

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

- Sugar prices continues to spiral down as the market lacks any bullish fundamentals. ICE sugar has also been weakening in the last three sessions and bearish sentiments are expected to continue in coming days.
- International sugar analysts are expecting the bearish trend in Sugar to continue in coming 1 to two years as carry forward stocks are expected to keep the prices numb.
- With export subsidies offered by Pakistan govt Pakistan continued to dump their surplus stock in the international market and thus is expected to post a record exports this year.
- Meanwhile Thailand has decided to cut its exports of sugar by 500,000 thd tons and direct towards the production of ethanol to be consumed domestically. The surge in crude oil prices has resulted in a demand for ethanol and thus millers are expected to direct their surplus stocks toward the production of ethanol.
- Office of Cane and Sugar Board has approved first lot this year and there is potential for further allocations. Thus this can help in some way decline in the global sugar stocks. The office has estimated the production of 14.3 million tons of sugar of which 2.3 million tons will be domestically consumed and rest will be exported.
- USDA has estimated an all-time high sugar production of 185 million tons and independent research agency JSG is forecasting US Sugar to fall to 8 cents. In repercussion there is a good chance the Indian sugar can fall to INR 2200-2300 per quintal this season.
- In Thailand the ethanol is being produced by Cassava, Molasses and raw sugar. With Cassava prices running high, there is increased volume of molasses and raw sugar channelized towards the production of ethanol.
- Similarly the Brazilian ethanol producers are also targeting sugar as raw material for the ethanol production.
- With rise in Chinese production, China is expected to import less this season and which is adding to global end stocks. All is going to depend on the quantum of sugar directed towards the ethanol or the prices are expected to plummet to multi year lows.

Previous updates.

- In a public notification issued by Ministry of consumer affairs, food and public distribution has given export quotas of 20 lakh tons of all grades of sugar. The ministry has issued a list mill-wise Minimum Indicative Export Quotas for sugar season 2017-18 by exercising sugar control order of 1966.
- Further, to facilitate and incentivise the export of surplus sugar by sugar mills, the government has allowed the Duty-free Import Authorisation (DFIA) Scheme in respect of sugar.
- From domestic front the higher stocks of sugar has helped prices to further fall and the ex-mill prices are being quoted low by 30-40 rupees low from yesterday close. Millers are finding it difficult to dispose surplus stocks in the market as season demand is low at this time.
- In the latest WASDE report the US sugar end stock has been upward revised to 1901 short tons from April WASDE of 1859 thd short tons. The upwards revision was on rise in production estimate of beet sugar from 5139 thd short tons to 5221 thd short tons. Cane sugar production has also been revised

upward slightly. However with the prevailing drought conditions has resulted lower production estimate for 2018-19 to 5036 thd short tons.

- At Brazilian front, Brazil's center-south which is the world's largest sugar producing region, crushed about 50 percent more cane in April, the first month of the 2018/19 local crop season, than a year earlier as dry weather accelerated field work. This year the proportion of cane used for sugar rather than ethanol was below the previous season. Moreover the volume of cane and amount of sucrose in the cane were both above year-ago levels. Overall the Brazil production is low y-o-y.
- 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 there sugar industries.

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	-
	Gulbarga/Kalaburgi	Other (Average)	2750	2730	20
	Mahalingapura	Penti (Average)	2766	2797	-31
	Mandya	Achhu (Medium)	3550	3550	Unch
	Mandya	Kurikatu (Medium)	3200	3200	Unch
	Mandya	Other (Medium)	3000	3000	Unch
	Mandya	Yellow (Medium)	3300	3300	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3750	-

Spot Prices of Sugar at NCDEX Delivery Centers:					
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		10-May-18	3-May-18	10-Apr-18	10-May-17
Sugar S Grade					
Erode	-	NA	NA	NA	3995
Kolhapur	-32.07	2571	2622	2957	3785
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-29.97	2745	2745	2915	3920
Erode	-	NA	NA	NA	4070
Kanpur	-32.80	2745	2755	3004	4085
Kolhapur	-31.24	2663	2728	2957	3873
Kolkata	-31.54	2882	2857	3095	4210
Muzaffar Nagar	-32.31	2652	2726	2885	3918
*NA: Not Available					

International Sugar Futures ICE					(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
May-18	-18.24	1970	1990	1797	2409	67.38
Jul-18	-25.69	1704	1754	1806	2293	
Oct-18	-24.49	1764	1793	1845	2337	
(Source: Reuters) * Today – figures are a day ago Quotes.						

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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