

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- Sugar Wholesale market prices were witnessed **steady to firm** across the country on Tuesday.
- The government is considering a proposal to raise the fair and remunerative price (FRP) of cane to **Rs 275 per quintal for the marketing year** starting October, against Rs255 this year.

Monsoon Update:

- As of July 2, the countrywide cumulative rainfall is **deficient by 7%. Division-wise, South and Northwest India are surplus by 11% and 13%, respectively.** While East & Northeast and Central India remained deficit by 25% and 8%, respectively

Previous updates.

- After 2.1 million tonnes for June, the government on 29th June allowed mills to sell **1.6 million tonnes** of sugar in July against traders' expectations of over 2 million tonnes, which is equivalent to the monthly average release of nearly 2.13 million tonnes.
- The current month quota is insufficient to meet consumers' demand despite being lean season, with lack of festivals and wedding or any other such occasions in this month. **The release quantity is 23 per cent lower than the average monthly consumption of 2.13 million tonnes,**
- In June, sugar mills in Maharashtra could not finish sale of their allotted quota **at Rs 2,900 a quintal.** The quantity of their unsold stocks is estimated to be **200,000 tonnes,"** said Praful Vithalani, Chairman, All India Sugar Trade Association (AISTA).
- The United States Department of Agriculture is expecting **sugar beet production to be reduced about 4 percent** and **sugarcane about 3 percent** from 2017-18 levels for the 2018-19 crop years, said LSU AgCenter economist Michael Deliberto.
- Pakistan's sugar exports hit a new peak of **1.359 million tonnes fetching \$474m in July-May 2017-18** as **compared to 302,268 tonnes earning \$158m in the same period last fiscal.** The average per tonne price dropped to \$348 in 11 months of 2017-18 against \$524 per tonne average price earned in the same period last fiscal. Sugar exports were made to **African countries, the Middle East, Nepal, Myanmar, etc.**
- 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.
- 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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 03-07-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Jul)	-	3091	3091	3091	3091	-	-
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
		02-July-18	02-July-18	02-July-18	02-July-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 02nd July,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-18	12.21	12.24	11.51	11.56	-0.69
Mar-19	12.94	12.94	12.29	12.33	-0.62
May-19	13.00	13.03	12.41	12.44	-0.60

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	348.00	349.10	339.10	339.70	-9.80
Oct-18	342.70	342.90	330.50	331.50	-12.40
Dec-18	342.30	342.50	330.10	331.00	-12.90

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			3-Jul-18	2-Jul-18	
Delhi	Delhi	M-Grade	3380	3400	-20
	Delhi	S-Grade	3360	3380	-20
Uttar Pradesh	Khatauli	M-Grade	3500	3500	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3400	3400	Unch
	Dhampur	S-Grade Ex-Mill	3380	3380	Unch
	Dhampur	L-Grade Ex-Mill	3450	3450	Unch
Maharashtra	Mumbai	M-Grade	3560	3520	40
	Mumbai	S-Grade	3360	3326	34
	Nagpur	M-Grade	3625	3625	Unch
	Nagpur	S-Grade	3425	3425	Unch
	Kolhapur	M-Grade	3500	3500	Unch
	Kolhapur	S-Grade	3300	3300	Unch
Assam	Guhawati	S-Grade	3613	3613	Unch
Meghalaya	Shillong	S-Grade	3620	3620	Unch
Andhra Pradesh	Vijayawada	M-Grade	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3550	NA	-
Tamil Nadu	Chennai	S-Grade	NA	NA	-
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)			3-Jul-18	2-Jul-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2600	2650	-50
	Hapur	Chaurasa	2750	Closed	-
	Hapur	Balti	NA	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	2900	2900	Unch
	Belthangadi	Yellow (Average)	NA	NA	-

	Bijapur/Vijayapura	Achhu	3050	3000	50
	Gulbarga/Kalaburgi	Other (Average)	NA	2850	-
	Mahalingapura	Penti (Average)	3149	3134	15
	Mandya	Achhu (Medium)	3000	3000	Unch
	Mandya	Kurikatu (Medium)	2900	2900	Unch
	Mandya	Other (Medium)	3000	2900	100
	Mandya	Yellow (Medium)	3200	3150	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3800	-

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 Ltd.