

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

- Sugar cash prices continues to gain in the wake of market interventions by GOI and Forecasts of downward correction in sugar production in Brazil and which is bringing fresh bullishness in ICE Sugar. Indian spot market has also gained under the influence of such events. ICE Sugar is trading at 7 week high since April.
- The Ministry Consumer Affairs, Food and Public Distribution has moved a draft Cabinet note on creating a sugar buffer stock of three million tonnes and fixing a minimum ex-mill price to help cash-starved millers clear cane arrears which have surged to about Rs 22,000 crore.
- In Punjab with the bumper production of Sugar the molasses prices has also crashed with the prices tumbled to INR 120 .per quintal against the prices of INR 600 per quintal last year.
- According to data accessed from cane commissioner office, all 16 sugar mills (private and cooperative combined) crushed around 840 lakh quintals of cane this year as compared to 675 lakh quintals last year. The sugar recovery this year was 81 lakh quintals compared to 66 lakh quintals in 2016-17.
- The molasses produced in the state this year is anywhere between 33.6-37.8 lakh quintals. Around 95 per cent of molasses in the state is used by distillery and the remaining by cattle feed industry.
- Brazil's centre-south, the world's largest sugar producing region, is likely to have less cane to process this year than previously expected due to a prolonged period without widespread.
- Mauritius is expected to produce 350, 000 tons of sugar in the 2018 season, down 5, 000 tons from last season, the country's Chamber of Agriculture reports.This slight drop in production comes in a difficult conte
- Sugar production in the week ended May 6 amounted to 51,836 tonnes, raw value, compared with 64,499 tonnes produced in the same period a year ago, SRA data show.This brought total production so far in 2017/18 (Sep/Aug) to 1,925,821 tonnes.
- Brazilian sugar producers operations have been affected by nationwide truckers protests against high diesel prices that entered a third day on Wednesday.
- Indonesia has issued import permits for 635,000 tonnes of raw sugar for household consumption for March-September 2018 delivery, according to the Trade Ministry.

**Previous updates.**

- The government may create a buffer stock of about 30 lakh tonne of the sweetener. The confirmation has yet to come from PMO. In this scheme sugar mills will stock the sweetener in their warehouses and the government will pay the carrying costs. Further government is also mulling over giving cheap loans to sugar mills to expand their ethanol production capacity.
- Moreover, the Cabinet may soon approve the plan to fix a minimum price for the sale of sugar by the mill owners to traders. The minimum selling price of the sugar could hover around Rs 30-32 per kg.
- According to a statement on China Merchandise Reserve Management Center, Indian sugar refiners and exporters will meet Chi-nese importers and processors in Beijing next month to discuss opening up market access. India hopes to export more of its sugar to China before and after the next cane-crushing season in the South Asian country, which starts in October this year.

- Maharashtra Government has suggested Union Government to consider dual pricing for sugar with domestic consumers paying lesser price while sugar for commercial purpose can be charged higher. Further the state has also suggested incentives for sugar factories who would go for producing ethanol and would use their vehicles by blending ethanol in to the petrol. Further incentives can also be given the production of raw sugar as it has better exports opportunity over white sugar.
- 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.
- At international front, beet sugar sowing is under way in the Volga region, Ukraine and EU and the price decline has been a concern to the farmers. As sugar prices were attractive in 2017, beet growers prepared for the end of quotas by increasing their production areas for the 2017/2018 campaign. Last season France and Germany, the two main producers, increased land under sugar beet by 25%. This year however the acreages are low in France. The EU abolished limits on sugar beet production at the end of September 2017, dramatically boosting output and paving the way for the EU to become a net exporter for the first time in more than a decade.
- 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.
- 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.

## 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
		23-May-18	23-May-18	23-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 23<sup>rd</sup> May,2018

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

Contract	Open	High	Low	Close	+/-
July-18	12.17	12.44	12.12	12.35	0.20
Oct-18	12.55	12.80	12.47	12.72	0.20
Mar-19	13.39	13.61	13.29	13.58	0.21

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

Contract	Open	High	Low	Close	+/-
Aug-18	343.00	350.30	343.00	349.40	6.40
Oct-18	339.90	346.30	339.10	345.80	6.90
Dec-18	343.60	350.40	342.60	350.00	7.20

## Sugar Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			24-May-18	23-May-18	
Delhi	Delhi	M-Grade	2844	2844	Unch
	Delhi	S-Grade	2824	2824	Unch
Uttar Pradesh	Khatauli	M-Grade	2910	2850	60
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2750	2700	50
	Dhampur	S-Grade Ex-Mill	2730	2680	50
	Dhampur	L-Grade Ex-Mill	2800	2750	50
Maharashtra	Mumbai	M-Grade	2930	2930	Unch
	Mumbai	S-Grade	2736	2736	Unch
	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	3100	3100	Unch
	Vijayawada	S-Grade	3040	3040	Unch
West Bengal	Kolkata	M-Grade	3130	3130	Unch
Tamil Nadu	Chennai	S-Grade	2875	2875	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)			24-May-18	23-May-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2563	2675	-113
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1500	1000	500
	Muzaffarnagar	Khurpa (Fresh)	2388	2450	-63
	Muzaffarnagar	Laddoo (Fresh)	2625	2650	-25
	Muzaffarnagar	Rascut (Fresh)	2288	2425	-138
	Hapur	Chaursa	2313	2325	-13
	Hapur	Balti	2500	2375	125
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2750	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2990	-
	Mahalingapura	Penti (Average)	2825	2820	5
	Mandya	Achhu (Medium)	3450	3500	-50
	Mandya	Kurikatu (Medium)	3250	3250	Unch
	Mandya	Other (Medium)	NA	3300	-
	Mandya	Yellow (Medium)	3400	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3750	-

## Spot Prices of Sugar at NCDEX Delivery Centers:

Centre	% Change over previous year	Today 24-May-18	Week ago 17-May-18	Month Ago 24-Apr-18	Year Ago 24-May-17
<b>Sugar S Grade</b>					
Erode	-	NA	NA	NA	3995
Kolhapur	-31.00	2600	2500	2652	3768
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
<b>Sugar M Grade</b>					
Delhi	-28.09	2819	2645	2796	3920
Erode	-	NA	NA	NA	4070
Kanpur	-29.14	2887	2667	2802	4074
Kolhapur	-29.98	2700	2600	2748	3856
Kolkata	-26.05	3000	2791	2879	4057

Muzaffar Nagar	-27.92	2827	2600	2731	3922
*NA: Not Available					

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		23-May-18	16-May-18	23-Apr-18	24-May-17	23-May-18
May-18	-12.58	2083	1970	1663	2382	68.21
Jul-18	-17.10	1887	1764	1691	2276	
Oct-18	-16.07	1943	1806	1738	2316	
(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
		23-May-18	16-May-18	23-Apr-18	24-May-17	23-May-18
Aug-18	-18.59	2383	2187	2180	2927	68.21
Oct-18	-16.71	2359	2174	2146	2832	
Dec-18	-15.64	2387	2222	2180	2830	
(Source: Reuters)* Today – figures are a day ago Quotes.						

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