

## Sugar & Gur Domestic & International Fundamentals

### Recent updates.

- Sugar wholesale market prices were witnessed **steady to weak** on Friday.
- With the minimum selling prices (MSP) of sugar in the domestic market set at Rs 29/kg, mills had to bear **losses of Rs 1-2/kg when they exported**. Now, with domestic prices rising to **Rs 32/kg, the losses on exports** have increased to Rs 4-5/kg.
- The European Commission has cut its forecast for sugar production in the bloc in 2018/19 to **20.1 mln tonnes** from a previous projection of **20.4 mln**, according to its quarterly short-term agricultural outlook report.

### 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 directorate of sugar under the food ministry has allocated total **sales quota of 11.60 lakh tonnes** to mills in Uttar Pradesh for June and July, while Maharashtra **has got 15.77 lakh tonnes** for these two months, leaving the mills in the largest producer befuddled.
- Brazil exported **only 1.946 million tonnes of sugar**, raw value, in June 2018, **down from 2.120 mln a month earlier and** significantly below 3.128 mln in the same month last year, Trade Ministry data showed.
- 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.
- 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 29<sup>th</sup> 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).

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

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
		05-July-18	05-July-18	05-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 05<sup>th</sup> July,2018

### ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-18	11.45	11.74	11.29	11.48	0.09
Mar-19	12.29	12.44	11.95	12.14	0.02
May-19	12.31	12.52	12.04	12.21	unch

### LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	341.80	345.30	338.10	341.70	0.60
Oct-18	331.10	335.50	325.90	330.20	-1.40
Dec-18	328.90	333.00	324.20	328.40	-0.40

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			6-Jul-18	5-Jul-18	
Delhi	Delhi	M-Grade	3270	3300	-30
	Delhi	S-Grade	3250	3280	-30
Uttar Pradesh	Khatauli	M-Grade	3380	3420	-40
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3400	3500	-100
	Dhampur	S-Grade Ex-Mill	3380	3480	-100
	Dhampur	L-Grade Ex-Mill	3450	3550	-100
Maharashtra	Mumbai	M-Grade	3440	3600	-160
	Mumbai	S-Grade	3276	3280	-4
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3000	3000	Unch
Assam	Guhawati	S-Grade	3309	3309	Unch
Meghalaya	Shillong	S-Grade	3320	3320	Unch
Andhra Pradesh	Vijayawada	M-Grade	3680	3740	-60
	Vijayawada	S-Grade	3620	3680	-60
West Bengal	Kolkata	M-Grade	3650	3700	-50
Tamil Nadu	Chennai	S-Grade	3500	3500	Unch
	Dindigul	M-Grade	3700	3700	Unch
	Coimbatore	M-Grade	3700	3700	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3450	3450	Unch

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)			6-Jul-18	5-Jul-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2875	2900	-25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2613	2600	13
	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)	3000	3000	Unch

Belthangadi	Yellow (Average)	NA	NA	-
Bijapur/Vijayapura	Achhu	3000	3000	Unch
Gulbarga/Kalaburgi	Other (Average)	2860	2880	-20
Mahalingapura	Penti (Average)	3160	3194	-34
Mandya	Achhu (Medium)	3100	3100	Unch
Mandya	Kurikatu (Medium)	2900	2900	Unch
Mandya	Other (Medium)	3000	3000	Unch
Mandya	Yellow (Medium)	3150	3150	Unch
Shimoga/Shivamogga	Achhu (Average)	3800	3800	Unch

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