what they owe farmers.
- Sugar production in Philippines the week ended April 22 amounted to 68,912 tonnes, raw value, compared with 78,639 tonnes produced in the same period a year ago, SRA data show.
- Sugar output in the 2017-18 (October-September) season is estimated at over 310 lt against an estimated domestic consumption of about 240 lt. A similar surplus is expected in the coming season. Sugar prices have dropped to Rs 28 a kg, against a cost of production of Rs35. Mills' overdues to sugarcane farmers is pegged at about Rs 18,000 crore.
- The Council is expected to take up a proposal to impose a 5 per cent levy on sugar. This is expected to translate into an increase in retail price of up to Rs 3 a kg. Money collected through cess will be used to provide financial support to the sugarcane farmers.
- Sugar July raw sugar was down 0.09 cents, or 0.8 percent, at 11.66 cents per lb by 1122 GMT. Prices fell sharply in the prior session in tandem with white sugar, after India approved plans to subsidise its cane farmers, which could pave the way for exports to the world market.
- Till April 30, 2018, sugar mills have produced 31.03 MT sugar in the current season. With 130 sugar mills still operating, majorly in Uttar Pradesh, it is expected that sugar production during the current season might end up between 31.5-32 MT," Indian Sugar Mills Association (ISMA) said in a statement.
- India, the world's top sugar producer after Brazil, will spend 15.4 billion rupees (\$231 million) this year to subsidize a part of cane payments made by mills to farmers amid falling prices of the sweetener. India's cabinet approved a payment of 5.5 rupees per 100 kilograms of sugar cane to the farmers in the year



that began on Oct. 1, Ravi Shankar Prasad, law and information technology minister, said on Wednesday.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 10-05-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2712	2712	2712	2712	-	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
		9-May-18	9-May-18	9-May-18	7-May-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 9th May,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
July-18	11.54	11.54	11.24	11.29	-0.27
Oct-18	11.92	11.92	11.64	11.69	-0.23
Mar-19	12.98	12.98	12.72	12.76	-0.22

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	326.60	327.80	322.70	323.90	-3.70
Oct-18	321.10	323.10	318.50	319.40	-2.50
Dec-18	329.10	330.60	326.70	327.60	-2.00

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-May-18	9-May-18	
Delhi	Delhi	M-Grade	2890	2900	-10
	Delhi	S-Grade	2870	2880	-10
Uttar Pradesh	Khatauli	M-Grade	2740	2780	-40
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2600	2650	-50
	Dhampur	S-Grade Ex-Mill	2580	2630	-50
	Dhampur	L-Grade Ex-Mill	2650	2700	-50
Maharashtra	Mumbai	M-Grade	2952	2962	-10
	Mumbai	S-Grade	2710	2720	-10
	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	3060	3060	Unch
	Vijayawada	S-Grade	3000	3000	Unch
West Bengal	Kolkata	M-Grade	NA	NA	-
Tamil Nadu	Chennai	S-Grade	2800	2800	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)			10-May-18	9-May-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2825	2803	23
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	4000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2550	2513	38
	Muzaffarnagar	Laddoo (Fresh)	2688	2655	33
	Muzaffarnagar	Rascut (Fresh)	2125	2113	13
	Hapur	Chaurasa	2300	2450	-150
	Hapur	Balti	2375	2575	-200
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	NA	3300	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		9-May-18	2-May-18	9-Apr-18	10-May-17	9-May-18
Aug-18	-25.54	2182	2158	2214	2931	67.38
Oct-18	-24.49	2152	2156	2202	2850	
Dec-18	-22.36	2207	2201	2233	2843	

(Source: Reuters)* Today – figures are a day ago Quotes.

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