

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- *Sugar prices continues to weaken towards floor prices shedding over speculation on the government measures to ease stocks. US Sugar was trading flat till the time report was written due to lack of fundamental cues. .*
- *Coming to acknowledge imposition of Cess over and above GST is revolving further on Attorney General from Law Ministry, it is expected to be a next move to ignite sugar prices and to stabilize at a point which could create state of equilibrium farmer and sugar industry's aspiration moving further.*
- *Rabobank has estimated the production of Indian sugar at 34 million tons whereas for Thailand at 15.7 million tons for the season 2017-18. Further in 2018-19 Rabobank is expecting Indian sugar production at 35.5 million tons and Thai sugar at 14.5 million tons. According to them in 2018-19 a surplus of another 5 million tons will be added on season's end stock of 10.5 million tons.*
- *As per UNICA latest updates from C-S, Brazil, in SS 2018-19, it crushed 134.83 mln ton sugarcane compared to 112.20 mln ton till 1st June last year.*
- *Though cane crushing has higher in 18-19 SS, cane diversion towards sugar has been lower@ 34.54% against 45.16% last year's diversion flow till May H2.*
- *Sugar production reported is 5.49 mln ton (3.93% lower) compared to 5.71 mln ton during previous year. Total ethanol production has been @ 6,555 mln litres compared to 4,316 mln litre last year, gained by ~52%. Further, total cane diversion towards ethanol is @ 65.46% and rest 34.54% towards sugar production.*

Bunge is looking for exporting 300,000 tons of sugar in the 2018-19 marketing year from its Brazilain facility. Bunge is wrapping up its sugar trading desk and thus the 70% of production of its brazil (1 Mln Ton) will be done by other agencies.

Previous updates.

- *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 21st 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.

- 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 20-06-2018)

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
		19-Jun-18	19-Jun-18	19-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 19th June,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
July-18	12.00	12.00	11.70	11.84	-0.15
Oct-18	12.24	12.27	11.97	12.13	-0.15
Mar-19	12.97	12.97	12.67	12.83	-0.14

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	341.40	341.40	337.50	338.80	-3.20
Oct-18	339.00	339.00	334.70	336.20	-3.80
Dec-18	338.90	338.90	335.30	336.60	-3.90

Sugar Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			20-Jun-18	19-Jun-18	
Delhi	Delhi	M-Grade	3250	3330	-80
	Delhi	S-Grade	3230	3310	-80
Uttar Pradesh	Khatauli	M-Grade	3400	3560	-160
	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	3370	3400	-30
	Mumbai	S-Grade	3150	3170	-20
	Nagpur	M-Grade	3125	3175	-50
	Nagpur	S-Grade	3025	3075	-50
	Kolhapur	M-Grade	3000	3050	-50

	Kolhapur	S-Grade	2900	2950	-50
Assam	Guhawati	S-Grade	3207	3258	-51
Meghalaya	Shillong	S-Grade	3220	3270	-50
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3500	3550	-50
Tamil Nadu	Chennai	S-Grade	3400	3440	-40
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)			20-Jun-18	19-Jun-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	2625	2625	Unch
	Hapur	Balti	2625	2625	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3000	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2820	-
	Mahalingapura	Penti (Average)	3042	3033	9
	Mandya	Achhu (Medium)	3400	3450	-50
	Mandya	Kurikatu (Medium)	3150	3150	Unch
	Mandya	Other (Medium)	3250	3300	-50
	Mandya	Yellow (Medium)	3350	3400	-50
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

Spot Prices of Sugar at NCDEX Delivery Centers:					
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		20-Jun-18	13-Jun-18	20-May-18	20-Jun-17
Sugar S Grade					
Erode	-	NA	NA	NA	3945
Kolhapur	-19.10	2987	3075	2500	3692
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-17.06	3189	3345	2666	3845
Erode	-	NA	NA	NA	4020
Kanpur	-15.27	3351	3429	2667	3955
Kolhapur	-18.05	3087	3173	2592	3767
Kolkata	-15.48	3381	3462	2790	4000
Muzaffar Nagar	-15.53	3248	3377	2600	3845
*NA: Not Available					

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		19-Jun-18	12-Jun-18	19-May-18	19-Jun-17	19-Jun-18
Jul-18	-4.51	1965	2020	1974	2058	68.15
Oct-18	-6.87	1807	1866	1775	1941	
Mar-19	-6.05	1852	1914	1822	1971	
(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
		19-Jun-18	12-Jun-18	19-May-18	19-Jun-17	19-Jun-18
Aug-18	-10.91	2309	2374	2244	2592	68.15
Oct-18	-7.72	2291	2359	2214	2483	
Dec-18	-7.87	2294	2367	2251	2490	
(Source: Reuters)* Today – figures are a day ago Quotes.						

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