

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 Friday. Sellers notable offload their stock at higher prices.
- **Raw sugar futures in New York fell to a 2-1/2-month low on Thursday**, pressured by speculative selling early in the session amid concerns about abundant supplies.
- **Mexican sugar production in the last week of the season was 2,510 tonnes** (up from 2,273 a year ago), which brought final output to 6,009,220 tonnes, which was 52,049 tonnes more than a year ago.
- **Ukraine exported 67,600 tonnes of sugar in June 2018, up from 54,000 in May** and compared with just 6,355 tonnes in the same month last year, data from the National Association of Sugar Producers (Ukrtsukor) show.

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.

- **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.
- **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.**

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 13-07-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Jul)	-	3226	3226	3226	3226	-	-
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
		12-July-18	12-July-18	12-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 12th July,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-18	11.28	11.28	10.95	11.08	-0.21
Mar-19	12.03	12.03	11.73	11.84	-0.19
May-19	12.14	12.14	11.88	11.97	-0.17

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	338.70	341.50	337.70	339.60	-0.60
Oct-18	329.30	330.00	326.00	329.00	-2.30
Dec-18	327.50	328.00	324.30	327.10	-1.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			13-Jul-18	12-Jul-18	
Delhi	Delhi	M-Grade	3350	3400	-50
	Delhi	S-Grade	3330	3380	-50
Uttar Pradesh	Khatauli	M-Grade	3410	3425	-15
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3320	3325	-5
	Dhampur	S-Grade Ex-Mill	3300	3305	-5
	Dhampur	L-Grade Ex-Mill	3370	3375	-5
Maharashtra	Mumbai	M-Grade	3520	3500	20
	Mumbai	S-Grade	3260	3282	-22
	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	3600	3740	-140
Tamil Nadu	Chennai	S-Grade	3500	3500	Unch
	Dindigul	M-Grade	3680	3680	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)			13-Jul-18	12-Jul-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2865	2865	Unch
	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	NA	3000	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2880	-
	Mahalingapura	Penti (Average)	NA	3254	-
	Mandya	Achhu (Medium)	NA	3100	-
	Mandya	Kurikatu (Medium)	NA	2900	-
	Mandya	Other (Medium)	NA	2950	-
	Mandya	Yellow (Medium)	NA	3150	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3850	-

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