

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

- Sugar in spot market continued to gain taking cues from overseas market. ICE Sugar and LIFFE Sugar closed in green over Brazilian truckers strike resulting supply squeeze in the international market
- 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
		1-Jun-18	1-Jun-18	1-Jun-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	-	-	-	-

ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
July-18	12.79	12.97	12.43	12.52	-0.27
Oct-18	13.01	13.18	12.70	12.81	-0.21
Mar-19	13.78	13.94	13.48	13.59	-0.21
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Aug-18	355.50	360.00	351.20	353.00	-1.60
Oct-18	352.20	355.40	346.60	348.50	-2.50
Dec-18	354.80	358.00	349.50	351.90	-2.00

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			2-Jun-18	1-Jun-18	
Delhi	Delhi	M-Grade	3150	3100	50
	Delhi	S-Grade	3130	3080	50
Uttar Pradesh	Khatauli	M-Grade	3125	3080	45
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2950	2900	50
	Dhampur	S-Grade Ex-Mill	2930	2880	50
	Dhampur	L-Grade Ex-Mill	3000	2950	50
Maharashtra	Mumbai	M-Grade	3076	3060	16
	Mumbai	S-Grade	2930	2926	4
	Nagpur	M-Grade	3025	2975	50
	Nagpur	S-Grade	2925	2875	50
	Kolhapur	M-Grade	2900	2850	50
	Kolhapur	S-Grade	2800	2750	50
Assam	Guhawati	S-Grade	3106	3055	51
Meghalaya	Shillong	S-Grade	3120	3070	50
Andhra Pradesh	Vijayawada	M-Grade	3200	3200	Unch
	Vijayawada	S-Grade	3140	3140	Unch
West Bengal	Kolkata	M-Grade	3340	3200	140
Tamil Nadu	Chennai	S-Grade	3200	3025	175
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)			2-Jun-18	1-Jun-18	

Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2800	2778	23
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	250	600	-350
	Muzaffarnagar	Khurpa (Fresh)	2625	2503	123
	Muzaffarnagar	Laddoo (Fresh)	2950	2838	113
	Muzaffarnagar	Rascut (Fresh)	2288	2275	13
	Hapur	Chaurasa	2313	2313	Unch
	Hapur	Balti	2450	2500	-50
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	2750	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2790	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3500	3500	Unch
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	3350	3400	-50
	Mandya	Yellow (Medium)	3450	3450	Unch
	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
		2-Jun-18	26-May-18	2-May-18	2-Jun-17
Sugar S Grade					
Erode	-	NA	NA	NA	3970
Kolhapur	-26.68	2748	2640	2597	3748
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-26.44	2865	2835	2776	3895
Erode	-	NA	NA	NA	4045
Kanpur	-24.77	3047	2918	2772	4050
Kolhapur	-25.82	2850	2734	2700	3842
Kolkata	-22.20	3143	3048	2905	4040
Muzaffar Nagar	-23.93	2978	2862	2705	3915
*NA: Not Available					

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		1-Jun-18	25-May-18	1-May-18	1-Jun-17	1-Jun-18
May-18	-5.73	2057	2090	1985	2182	67.18

Jul-18	-8.32	1884	1905	1743	2055	
Oct-18	-8.13	1928	1951	1784	2098	
(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
		1-Jun-18	25-May-18	1-May-18	1-Jun-17	1-Jun-18
Aug-18	-12.86	2371	2399	2167	2721	67.18
Oct-18	-10.55	2341	2370	2158	2617	
Dec-18	-9.70	2364	2405	2203	2618	
(Source: Reuters)* Today – figures are a day ago Quotes.						

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