

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- Sugar industry demanded that the sugar MSP be revised to almost **Rs 35/kg for Uttar Pradesh**, the country's top producer, and **Rs 33/kg for mills located in the western and southern regions**, notably Maharashtra, Karnataka and Tamil Nadu.
- The share of cane allocated to sugar production in Brazil's Centre/South (CS) was only **36.47%** in the first half of June, down from **49.37%** a year ago, the latest Unica data showed.

Monsoon Update:

- The southwest monsoon remains **10% below normal** this month, but daily rainfall is slowly improving and the weather office expects a significant pick up in the days ahead. The India Meteorological Department (IMD) says **monsoon showers are expected to reach northwest India** between June 28 and 30, bringing relief for farmers in the region as they prepare their fields for planting.
- Rainfall figures still remain dampening, with all parts of the country barring southern peninsula having recorded below normal rainfall since June 1. However, saw a **slight improvement in the daily rainfall scenario, with central, east and northeast India recording above normal rainfall**, while overall rainfall remained 19% above normal.

Previous updates.

- Sugar mills in Uttar Pradesh, the country's largest sugar and sugarcane producing state, have been put on a 15-day notice to settle cane dues of over Rs 123 billion, failing which stringent action will be taken against them.
- India is likely to export around 500,000 tonnes, or just a quarter of the volume mandated by the government for overseas sales in the 2017-18 season amid higher prices at home industry officials told Reuters.
- Australian sugar production is forecast to increase by 2.8% to 4.830 million tonnes in 2018/19 from 4.700 mln a year ago, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) said in its quarterly update in June.
- Mexico's 2017/18 sugarcane crush is close to completion as another six mills concluded operations in the week to June 16, leaving just two out of 51 operational, official data showed.
- Sugar prices remained unchanged as prices at physical market neared the floor price. US Sugar futures opened with gap up post that is trading weak till the time report was written.
- The Directorate of sugarcane development Lucknow has kept sowing unchanged at 50.05 lakh hectares this sugar season against 49.48 lakh hectares last season as on 22nd June . The sowing is at par to the normal sowing of 50.05 lakh hectares. The sowing is almost complete.
- The sugar price in China is at \$750 per ton whereas Indian exporters can ship sugar to the country's ports at \$540 per ton, including freight and import duty of 50%. This will be achieved with the help of export subsidy of \$122 per ton from the Indian government. India has to compete with Brazil and Thailand for price advantage at Chinese ports. As export subsidy has been effective till sugar marketing year 2017-18 ending Sep 2018, government has to be prudent in extending to the next season too.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 27-06-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Jul)	-	2925	2925	2925	2925	-	-
Spread	Cont Jul (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
		26-Jun-18	26-Jun-18	26-Jun-18	25-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 26th June,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
July-18	12.01	12.33	11.98	12.12	0.12
Oct-18	12.31	12.65	12.29	12.45	0.13
Mar-19	12.93	13.27	12.92	13.11	0.16

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	347.10	353.00	345.60	350.00	4.90
Oct-18	344.00	348.60	341.60	345.60	4.30
Dec-18	344.00	348.00	341.80	345.00	3.40

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			27-Jun-18	26-Jun-18	
Delhi	Delhi	M-Grade	3200	3300	-100
	Delhi	S-Grade	3180	3280	-100
Uttar Pradesh	Khatauli	M-Grade	3300	3200	100
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3125	3100	25
	Dhampur	S-Grade Ex-Mill	3105	3080	25
	Dhampur	L-Grade Ex-Mill	3175	3150	25
Maharashtra	Mumbai	M-Grade	3350	3330	20
	Mumbai	S-Grade	3086	3060	26
	Nagpur	M-Grade	3075	3025	50
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	2950	2900	50
	Kolhapur	S-Grade	2900	2900	Unch
Assam	Guhawati	S-Grade	3207	3207	Unch
Meghalaya	Shillong	S-Grade	3220	3220	Unch
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3350	3350	Unch
Tamil Nadu	Chennai	S-Grade	3300	3300	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)			27-Jun-18	26-Jun-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	3000	2800	200
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NR	NR	-
	Muzaffarnagar	Khurpa (Fresh)	2670	2690	-20
	Muzaffarnagar	Laddoo (Fresh)	3260	3250	10
	Muzaffarnagar	Rascut (Fresh)	2625	2500	125
	Hapur	Chaurasa	2675	2675	Unch
	Hapur	Balti	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch

Belgaum	Mudde (Average)	2950	NA	-
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur/Vijayapura	Achhu	NA	NA	-
Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
Mahalingapura	Penti (Average)	3020	2957	63
Mandya	Achhu (Medium)	3250	3300	-50
Mandya	Kurikatu (Medium)	3100	3100	Unch
Mandya	Other (Medium)	2900	2900	Unch
Mandya	Yellow (Medium)	3350	3400	-50
Shimoga/Shivamogga	Achhu (Average)	3800	3800	Unch

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at © 2018 Indian Agribusiness Systems Pvt. Ltd.