

Sugar &Gur Domestic & International Fundamentals

Recent updates.

- Sugar in spot market gained over as international sugar moved up over Brazilian strike creating sugar shortage for the time being.
- At the current sowing there are expectations that sugar production to a fresh peak in the next marketing season. It is noted that the sowing is 1.7% high against last year till last week. And with the good monsoon prospects the yield and sugar recovery is expected to remain high. Markets is expecting production to be higher than 32 million ton of this year. Further in Maharashtra Apart from new plantings, large amounts of so-called ratoon crops will also be available due to the low cost of taking a second harvest.
- Brazil's truck strike has continued for 9th day and has started to affect global commodity markets as soybean traders delay shipments and the country's vast sugar industry shuts down more of its processing plants. However the impact on sugar will be short lived as the supplies in world is huge. Sugar futures traded in New York climbed 6.9 percent last week, this year's biggest weekly gain. This week three vessels slated to transport pulp and sugar failed to depart from the port because of a shortage of supplies.

Previous updates.

- 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).
- 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.

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
		31-May-18	31-May-18	31-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 31st May,2018

ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
July-18	12.58	12.85	12.57	12.79	0.19
Oct-18	12.81	13.08	12.80	13.02	0.20
Mar-19	13.58	13.84	13.58	13.80	0.20
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Aug-18	348.50	355.80	348.40	354.60	5.70
Oct-18	346.20	352.10	345.80	351.00	4.80
Dec-18	350.60	355.30	350.50	353.90	3.50

Sugar Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			1-Jun-18	31-May-18	
Delhi	Delhi	M-Grade	3100	3090	10
	Delhi	S-Grade	3080	3070	10
Uttar Pradesh	Khatauli	M-Grade	3080	2950	130
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2900	2800	100
	Dhampur	S-Grade Ex-Mill	2880	2780	100
	Dhampur	L-Grade Ex-Mill	2950	2850	100
Maharashtra	Mumbai	M-Grade	3060	3016	44
	Mumbai	S-Grade	2926	2836	90
	Nagpur	M-Grade	2975	2925	50
	Nagpur	S-Grade	2875	2825	50
	Kolhapur	M-Grade	2850	2800	50
	Kolhapur	S-Grade	2750	2700	50
Assam	Guhawati	S-Grade	3055	3004	51
Meghalaya	Shillong	S-Grade	3070	3020	50
Andhra Pradesh	Vijayawada	M-Grade	3200	3150	50
	Vijayawada	S-Grade	3140	3080	60
West Bengal	Kolkata	M-Grade	3200	3130	70
Tamil Nadu	Chennai	S-Grade	3025	3000	25
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
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Jaggery(Gur)			1-Jun-18	31-May-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2778	2763	15
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	600	1200	-600
	Muzaffarnagar	Khurpa (Fresh)	2503	2463	40
	Muzaffarnagar	Laddoo (Fresh)	2838	2838	Unch
	Muzaffarnagar	Rascut (Fresh)	2275	2250	25
	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	3100	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2750	NA	-
	Gulbarga/Kalaburgi	Other (Average)	2790	2780	10
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3500	3500	Unch
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3400	3400	Unch
	Mandya	Yellow (Medium)	3450	3150	300
	Shimoga/Shivamogga	Achhu (Average)	NA	3750	-

Spot Prices of Sugar at NCDEX Delivery Centers:

Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		1-Jun-18	25-May-18	1-May-18	1-Jun-17
Sugar S Grade					
Erode	-	NA	NA	NA	3970
Kolhapur	-26.55	2750	2629	2611	3744
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-23.85	2995	2795	2793	3933
Erode	-	NA	NA	NA	4045
Kanpur	-25.50	3021	2905	2763	4055
Kolhapur	-25.68	2850	2734	2714	3835
Kolkata	-22.40	3143	3051	2914	4050
Muzaffar Nagar	-23.92	2981	2905	2717	3918
*NA: Not Available					

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over	Today	Week ago	Month Ago	Year Ago	RBI Dollar

	previous year	31-May-18	24-May-18	1-May-18	31-May-17	31-May-18
May-18	-7.51	2093	2083	1985	2263	67.45
Jul-18	-10.11	1932	1896	1743	2150	
Oct-18	-10.07	1967	1945	1784	2187	

(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
		31-May-18	24-May-18	1-May-18	31-May-17	31-May-18
Aug-18	-14.77	2392	2403	2167	2806	67.45
Oct-18	-12.64	2367	2370	2158	2710	
Dec-18	-11.88	2387	2402	2203	2709	

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

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