

## Sugar &Gur Domestic & International Fundamentals

### Recent updates.

- India imported 1,908 tn sugar or 1.6 percent of the country's total import of the sweetener from Pakistan during April-May of the current financial year, the commerce ministry said.
- Thailand's sugarcane crush continues to wind down as daily sugar production has fallen to about 10,000 tonnes over the past week.
- Thailand, the world's second-biggest sugar exporter after Brazil, has decided to cut its exports of raw sugar by at least 500,000 tonnes this year, as a swelling global surplus and falling prices make it less worthwhile to export it, according to Japan's Nikkei newspaper.
- Raw-sugar futures have already fallen 26 percent this year, the biggest drop among 34 commodities tracked by Bloomberg. Record output in India and Thailand is driving the enormous glut. Hedge funds are positioning for more losses and have held wagers on prices declines for five straight months.
- Most sugar stocks were seen under pressure during Wednesday's trade after sugar prices fell owing to limited offtake amid a glut in supply.
- Nearly 40 per cent of the sugar mills in the country may not be able to take advantage of the recently-announced financial assistance package by the Centre. This is because many in the sector, which is reeling under a supply glut, may not fulfil an important eligibility condition.
- Cane dues for the sugar season 2017-18 in Uttar Pradesh continue to mount – over Rs 12,000 crore at last count – the Yogi Adityanath government has announced the release of just Rs 217 crore out of the Rs 850-crore power dues owed by the millers for settling the dues. While releasing the amount, cane commissioner Sanjay Bhoosreddy said that it must be ensured that 100% of the released funds are used to pay off the cane dues of farmers.

### Previous updates.

- Sugar prices gained in the key spot market whereas gud declined yesterday with cues from govt over potential exports of sugar.
- A delegation led by SharadPawar, comprising representatives from the private and cooperative industry, will seek the Centre's intervention to mitigate the sugar crisis in the upcoming meeting with PM. The industry will demand an increase in export limit to 8 million tonnes in the next 18 months, considering a record production of 32 million tonnes in crushing seasons of 2017-18 and 2018-19, leaving (higher) inventory of 11 million tonnes
- The industry will press for a rise in sugarcane incentive (for export) to Rs 100 per tonne from the present Rs 55 per tonne, rise in ethanol procurement price by oil companies to Rs 55 per litre from Rs 40.85 per litre, and introduction of quarterly sugar release mechanism in order to curb distress sale.
- Further, the industry wants that direction from the Centre to Reserve Bank of India and National Bank for Agriculture and Rural Development to grant the much needed working capital term loan to sugar factories, so that they can participate in the next year's crushing season.
- On the GST council proposal of imposition of cess on sugar under the direction of food ministry, group of ministers to seek opinion of the law ministry over the legality of such decision. The ministerial want to know whether GST council has the power to impose such cess. Once the law ministry give clearance on the legality the GST council will enforces cess. Further there has been also a report to be submitted by food ministry to ministerial group on the utilization of the fund collected from such cess. The next meeting of ministerial group is on June 3<sup>rd</sup>.
- Prior to GST roll out on July 1, 2017, a cess was levied and collected under the Sugar Cess Act, 1982, as duty of excise for the purpose of the Sugar Development Fund.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 17-05-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2665	2665	2665	2665	-	-
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
		16-May-18	16-May-18	16-May-18	14-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 16<sup>th</sup> May,2018

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

Contract	Open	High	Low	Close	+/-
July-18	11.50	11.62	11.38	11.61	0.09
Oct-18	11.80	11.90	11.72	11.89	0.04
Mar-19	12.72	12.80	12.61	12.79	0.06

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

Contract	Open	High	Low	Close	+/-
Aug-18	322.70	323.30	319.90	322.50	0.10
Oct-18	317.60	321.10	317.60	320.50	1.10
Dec-18	324.30	327.70	324.30	327.60	1.40

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			17-May-18	16-May-18	
Delhi	Delhi	M-Grade	2800	2810	-10
	Delhi	S-Grade	2780	2790	-10
Uttar Pradesh	Khatauli	M-Grade	2680	2685	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2560	2600	-40
	Dhampur	S-Grade Ex-Mill	2540	2580	-40
	Dhampur	L-Grade Ex-Mill	2610	2650	-40
Maharashtra	Mumbai	M-Grade	2890	2900	-10
	Mumbai	S-Grade	2640	2660	-20
	Nagpur	M-Grade	2650	2650	Unch
	Nagpur	S-Grade	2550	2550	Unch
	Kolhapur	M-Grade	2525	2525	Unch
	Kolhapur	S-Grade	2425	2425	Unch
Assam	Guhawati	S-Grade	2725	2725	Unch
Meghalaya	Shillong	S-Grade	2745	2745	Unch
Andhra Pradesh	Vijayawada	M-Grade	3060	3060	Unch
	Vijayawada	S-Grade	3000	3000	Unch
West Bengal	Kolkata	M-Grade	2900	2930	-30
Tamil Nadu	Chennai	S-Grade	2785	2800	-15
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)			17-May-18	16-May-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2625	2700	-75
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	3000	1000
	Muzaffarnagar	Khurpa (Fresh)	2300	2375	-75
	Muzaffarnagar	Laddoo (Fresh)	2553	2500	53
	Muzaffarnagar	Rascut (Fresh)	2175	2113	63
	Hapur	Chaurasa	2300	2225	75
	Hapur	Balti	2313	2250	63
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch

Belgaum	Mudde (Average)	NR	NR	-
Belthangadi	Yellow (Average)	NR	NR	-
Bijapur/Vijayapura	Achhu	NA	NA	-
Gulbarga/Kalaburgi	Other (Average)	2690	2850	-160
Mahalingapura	Penti (Average)	2739	2720	19
Mandya	Achhu (Medium)	3450	3450	Unch
Mandya	Kurikatu (Medium)	3100	3100	Unch
Mandya	Other (Medium)	NA	3200	-
Mandya	Yellow (Medium)	3400	3050	350
Shimoga/Shivamogga	Achhu (Average)	NR	3750	-

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