

## Sugar &Gur Domestic & International Fundamentals

### Recent updates.

- Sugar prices staged a strong comeback by bouncing up to Rs 25-100 per quintal across the country today, supported by speculative buying by stockists as well as bulk consumers amid thin supplies.
- Sugar prices rose by Rs 50-80 per quintal on Monday on market speculation that the government may create a buffer stock of about 30 lakh tonne of the sweetener.
- The Indian Sugar Mills Association has urged the government to free sugarcane pricing in the coming season and voiced concerns against possible controls on sugar sales. Sugarcane arrears could double to about ₹40,000 crore in the coming season if cane prices continue to be set at artificially high levels even as sugar prices drop, it said.

### Previous updates.

- The industry hopes the government will create a buffer stock, have a fixed minimum support price for sugar and push exports.
- The Agriwatch Agri Commodities Index dipped 0.14% to 101.19 during the week ended May 19, 2018 from 101.33 during the previous week as plunging sugar prices offset gains in cereals, pulses and edible oils. The Sugar Index is now at its lowest since November 2015. The base for the Index and all sub-Indices is 2014 (= 100). Four of the nine commodity group sub-Indices and 15 of the 29 individual commodity sub-Indices ended the week lower.
- Maharashtra's sugar season is nearing its end and only four sugar mills are continuing their crushing operations. With production crossing 107 lakh tonnes, the 2017-18 season has seen the highest production of sugar in the state. Of the 187 mills functional this season, 183 have ceased crushing operations. Two mills in Ahmednagar and one each in Pune and Satara districts are continuing operations.
- Record sugar production in India and Thailand is weighing heavily on millers in Brazil, the world's top producer. As many as nine mills may not process sugar cane in 2018-19 due to financial problems, joining a group of about 80 that have stopped production since 2008, according to Unica, Brazil's sugar industry group.
- While sugar prices have fallen by 30% in past few months owing to bumper sugarcane production across India, including Punjab, rates for molasses, a by-product of sugarcane, has also now crashed by 85 per cent.
- Sugar prices tumbled down by Rs 90 per quintal at the wholesale market in the national capital during the week as supplies exceeded the demand due to record production.
- Sugar exports have not started even after centre gave cane farmers a Rs 1,540-crore financial assistance package, seeking to flush out last year's surplus stock in the world's biggest consumer market of the natural sweetener.
- The wholesale gur (jaggery) market in the national capital today as prices remained to be continuously enquired at previous levels in the absence of any worthwhile moving factors. sluggish demand due to off season along with adequate stocks managed to keep gur prices unmoved. Following are today's rates (in Rs per quintal): Gur chakku Rs 2,900-3,000, pedi Rs 2,900-3,000, dhayya Rs 3,100-3,200 and shakkar Rs 3,200-3,300.
- 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.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 21-05-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2610	2610	2610	2610	-	-
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-May-18	21-May-18	21-May-18	21-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 21<sup>st</sup> May,2018

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

Contract	Open	High	Low	Close	+/-
July-18	11.70	12.24	11.67	12.10	0.44
Oct-18	12.00	12.51	11.99	12.39	0.42
Mar-19	12.86	13.22	12.85	13.11	0.26

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

Contract	Open	High	Low	Close	+/-
Aug-18	330.80	340.90	330.80	340.00	9.80
Oct-18	326.30	336.50	326.30	335.70	9.90
Dec-18	332.40	340.20	332.40	340.00	8.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			22-May-18	21-May-18	
Delhi	Delhi	M-Grade	2874	2860	14
	Delhi	S-Grade	2854	2840	14
Uttar Pradesh	Khatauli	M-Grade	2750	2650	100
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2600	2540	60
	Dhampur	S-Grade Ex-Mill	2580	2520	60
	Dhampur	L-Grade Ex-Mill	2650	2590	60
Maharashtra	Mumbai	M-Grade	2930	2896	34
	Mumbai	S-Grade	2746	2650	96
	Nagpur	M-Grade	2750	2725	25
	Nagpur	S-Grade	2650	2625	25
	Kolhapur	M-Grade	2625	2600	25
	Kolhapur	S-Grade	2525	2500	25
Assam	Guhawati	S-Grade	2827	2801	25
Meghalaya	Shillong	S-Grade	2845	2820	25
Andhra Pradesh	Vijayawada	M-Grade	3060	3060	Unch
	Vijayawada	S-Grade	3000	3000	Unch
West Bengal	Kolkata	M-Grade	NA	2930	-
Tamil Nadu	Chennai	S-Grade	2850	2800	50
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)			22-May-18	21-May-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2650	2588	63
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1500	3000	-1500
	Muzaffarnagar	Khurpa (Fresh)	2425	2350	75
	Muzaffarnagar	Laddoo (Fresh)	2625	2570	55
	Muzaffarnagar	Rascut (Fresh)	2300	2225	75
	Hapur	Chaurasa	2325	Closed	-
	Hapur	Balti	2375	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4400	-
	Belgaum	Mudde (Average)	NA	2900	-
	Belthangadi	Yellow (Average)	NA	NA	-

Bijapur/Vijayapura	Achhu	2715	2700	15
Gulbarga/Kalaburgi	Other (Average)	2890	2880	10
Mahalingapura	Penti (Average)	2834	NA	-
Mandya	Achhu (Medium)	3500	3500	Unch
Mandya	Kurikatu (Medium)	3250	3250	Unch
Mandya	Other (Medium)	3300	3300	Unch
Mandya	Yellow (Medium)	NA	3400	-
Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

## 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.