

Sugar &Gur Domestic & International Fundamentals

Recent updates.

- Sugar cash prices traded mixed with the market weekend and gained in various market depending on local dynamics.
- The cooperative sugar mills in Haryana has crushed 443.13 lakh quintal of sugarcane producing 44.15 lakh quintal sugars according to Haryana Sugarfed.
- Ongoing sugar campaign is sowing increased area this year. The cultivated area of sugarcane has increased by 1.6 per cent over that of the previous year. Till 25th of May 48.67 lakh hectares has been brought under sugar.
- With policy support from government sugar mills in Maharashtra are planning to sign export contracts with neighboring countries before the start of the next season. Mills are targeting 3-3.5 million tonnes (mt) exports of raw sugar to Bangladesh and China and another 2-2.5 mt of white sugar to Sri Lanka.
- Maharashtra's current sugar season officially ended on Wednesday with the last of the 187 mills ceasing operations. The state has produced 10.7 mt of sugar, the highest in the last 10 years. Last year Maharashtra produced just 4.2 mt of sugar.
- Millers are planning to start the new season crushing a month early as compared to beginning in post Diwali and plan to produce only raw sugar for exports. The total export of raw sugar is expected to be 5-6 mt, in coming season. As the international prices has firmed up indian ugar has gained parity for exports.

Previous updates.

- 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.
- Sugar production in Cuba is 40% down over heavy rainfall and unsupportive government policy. Cuba used to produce 1.8 million tons which this year is expected to be around 1.1 million tons.
- Brazilian mills are expected to have allocated only 37.7 percent of cane to sugar, the lowest for that period since 2015/16. Rest is expected to be used for the production of ethanol. Some Brazilian sugar mills in the centre-south region have reduced cane harvesting work because of short diesel fuel supplies owing to a nationwide truckers protest.
- 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.

- According to a statement on China Merchandise Reserve Management Center, Indian sugar refiners and exporters will meet Chinese 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.
- 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.
- 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 28-05-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-					-	-
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	
		26-May-18	26-May-18	26-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 25 th May,2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
July-18	12.22	12.48	12.16	12.46	0.08

Oct-18	12.56	12.78	12.49	12.76	0.06
Mar-19	13.41	13.62	13.34	13.60	0.05
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Aug-18	351.30	353.00	347.20	351.40	Unch
Oct-18	346.60	348.00	342.40	347.20	0.60
Dec-18	351.20	352.80	347.30	352.40	1.10

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-May-18	26-May-18	
Delhi	Delhi	M-Grade	3000	2950	50
	Delhi	S-Grade	2980	2930	50
Uttar Pradesh	Khatauli	M-Grade	2950	2970	-20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2800	2900	-100
	Dhampur	S-Grade Ex-Mill	2780	2880	-100
	Dhampur	L-Grade Ex-Mill	2850	2950	-100
Maharashtra	Mumbai	M-Grade	2980	2960	20
	Mumbai	S-Grade	2800	2780	20
	Nagpur	M-Grade	2875	2825	50
	Nagpur	S-Grade	2775	2725	50
	Kolhapur	M-Grade	2750	2700	50
	Kolhapur	S-Grade	2650	2600	50
Assam	Guhawati	S-Grade	2954	2903	51
Meghalaya	Shillong	S-Grade	2970	2920	50
Andhra Pradesh	Vijayawada	M-Grade	3140	3140	Unch
	Vijayawada	S-Grade	3080	3080	Unch
West Bengal	Kolkata	M-Grade	3130	3240	-110
Tamil Nadu	Chennai	S-Grade	2950	2900	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)			28-May-18	26-May-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2778	2750	28
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2500	1500	1000
	Muzaffarnagar	Khurpa (Fresh)	2500	2463	38
	Muzaffarnagar	Laddoo (Fresh)	2750	2713	38

	Muzaffarnagar	Rascut (Fresh)	2513	2500	13
	Hapur	Chaurasa	Closed	2313	-
	Hapur	Balti	Closed	2500	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	3000	3000	Unch
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2800	2800	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	2550	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3400	3400	Unch
	Mandya	Kurikatu (Medium)	3250	3250	Unch
	Mandya	Other (Medium)	3300	3300	Unch
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3700	3750	-50

Spot Prices of Sugar at NCDEX Delivery Centers:						
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago	
		28-May-18	21-May-18	28-Apr-18	27-May-17	
Sugar S Grade						
Erode	-	NA	NA	NA	3970	
Kolhapur	-29.49	2644	2550	2705	3750	
Kolkata	-	NA	NA	NA	NA	
Vashi	-	NA	NA	NA	NA	
Sugar M Grade						
Delhi	-26.39	2895	2668	2695	3933	
Erode	-	NA	NA	NA	4045	
Kanpur	-28.25	2924	2725	2772	4075	
Kolhapur	-28.86	2738	2550	2705	3849	
Kolkata	-26.26	3005	2838	2857	4075	
Muzaffar Nagar	-27.14	2840	2697	2719	3898	
*NA: Not Available						

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