

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

- The Government is likely to announce a bailout package of over ₹7,000 crore to ensure cash-starved mills clear dues to farmers at the earliest, according to sources. A decision in this regard is expected to be taken in the meeting of the Cabinet Committee on Economic Affairs (CCEA) scheduled Tomorrow.
- The package is likely to include a set minimum price for sugar, creation of a 30 lakh tonne buffer stock and a scheme to increase ethanol capacity, said a senior government official.
- Sugar production has hit a record high of more than 315 lakh tonnes this year, crossing the amounts needed for domestic consumption, and leading to a crash in prices.

**Previous updates.**

- UP's sugar production has increased by about 36 per cent from 87.73 lakh tonnes in the previous year to 119.12 lakh tonnes, and still counting, in the current year. The state's sugar production is expected to go up further in the 2018-19 crushing season.
- India's sugar output is likely to scale record highs in the next marketing season, with farmers choosing to plant the crop despite falling prices and around 200 billion rupees (\$2.96 billion) in delayed payments from mills for the current harvest.
- The Centre may create a 3-million-tonne sugar buffer stock to help sugar mills to tide over the crisis triggered by overproduction, Union Food Minister Ram Vilas Paswan said on Thursday.
- The glut in sugar production during the current 2017-18 season (September-October) has led to the sweetener price crashing to levels below cost of production.. This has resulted in ballooning sugarcane arrears to farmers to ₹22,000 crore. Sugar production this year is expected to be around 32 mt , 60 per cent higher than that in the last season.
- 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.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 05-06-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (C1)	-	2864	2864	2864	2864	-	-
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

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icumsa	353.00	-1.60

## NCDEX Stock & Fed Position

Stocks	Grade	Demat	In-Process	Total	FED
		4-Jun-18	4-Jun-18	4-Jun-18	4-Jun-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 4<sup>th</sup> June,2018

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

Contract	Open	High	Low	Close	+/-
July-18	12.50	12.54	11.86	11.90	-0.62
Oct-18	12.83	12.83	12.18	12.22	-0.59
Mar-19	13.58	13.59	13.02	13.11	-0.48

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

Contract	Open	High	Low	Close	+/-
Aug-18	354.00	354.80	336.80	337.40	-15.60
Oct-18	349.40	349.60	333.50	334.30	-14.20
Dec-18	352.30	352.70	337.00	338.30	-13.60

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			5-Jun-18	4-Jun-18	
Delhi	Delhi	M-Grade	3300	3200	100
	Delhi	S-Grade	3280	3180	100
Uttar Pradesh	Khatauli	M-Grade	3100	3100	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3000	2950	50
	Dhampur	S-Grade Ex-Mill	2980	2930	50
	Dhampur	L-Grade Ex-Mill	3050	3000	50
Maharashtra	Mumbai	M-Grade	3090	3080	10
	Mumbai	S-Grade	2930	2930	Unch
	Nagpur	M-Grade	3025	3025	Unch
	Nagpur	S-Grade	2925	2925	Unch
	Kolhapur	M-Grade	2900	2900	Unch
	Kolhapur	S-Grade	2800	2800	Unch
Assam	Guhawati	S-Grade	3106	3106	Unch
Meghalaya	Shillong	S-Grade	3120	3120	Unch
Andhra Pradesh	Vijayawada	M-Grade	3200	3200	Unch
	Vijayawada	S-Grade	3140	3140	Unch
West Bengal	Kolkata	M-Grade	3250	3270	-20
Tamil Nadu	Chennai	S-Grade	3200	3200	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)			5-Jun-18	4-Jun-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2500	2625	-125
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	300	550	-250
	Muzaffarnagar	Khurpa (Fresh)	2500	2500	Unch
	Muzaffarnagar	Laddoo (Fresh)	2700	2885	-185
	Muzaffarnagar	Rascut (Fresh)	2150	2225	-75
	Hapur	Chaurasa	2325	Closed	-
	Hapur	Balti	2450	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4400	-100

Belgaum	Mudde (Average)	NA	NA	-
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur/Vijayapura	Achhu	2750	2750	Unch
Gulbarga/Kalaburgi	Other (Average)	NA	2875	-
Mahalingapura	Penti (Average)	NA	2862	-
Mandya	Achhu (Medium)	3500	NA	-
Mandya	Kurikatu (Medium)	3100	NA	-
Mandya	Other (Medium)	3000	NA	-
Mandya	Yellow (Medium)	3350	NA	-
Shimoga/Shivamogga	Achhu (Average)	NA	3700	-

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