

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- Sugar Wholesale market prices were witnessed **steady to firm** across the country on Tuesday.
- In the current season 2017-18, the **total production of molasses stood at over 5.32 million tonnes (MT)**. However, only 2.97 MT of the stock was lifted, leaving unsold stock of almost 2.55 MT with mills (total stock includes the opening stock from the previous sugar season).
- The UP Sugar Cane Authority has written to the central government to increase the quota of sugar that mills can sell to **10 lakh tonnes per month** in view of the pending dues of farmers accounting Rs 12000 crores. As per quota fixed by the central government, mills in the state can sell sugar worth **Rs 1,650 crore every month**, thereby making it all more difficult for them to clear dues.
- The total sugarcane sown area as on 29th June 2018, as per reports received from States, stands at **50.01 lakh hectares** as compared to **49.48 lakh hectares** at this time last year.

Monsoon Update:

- The India Met Department (IMD) has indicated that the monsoon is bracing for another revival phase from the South Peninsula and Central India, **from July 6 and 8, respectively.**
- This will come about with the likely formation of a cyclonic circulation over the **North-West Bay of Bengal and adjoining Bengal coast around Friday (July 6)**. The US Climate Prediction Centre hinted that the 'buzz' due to the churn off the Andhra Pradesh-Odisha coast would continue to hold until July 19.

Previous updates.

- 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.
- 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.**

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 04-07-2018)

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
		03-July-18	03-July-18	03-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 03rd July,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-18	11.65	11.69	11.24	11.39	-0.17
Mar-19	12.38	12.43	12.01	12.12	-0.21
May-19	12.52	12.55	12.13	12.21	-0.23

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	340.50	343.30	335.00	336.60	-3.10
Oct-18	332.10	334.90	325.50	328.40	-3.10
Dec-18	331.80	334.40	324.50	327.00	-4.00

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			4-Jul-18	3-Jul-18	
Delhi	Delhi	M-Grade	3350	3380	-30
	Delhi	S-Grade	3330	3360	-30
Uttar Pradesh	Khatauli	M-Grade	3450	3500	-50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3450	3400	50
	Dhampur	S-Grade Ex-Mill	3430	3380	50
	Dhampur	L-Grade Ex-Mill	3500	3450	50
Maharashtra	Mumbai	M-Grade	3620	3560	60
	Mumbai	S-Grade	3330	3360	-30
	Nagpur	M-Grade	3425	3625	-200
	Nagpur	S-Grade	3325	3425	-100
	Kolhapur	M-Grade	3300	3500	-200
	Kolhapur	S-Grade	3200	3300	-100
Assam	Guhawati	S-Grade	3512	3613	-102
Meghalaya	Shillong	S-Grade	3520	3620	-100
Andhra Pradesh	Vijayawada	M-Grade	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3550	3550	Unch
Tamil Nadu	Chennai	S-Grade	3500	NA	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3300	3300	Unch
	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)			4-Jul-18	3-Jul-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2875	3000	-125
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2600	2600	Unch
	Hapur	Chaurasa	2750	2750	Unch
	Hapur	Balti	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch

Belgaum	Mudde (Average)	NA	2900	-
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur/Vijayapura	Achhu	NA	3050	-
Gulbarga/Kalaburgi	Other (Average)	NA	2950	-
Mahalingapura	Penti (Average)	3188	3149	39
Mandya	Achhu (Medium)	3000	3000	Unch
Mandya	Kurikatu (Medium)	2900	2900	Unch
Mandya	Other (Medium)	3000	3000	Unch
Mandya	Yellow (Medium)	3150	3200	-50
Shimoga/Shivamogga	Achhu (Average)	3800	3800	Unch

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