

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- **Prices of M 30 grade sugar remained steady in Khatauli sugar market** on Tuesday to Rs 3400 Respectively.
- **China will levy extra tariffs on out-of-quota sugar imports from all origins** starting from Aug. 1, the Commerce Ministry said on Monday, just over a year after introducing hefty penalties on top growers including Brazil and Thailand. China allows 1.94 million tonnes of sugar imports a year at a tariff of 15 percent as part of its commitments to the World Trade Organization. Shipments outside of that allowance - out-of-quota imports - are charged a higher tariff and need special permits.

Monsoon Update:

- **The monsoon is expected to ramp up over Central and West India**, the IMD has forecast fairly widespread to widespread rainfall along the West Coast, North-East, East and adjoining Central India and the islands in the Bay from July 21 to 23. Scattered to fairly widespread rainfall is likely over North-West India during this period, while it will be isolated to scattered over the rest of the country According to the European Centre for Medium-Range Weather Forecasts, the rains would escalate further over East and North-East India, adjoining Central India and North-West India during the next 5-10 days.

Previous updates.

- **Industry body ISMA has estimated production of 350 - 355 lakh tonnes of sugar in the season 2018-19.** This is about 28 - 33 lakh tonnes higher than the current 2017-18 SS production of around 322.5 lac tons. This is assuming normal rainfall," an ISMA release noted. Based on the satellite images procured in the latter part of June 2018, the total acreage under sugarcane in the country is estimated to be around 54.35 lakh hectares in 2018-19 SS, which is about 8 per cent higher than 2017-18 sugar season's cane area of around 50.42 lac ha. It is also noted that area is almost similar to the area reported in 2013-14 and 2014-15 and slightly below 54 lac ha.
- **Uttar Pradesh, the leading sugarcane producing State in the country, is estimated** to have higher sugarcane area at 23.40 lakh hectares, as against 23.30 lac ha. in 2017-18 SS. ISMA is expecting a better yield in 2018-19 SS due to further increase in area under the high yielding cane variety Co0238. That will increase the sugarcane production and availability for crushing by sugar mills. Thus, sugar production in U.P. in 2018-19 SS is estimated to increase and be around 130 - 135 lakh.
- **The other major sugar producing State, viz. Maharashtra's cane area has gone up by about 25 per cent** in 2018-19 SS, which is mainly due to timely and adequate rainfall from June to September 2017. As against the cane area of 9.15 lac ha. in 2017-18 SS, area is expected to increase to 11.42 lac. Ha in 2018-19.
- **Sugarcane area in Karnataka also increased in 2018-19 SS.** Area under sugarcane in 2018-19 SS is expected to be about 5.02 lac. Ha as against 4.15 lac ha. in 2017-18 SS. Sugar production in 2018-19 SS is estimated to be around 44.80 lac tons, as against 36.54 lac tons expected to be produced in 2017-18 SS.
- **World sugar production is likely to hit a record 187.6 million tonnes this year** on account of increase in output in India, the EU, Thailand and China, according to the Food and Agriculture Organization (FAO). Global sugar trade is expected to contract by 4.10 percent to 55.5 million tonnes in the 2017-18 marketing year (October-September), from 57.9 million tonnes last year because of surplus availability. With regard to global sugar consumption, it is likely to increase to 170.6 million tonnes in 2017-18 from 166.8 million tonnes last year.

- **In India, Sugarcane has been sown in around 50.52 lakh hectares as of 13th July 2018** which is higher than 49.72 lakh hectare covered during corresponding period last year. In Uttar Pradesh, it has been sown in 23.05 lakh hectare which is higher than 22.56 lakh hectare covered during corresponding period last year, In Maharashtra it has been sown 9.49 lakh hectare which is higher than 9.37 lakh hectare covered during corresponding period last year and in Karnataka it has been sown 4.38 lakh hectare which is higher than 4.27 lakh hectare covered during corresponding period last year. Area of 2018-19 is about to increase 5-10% compared to previous year because of supportive weather and availability sufficient water in growing regions.
- **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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 17-07-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Jul)	-	3203	3203	3203	3203	-	-
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
		16-July-18	16-July-18	16-July-18	16-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 16th July,2018

ICE Sugar Futures (In Cents/Pound)

Contract	Open	High	Low	Close	+/-
Oct-18	10.93	11.39	10.86	11.14	0.18
Mar-19	11.65	12.07	11.59	11.83	0.15
May-19	11.79	12.19	11.71	11.96	0.16

LCE Sugar Futures (In US\$/MT)

Contract	Open	High	Low	Close	+/-
Aug-18	343.00	349.30	340.20	345.10	6.00
Oct-18	327.20	335.70	325.00	330.30	3.60
Dec-18	325.90	332.40	322.60	326.60	2.40

Sugar Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			17-Jul-18	16-Jul-18	
Sugar					
Delhi	Delhi	M-Grade	3350	3300	50
	Delhi	S-Grade	3330	3280	50
Uttar Pradesh	Khatauli	M-Grade	3400	3400	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3290	3290	Unch
	Dhampur	S-Grade Ex-Mill	3270	3270	Unch
	Dhampur	L-Grade Ex-Mill	3340	3340	Unch
Maharashtra	Mumbai	M-Grade	3532	3520	12
	Mumbai	S-Grade	3276	3276	Unch
	Nagpur	M-Grade	3225	3275	-50
	Nagpur	S-Grade	3175	3175	Unch
	Kolhapur	M-Grade	3100	3150	-50
	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	3600	Unch
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)			17-Jul-18	16-Jul-18	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2885	2860	25
	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	Closed	-
	Hapur	Balti	NA	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	3000	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3000	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2760	-
	Mahalingapura	Penti (Average)	NA	3326	-
	Mandya	Achhu (Medium)	3050	3100	-50
	Mandya	Kurikatu (Medium)	2900	2900	Unch
	Mandya	Other (Medium)	2950	3000	-50
	Mandya	Yellow (Medium)	3100	3200	-100
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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