

## Sugar & Gur Domestic & International Fundamentals

### Recent updates.

- **The prices of M-30 and S-30 grades of sugar have witnessed steady to weak** across the country on Wednesday. Sellers notable offload their stock at higher prices.
- **The government plans to recommend an 8 per cent increase in the fair and remunerative price (FRP)** of sugarcane over the previous year, which the industry fears will make their operations unviable. If FRP is raised to Rs 275/quintal for the 2018-19 season beginning October, mills may find it difficult to pay farmers their dues. Official sources said the Prime Minister's Office (PMO) has asked the Food and Consumer Affairs ministry to examine the minimum selling price (MSP) of sugar currently fixed at Rs 29/kg. The industry wants the price to be Rs 33/kg for south and west India and Rs 35/kg in North India.
- **The FRP set by the Centre is the minimum price that sugarcane farmers are legally guaranteed.** The hike would impact farmers in Andhra Pradesh, Karnataka, Maharashtra, Tamil Nadu, Madhya Pradesh and Gujarat who are paid by mills at FRP rate. In other key growing states of Uttar Pradesh, Punjab, Haryana, Tamil Nadu and Uttarakhand, farmers get the State Advised Price (SAP) fixed by state governments which is usually higher than FRP..

### Monsoon Update:

- The nationwide rainfall deficit in the season stands at 9%, with the monsoon 16% below normal in the first 10 days of July. UP and Gujarat received just about half the normal rainfall so far, while deficits have opened up in east and northeast India. The south and many parts of central India though have been receiving bountiful rains.

### Previous updates.

- **The total sugarcane sown area as on 06<sup>th</sup> July 2018**, as per reports received from States, stands at 50.44 lakh hectares as compared to 49.64 lakh hectares at this time last year.
- **Sugar prices have firmed up about 10% over last week** after the central government kept the quantity of sweetener sugar mills can sell in open market in July lower than normal monthly limits and industry expectations
- **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.
- **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.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 11-07-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Jul)	-	3257	3257	3257	3257	-	-
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
		10-July-18	10-July-18	10-July-18	09-July-18
Delhi	M	-	-	-	-
Sangli	M	-	-	-	-
Sholapur	M	-	-	-	-
Kolhapur	M	-	-	-	-
Belgaum	M	-	-	-	-
Delhi	S	-	-	-	-
Sangli	S	-	-	-	-
Sholapur	S	-	-	-	-
Kolhapur	S	-	-	-	-
Belgaum	S	-	-	-	-

## Sugar Futures ICE& LIFFE as on 10<sup>th</sup> July,2018

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

Contract	Open	High	Low	Close	+/-
Oct-18	11.41	11.52	11.30	11.41	0.01
Mar-19	12.15	12.22	12.04	12.13	0.01
May-19	12.29	12.32	12.17	12.24	0.01

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

Contract	Open	High	Low	Close	+/-
Aug-18	339.50	340.50	338.10	339.70	0.40
Oct-18	332.10	333.40	331.00	332.10	1.20
Dec-18	328.20	330.30	327.60	329.10	1.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			11-Jul-18	10-Jul-18	
Delhi	Delhi	M-Grade	3320	3400	-80
	Delhi	S-Grade	3300	3380	-80
Uttar Pradesh	Khatauli	M-Grade	3425	3440	-15
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3325	3350	-25
	Dhampur	S-Grade Ex-Mill	3305	3330	-25
	Dhampur	L-Grade Ex-Mill	3375	3400	-25
Maharashtra	Mumbai	M-Grade	3576	3576	Unch
	Mumbai	S-Grade	3300	3300	Unch
	Nagpur	M-Grade	3275	3325	-50
	Nagpur	S-Grade	3175	3225	-50
	Kolhapur	M-Grade	3150	3200	-50
	Kolhapur	S-Grade	3050	3100	-50
Assam	Guhawati	S-Grade	3360	3410	-51
Meghalaya	Shillong	S-Grade	3370	3420	-50
Andhra Pradesh	Vijayawada	M-Grade	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3750	3750	Unch
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)			11-Jul-18	10-Jul-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2860	2875	-15
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2650	2625	25
	Hapur	Chaurasa	2800	2800	Unch
	Hapur	Balti	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch

Belgaum	Mudde (Average)	NA	NA	-
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur/Vijayapura	Achhu	NA	3000	-
Gulbarga/Kalaburgi	Other (Average)	2880	2875	5
Mahalingapura	Penti (Average)	3245	3185	60
Mandya	Achhu (Medium)	3050	3050	Unch
Mandya	Kurikatu (Medium)	2900	2900	Unch
Mandya	Other (Medium)	2900	2900	Unch
Mandya	Yellow (Medium)	3100	3150	-50
Shimoga/Shivamogga	Achhu (Average)	3900	3850	50

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