

## Sugar & Gur Domestic & International Fundamentals

### Recent updates.

- *Sugar wholesale market prices were noticed weak sentiment at various centers today as the prices attempts to come close towards the floor price. US Sugar #11 futures is trading low and closed low for the third consecutive session in the previous closing which is imparting bearishness in the global market.*
- *On the creation of buffer stock of 3 million tons announced earlier the Union Ministry of Consumers Affairs and Public Distribution has decided to finance the cost of sugar and storage at mill-owned godowns along with sugar pledged by mills with banks, instead of buying sugars. It will also bear a finance cost of 12 per cent a year or actual interest charge by the banks, whichever is lower, along with insurance and storage charges at 1.5% per year.*
- *According to the commissioner of sugar Maharashtra the area under sugarcane cultivation during 2018-19 is expected to be around 11.26 lakh hectares up from 9.02 lakh hectares in the 2017-18 sugar season. The last highest area was recorded in 2007-08 when the state witnessed sugar cane planted in 10.93 lakh hectares.*
- *Ministry of state for sugarcane in UP has said that a village level sugar cane survey is under way and the final data will be out by 21<sup>st</sup> June which will give initial indication of coming season production. He is expecting a bumper crop and he wants to ensure that the mills buy cane from areas allotted to the mills as per cane reservation order.*
- *IMD has forecasted for a monsoon reset after brief spell of lull period that extended for two weeks. But the revival phase does not promise to be as spectacular as the original onset phase, principally due to lack of a low-pressure area in the Bay of Bengal. The India Met Department (IMD) does not indicate the formation of any such feature in the near future, with the reviving monsoon left to the command of tropical storm Gaemi in the North-West Pacific.*
- *The IMD has forecast heavy to very heavy rain for Kerala, Karnataka, Konkan and Goa, coastal, North Interior and South Interior Karnataka, Madhya Maharashtra and parts of the North-Eastern states until June 20.*

### Previous updates.

- *Sugar industry is demanding exports of 8 million tons as the Industry is expecting 2018-19 production to be around 33 million tons. This season the exports query is very low and as of now only booking has been done for 2 lakh tons. With expected port congestions in the monsoon there is very feeble chance of any improvement in exports.*
- *The Directorate of sugarcane development Lucknow has reported sowing of 50.05 lakh hectares this sugar season against 49.48 lakh hectares last season. The sowing is at par to the normal sowing of 50.05 lakh hectares. The sowing is almost complete.*
- *Maharashtra chief minister Devendra Fadnavis is demanding slew of concessions for the distressed sugar industry in the state. The demand includes: changing the procedure to give spot loans to sugar mills and co-operative loans to be restructured for another two years. Further he also demanded subsidies for the generation of ethnaol from molasses.*
- *The floor prices by government have resulted in the rise in domestic prices and in turn have made the Indian sugar outpriced in International market. In such situation the exports is not expected to exceed 5 lakh tons. This is bullish for the international market and Indian mills has lost interest in exports as the domestic prices has firmed up.*
- *However India will sit on high end stock at the end of season and with another expectation of bumper crop coming season supplies is going to be an all-time high.*
- *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.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 19-06-2018)

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
		18-Jun-18	18-Jun-18	18-Jun-18	18-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 18<sup>th</sup> June,2018

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

Contract	Open	High	Low	Close	+/-
July-18	12.05	12.19	11.95	11.99	-0.03
Oct-18	12.37	12.5	12.25	12.28	-0.07
Mar-19	13.06	13.2	12.95	12.97	-0.09

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

Contract	Open	High	Low	Close	+/-
Aug-18	343.3	348.2	340.1	342	-0.1
Oct-18	343.1	346.1	338.3	340	-1.1

Dec-18	343.6	346.9	339.1	340.5	-2.2
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Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			19-Jun-18	18-Jun-18	
Delhi	Delhi	M-Grade	3330	3350	-20
	Delhi	S-Grade	3310	3330	-20
Uttar Pradesh	Khatauli	M-Grade	3560	3440	120
	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	3400	3402	-2
	Mumbai	S-Grade	3170	3200	-30
	Nagpur	M-Grade	3175	3375	-200
	Nagpur	S-Grade	3075	3275	-200
	Kolhapur	M-Grade	3050	3250	-200
	Kolhapur	S-Grade	2950	3150	-200
Assam	Guhawati	S-Grade	3258	3461	-203
Meghalaya	Shillong	S-Grade	3270	3470	-200
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3550	3580	-30
Tamil Nadu	Chennai	S-Grade	3440	3440	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)			19-Jun-18	18-Jun-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	2875	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	2625	Closed	-
	Hapur	Balti	2625	Closed	-

<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	3000	2880	120
	Gulbarga/Kalaburgi	Other (Average)	2820	2780	40
	Mahalingapura	Penti (Average)	3033	2992	41
	Mandya	Achhu (Medium)	3450	NA	-
	Mandya	Kurikatu (Medium)	3150	NA	-
	Mandya	Other (Medium)	3300	NA	-
	Mandya	Yellow (Medium)	3400	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3900	-

Spot Prices of Sugar at NCDEX Delivery Centers:					
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		19-Jun-18	12-Jun-18	19-May-18	19-Jun-17
Sugar S Grade					
Erode	-	NA	NA	NA	3945
Kolhapur	-17.88	3100	3087	2500	3775
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-16.97	3195	3395	2666	3848
Erode	-	NA	NA	NA	4020
Kanpur	-14.79	3382	3429	2667	3969
Kolhapur	-17.88	3100	3187	2592	3775
Kolkata	-15.14	3390	3510	2790	3995
Muzaffar Nagar	-14.79	3278	3400	2600	3847
*NA: Not Available					

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		18-Jun-18	11-Jun-18	18-May-18	16-Jun-17	18-Jun-18
Jul-18	-4.04	1982	2016	1974	2066	68.02
Oct-18	-6.04	1827	1863	1775	1944	
Mar-19	-5.34	1866	1906	1822	1972	
(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
		18-Jun-18	11-Jun-18	18-May-18	16-Jun-17	18-Jun-18
Aug-18	-9.83	2326	2363	2244	2580	68.02
Oct-18	-7.18	2313	2346	2214	2491	
Dec-18	-7.35	2316	2356	2251	2500	
(Source: Reuters)* Today – figures are a day ago Quotes.						

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