

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- The government on Wednesday hiked **the price of ethanol produced from C molasses by Rs 2.85 per litre to Rs 43.70 for the new season starting December**. In a first, it also fixed the price of ethanol produced from B heavy molasses at Rs 47.49 per litre in its bid to encourage sugar mills to divert cane for producing ethanol over the sweetener to bail out for the sugar mills.

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 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.
- 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 28-06-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Jul)	-	3047	3047	3047	3047	-	-
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
		27-Jun-18	27-Jun-18	27-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 27th June,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
July-18	12.10	12.18	11.71	11.72	-0.40
Oct-18	12.44	12.51	12.02	12.05	-0.40
Mar-19	13.08	13.15	12.69	12.71	-0.40

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	349.60	351.10	340.80	342.40	-7.60
Oct-18	344.70	346.70	336.60	337.50	-8.10
Dec-18	344.10	346.40	336.50	337.30	-7.70

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-Jun-18	27-Jun-18	
Delhi	Delhi	M-Grade	3200	3200	Unch
	Delhi	S-Grade	3180	3180	Unch
Uttar Pradesh	Khatauli	M-Grade	3300	3300	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3125	3125	Unch
	Dhampur	S-Grade Ex-Mill	3105	3105	Unch
	Dhampur	L-Grade Ex-Mill	3175	3175	Unch
Maharashtra	Mumbai	M-Grade	3370	3350	20
	Mumbai	S-Grade	3092	3086	6
	Nagpur	M-Grade	3075	3075	Unch
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	2950	2950	Unch
	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	NA	3300	-
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)			28-Jun-18	27-Jun-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	2700	2670	30
	Muzaffarnagar	Laddoo (Fresh)	3300	3260	40
	Muzaffarnagar	Rascut (Fresh)	2650	2625	25
	Hapur	Chaurasa	2750	2675	75
	Hapur	Balti	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-

Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	2950	2950	Unch
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2950	-
	Mahalingapura	Penti (Average)	3004	3020	-16
	Mandya	Achhu (Medium)	3250	3250	Unch
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	2900	2900	Unch
	Mandya	Yellow (Medium)	NA	3350	-
	Shimoga/Shivamogga	Achhu (Average)	3750	3800	-50

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