

## Sugar & Gur Domestic & International Fundamentals

### Recent updates.

- Sugar wholesale market prices were noticed slightly weak to firm sentiment at various centers on Thursday.
- The sugarcane area is higher by 0.5 lh mainly on rise in acreage in Uttar Pradesh, Maharashtra, Karnataka, Haryana, Bihar and Andhra Pradesh.
- The benchmark M30 variety of sugar, which had hit the lowest this season to Rs 2,762 a quintal on May 19 on a supply glut, rose sharply over the next three weeks to trade at Rs 3,341 in the wholesale Vashi Mandi on Monday.
- Raw sugar futures in New York rebounded sharply as the nearby July contract rose back above the 12¢/lb threshold in its biggest one-day rally of the year.

### Previous updates.

- Spot sugar prices across the country gained Rs 50-100 after a series of government interventions to support the mills reeling under falling sugar prices as the stocks surge in the sugar mills. As part of the measures, government has fixed minimum ex-mill prices at Rs.2900 across the country, creation of a buffer stock of 3 million MT of sugar and soft loans for creating ethanol production capacity.
- Sugar production is estimated to be around 31 million tonnes and consumption 25 million tonnes. With an opening stock of 4 million tonnes, the year will close with a total stock of 10 million tonnes that will be carried forward to the 2018-19 sugar season.
- Cane area under cultivation in Karnataka is about to increase 10-15 % in 18/9 vs 17/18. Supportive weather and good rainfall were the reasons for increase in acreage.
- According to US Census Bureau data The US exported 614.7 million liters (162.27 million gallons) of ethanol in April, 86% more than in April 2017, but down 24.51% month on month.. Brazil was the largest buyer of fuel-grade ethanol in April, importing 230.78 million liters (60.9 million gallons) after taking 363.15 million liters in March. Canada appeared in the second spot for the second straight month.
- Thailand's sugar production increased by 54% in raw value, industry data showed, as its season comes to an end.
- As per the sowing data released by the Agriculture Ministry, as on 1 June 2018, sugarcane has been planted in around 49.32 lakh hectares (lh) across the country, higher than 48.72 lh in the corresponding week last year and normal of 45.02 lh till date.
- India has last week made a strong pitch to export 1.5 mn tons of sugar to China under the 50% tariff category to reduce surplus. China imports 4-5 mn tonnes sugar annually but India's sugar export to China has been thus far very small. The deal is expected to be finalised by August & exports to China might begin after September this year.
- Concerned over rising farmers discontent over lower payments and the buildup of cane arrears, the government has approved a Rs 8500 crore package that aims to increase farmers income by creating a buffer stock for sugar and enhancing ethanol production capacity allowing additional outlet for sugarcane produce in a bumper season. The package will help clear over 40% of the payment sugar mills owe farmers.

- As per the Cabinet decision, a sum of Rs 4,440 crore will be provided as soft loan to the sector for building ethanol production capacity to absorb the cane and a buffer stock of 3 million tonnes. In addition, for the first time Rs 29 per kg has been fixed as the minimum price below which mills cannot sell the sweetener. These decisions are aimed at helping mills in clearing part of over Rs 22,000-crore arrears to cane farmers.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 14-06-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (June)	-	2908	2908	2908	2908	-	-
Spread	Cont June (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
		13-Jun-18	13-Jun-18	13-Jun-18	11-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 13<sup>th</sup> June,2018

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

Contract	Open	High	Low	Close	+/-
July-18	12.35	12.54	12.24	12.51	0.16
Oct-18	12.64	12.78	12.52	12.76	0.09
Mar-19	13.31	13.39	13.19	13.36	0.02

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

Contract	Open	High	Low	Close	+/-
Aug-18	351.70	353.90	348.20	353.40	1.40
Oct-18	348.70	351.30	345.70	351.20	1.50
Dec-18	350.20	352.50	347.50	352.50	1.50

Commodity	Price (\$/Ton)	Change
Thai Sugar FOB 45 Icmsa	353.4	1.4

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			14-Jun-18	13-Jun-18	
Delhi	Delhi	M-Grade	3400	3350	50
	Delhi	S-Grade	3380	3330	50
Uttar Pradesh	Khatauli	M-Grade	3440	3450	-10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3300	3300	Unch
	Dhampur	S-Grade Ex-Mill	3280	3280	Unch
	Dhampur	L-Grade Ex-Mill	3350	3350	Unch
Maharashtra	Mumbai	M-Grade	3460	3470	-10
	Mumbai	S-Grade	3210	3230	-20
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3250	3250	Unch
	Kolhapur	S-Grade	3150	3150	Unch
Assam	Guhawati	S-Grade	3461	3461	Unch
Meghalaya	Shillong	S-Grade	3470	3470	Unch
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3580	3580	Unch
Tamil Nadu	Chennai	S-Grade	3500	3500	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)			14-Jun-18	13-Jun-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	2750	2685	65
	Muzaffarnagar	Laddoo (Fresh)	NA	3180	-
	Muzaffarnagar	Rascut (Fresh)	NA	2375	-
	Hapur	Chaurasa	2500	2500	Unch

	Hapur	Balti	2500	2500	Unch
<b>Maharashtra</b>	Latur	Lal Variety	NR	NR	-
<b>Karnataka</b>	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2950	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3230	NA	-
	Mandya	Achhu (Medium)	3500	3500	Unch
	Mandya	Kurikatu (Medium)	3150	3150	Unch
	Mandya	Other (Medium)	3300	3300	Unch
	Mandya	Yellow (Medium)	3400	3200	200
	Shimoga/Shivamogga	Achhu (Average)	NA	3750	-

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