

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 Thursday. Sellers notable offload their stock at higher prices.
- **A ministerial panel today mooted GST reduction on ethanol from 18 per cent to 12 per cent** but did not favour imposing cess on sugar as arrears to cane farmers are already declining. The Group of Ministers, headed by Assam Finance Minister Himanta Biswa Sarma, will also wait for Attorney General's opinion before taking a view on whether cess can be levied at all under the current Goods and Services Tax (GST) regime, according to officials.
- **Total ethanol production in Brazil reached 11.06 billion liters, up 44.99%** from a year before, with 3.288 billion liters of anhydrous ethanol (+2.06%) and 7.773 billion liters of hydrous ethanol (+76.36%). Meanwhile, sugar production fell 12.10%, totaling 9.747 million tons.

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 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..
- **The total sugarcane sown area as on 06th 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.**

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 12-07-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Jul)	-	3248	3248	3248	3248	-	-
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
		11-July-18	11-July-18	11-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 11th July,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-18	11.39	11.43	11.25	11.29	-0.12
Mar-19	12.16	12.17	12.00	12.03	-0.10
May-19	12.26	12.27	12.12	12.14	-0.10

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	339.40	342.30	339.40	340.20	0.50
Oct-18	331.30	333.40	330.30	331.30	-0.80
Dec-18	328.50	330.60	327.60	328.90	-0.20

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			12-Jul-18	11-Jul-18	
Delhi	Delhi	M-Grade	3400	3320	80
	Delhi	S-Grade	3380	3300	80
Uttar Pradesh	Khatauli	M-Grade	3425	3425	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3325	3325	Unch
	Dhampur	S-Grade Ex-Mill	3305	3305	Unch
	Dhampur	L-Grade Ex-Mill	3375	3375	Unch
Maharashtra	Mumbai	M-Grade	3500	3576	-76
	Mumbai	S-Grade	3282	3300	-18
	Nagpur	M-Grade	3275	3275	Unch
	Nagpur	S-Grade	3175	3175	Unch
	Kolhapur	M-Grade	3150	3150	Unch
	Kolhapur	S-Grade	3050	3050	Unch
Assam	Guhawati	S-Grade	3360	3360	Unch
Meghalaya	Shillong	S-Grade	3370	3370	Unch
Andhra Pradesh	Vijayawada	M-Grade	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3740	3750	-10
Tamil Nadu	Chennai	S-Grade	3500	3500	Unch
	Dindigul	M-Grade	3680	3700	-20
	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)			12-Jul-18	11-Jul-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2865	2860	5
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2650	2650	Unch
	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)	3000	3000	Unch
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur/Vijayapura	Achhu	3000	3000	Unch
Gulbarga/Kalaburgi	Other (Average)	2880	2880	Unch
Mahalingapura	Penti (Average)	3245	3245	Unch
Mandya	Achhu (Medium)	3100	3050	50
Mandya	Kurikatu (Medium)	2900	2900	Unch
Mandya	Other (Medium)	2950	2900	50
Mandya	Yellow (Medium)	3150	3100	50
Shimoga/Shivamogga	Achhu (Average)	3850	3900	-50

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