

Sugar &Gur Domestic & International Fundamentals

Recent updates.

- Sugar prices remained unchanged today due to lack of fundamentals in the market. London sugar and ICE Sugar are trading on weaker tone by the time report has been written.
- The Cabinet is likely to approve a plan to set a minimum price at which millers can sell sugar, among a series of steps, to help improve domestic prices that have fallen below the cost of production amid a glut in production of the sweetener.
- ISMA has urged government that the minimum price of sugar under consideration by the Centre should be based on the statutory Fair and Remunerative Price of sugarcane.
- The cane price for the current season is ₹ 2,550 a tonne linked to 9.5 per cent sugar recovery. However, with the average recovery at 10.8 per cent the sugarcane price is actually ₹ 2,900. For the sugar mills to be able to pay farmers this rate, the ex-mill price of sugar should be at least ₹ 3,580 a quintal.
- The industry has been demanding for long that sugarcane price should be set at 75 per cent of sugar price in line with the recommendation of an expert committee constituted a few years back. This is in vogue in Maharashtra and Karnataka.
- Centre has said that even though sugar prices have been falling and the industry is in crisis, millers cannot not make payments or part payments citing low sugar prices. The Maharashtra State Sugar Commissioner has already served notices to 136 factories that failed to keep FRP commitments.
- The south-west monsoon arrived in Kerala on Tuesday, three days ahead of its normal arrival date, even as the IMD warned of heavy to very heavy rainfall in parts of the state in the coming days.
- Brazilian sugar mills and sugarcane suppliers in São Paulo state are expected to halt production due to protests by truckers against high fuel prices that have blocked major highways across the country.
- Though a truckers' association said that it had told drivers to return to work. The government agreed on Sunday to cut taxes and offer subsidies to reduce diesel prices at the pump. Overall, Brazil's center-south, the world's largest sugarcane belt, will reduce crushing by 25 percent, or 10.9 million tonnes, in the second half of May, consultancy INTL FCStone said on Monday, because of the effects of the truckers' protests.
- The number of mills halted in Brazil's center-south, which includes São Paulo, could rise from 220 on Monday to 340 by Thursday if the protests continue, said trade group Fórum Nacional Sucroenergético.
- The situation adds to the woes of domestic biofuel and sugar companies that in recent years have grappled with high debt, highly-regulated fuel markets and lower prices.
- The truck protest caused gas stations and airports to run out of fuel, while supermarket shelves went bare and hospitals said they were running out of supplies. Companies and farmers in Brazil, a major exporter of staple commodities like sugar, soy and meat, were also unable to deliver goods to ports for export due to the road blocks.
- Factory stocks of sugar in Russia, according to Rosstat, from peak Dec-2017 dropped in the first four months of 2018 to 0.928 million tonnes, which is considerably more than in seasons 2010/11 – 2015/16 (0.61-0.84 million tonnes) but lower than in 2016/17 (1.133 million tons).

Previous updates.

- 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.
- 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.
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NCDEX Sugar (M grade) Future Quotes

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
		30-May-18	30-May-18	30-May-18	28-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 29 th May,2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
July-18	12.50	12.57	12.39	12.46	Unch
Oct-18	12.79	12.84	12.65	12.71	-0.05
Mar-19	13.61	13.63	13.45	13.50	-0.10
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Aug-18	351.40	354.50	349.20	350.10	-1.30
Oct-18	347.40	349.40	345.20	345.70	-1.50
Dec-18	352.00	352.70	349.10	349.50	-2.90

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			30-May-18	29-May-18	
Delhi	Delhi	M-Grade	2990	3000	-10
	Delhi	S-Grade	2970	2980	-10
Uttar Pradesh	Khatauli	M-Grade	2950	2950	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2800	2800	Unch
	Dhampur	S-Grade Ex-Mill	2780	2780	Unch
	Dhampur	L-Grade Ex-Mill	2850	2850	Unch
Maharashtra	Mumbai	M-Grade	3000	3000	Unch
	Mumbai	S-Grade	2810	2810	Unch
	Nagpur	M-Grade	2875	2875	Unch
	Nagpur	S-Grade	2775	2775	Unch
	Kolhapur	M-Grade	2750	2750	Unch

	Kolhapur	S-Grade	2650	2650	Unch
Assam	Guhawati	S-Grade	2954	2954	Unch
Meghalaya	Shillong	S-Grade	2970	2970	Unch
Andhra Pradesh	Vijayawada	M-Grade	3150	3150	Unch
	Vijayawada	S-Grade	3080	3070	10
West Bengal	Kolkata	M-Grade	3130	3130	Unch
Tamil Nadu	Chennai	S-Grade	2950	2950	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)			30-May-18	29-May-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2800	2800	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1200	2500	-1300
	Muzaffarnagar	Khurpa (Fresh)	2475	2425	50
	Muzaffarnagar	Laddoo (Fresh)	2755	2713	43
	Muzaffarnagar	Rascut (Fresh)	2275	2263	13
	Hapur	Chaurasa	2313	2313	Unch
	Hapur	Balti	2500	2500	Unch
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	NA	2700	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2875	-
	Mahalingapura	Penti (Average)	NA	2777	-
	Mandya	Achhu (Medium)	NR	3400	-
	Mandya	Kurikatu (Medium)	NR	3250	-
	Mandya	Other (Medium)	NR	3350	-
	Mandya	Yellow (Medium)	NR	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

Spot Prices of Sugar at NCDEX Delivery Centers:					
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		30-May-18	23-May-18	30-Apr-18	30-May-17
Sugar S Grade					
Erode	--	NA	NA	NA	3970
Kolhapur	-29.23	2656	2600	2600	3753
Kolkata	--	NA	NA	NA	NA

Vashi	--	NA	NA	NA	NA
Sugar M Grade					
Delhi	-27.03	2859	2745	2781	3918
Erode	--	NA	NA	NA	4045
Kanpur	-27.52	2945	2898	2766	4063
Kolhapur	-28.42	2750	2700	2700	3842
Kolkata	-26.11	3000	2984	2914	4060
Muzaffar Nagar	-27.59	2840	2805	2718	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
		29-May-18	22-May-18	29-Apr-18	29-May-17	29-May-18
May-18	-10.01	2058	2047	1957	2287	67.82
Jul-18	-12.95	1893	1851	1979	2174	
Oct-18	-12.71	1931	1907	2019	2212	

(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
		29-May-18	22-May-18	29-Apr-18	29-May-17	29-May-18
Aug-18	-16.20	2374	2333	2188	2833	67.82
Oct-18	-14.30	2345	2305	2171	2736	
Dec-18	-13.32	2370	2331	2206	2734	

(Source: Reuters)* Today – figures are a day ago Quotes.

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