

Sugar & Gur Domestic & International Fundamentals

Recent updates.

- **Sugar prices at most locations were noticed mixed tone on Saturday**, as the ex-mill prices at most producing centre's were already close to the government mandated floor of Rs.2900 per quintal.
- Sugar futures in New York settled down 7 ticks, or 0.7%, at 10.48¢/lb, after trading a 10.39 to 10.60¢ range. Global Trade experts expects world sugar price to remain below 13 cents/ lb till March'19.

Monsoon Update:

- **Private weather forecaster Skymet has downgraded its outlook for this year's monsoon** to 'below normal' from its earlier forecast of normal rains for the season, saying August and September were likely to witness depressed rainfall. The monsoon could end up at 92% of LPA, with Aug likely to see poor rainfall at 88% and September performing a shade better at 93%. The monsoon is likely to go into a prolonged weak phase during August.

Previous updates.

- **Brazil exported only 1.885 mln tonnes of sugar, raw value**, in July 2018, down from 1.946 mln a month earlier and significantly below 2.703 mln in the same month last year.
- **Sugar mills crushed 1.608 million tonnes of cane in the week to July 29**, up from 1.548 mln last week and also above the 1.526 mln in the same week in 2017, Australian Sugar Milling Council (ASMC) data show.
- **Sugarcane arrears to farmers have come down to Rs 16,600 crore** from the peak of Rs 23,232 crore in May-end due to various measures taken by the government to help the sugar industry.
- **India's move to find new markets for its sugar ahead of the 2018-19 crushing season has met with partial success so far, with Bangladesh and Malaysia** showing interest in importing raws from the country while Indonesia wants India to lower the import duties on palm oil before it allows import of sugar. Bangladesh, Indonesia, Malaysia, and China are the four countries that India has targeted in the first phase to export surplus raw sugar either through government-to-government deals or even otherwise. Negotiations are still on with China, and while India can potentially export 1.5-2.0 million tonnes of raw sugar to China, Beijing recently imposed a huge tariff on sugar imports, hurting any possibility of India making headway.
- **Australia's federal government has decided to invest A\$2.2 million (\$1.6 million) in a blockchain** initiative as a way to make its key sugar production more competitive, local media reported on Tuesday. Prime Minister Malcolm Turnbull's coalition backed Sustainable Sugar Project, which targets Queensland, the major sugar export region of Australia. The initiative will use blockchain capabilities to improve productivity, profitability, and sustainability in the sugarcane farms.
- **The Thai Sugar Mills Association expects that the country will produce about 13 mln tonnes** of sugar in the 2018/19 (Nov/Oct) campaign, only slightly below the all-time high of 14 mln seen this season.
- **According to reports from the cane commissioner's office**, till July 27, sugar mills in UP still owed farmers Rs 11,231 crore in cane payment for the current season which ended last month.
- **With less than one month to go in the current 2017/18, Philippines** is unlikely to hit its production target of 2.27 million tonnes of sugar, which was already below the 2.5 mln seen in 2016/17. The

Thailand Sugar Mills Association expects that the country will produce about 13 mln tonnes of sugar in the 2018/19 (Nov/Oct) campaign, only slightly below the all-time high of 14 mln seen this season.

- **The Haryana government has released an amount of Rs200 crore to sugar mills** to clear the pending payment of sugarcane farmers for the year 2017-18. This was disclosed by Minister of state cooperation Mr. Manish Kumar Grover here today.
- **Sugar production during 2018-19 is likely to rise 10% year-on-year** to more than 35 million tonnes. Domestic consumption of sugar in India is estimated to be around of 25 million tonnes. The USDA Foreign Agricultural Service, In its own estimates, said India is likely to consume a total of 26.5 million tonnes of sugar every year. That makes us the highest sugar consuming country in the world. But india is already the second-largest producer of sugar, so our supply is doing just fine.
- **As per the Agriwatch estimate, India's sugar production is expected to rise to 355 LT** in 2018/19 as the country is expecting a good cane crop this marketing year particularly from the state of Uttar Pradesh & Maharashtra. Agriwatch is expecting Maharashtra to produce 10-15% of more sugar in 2018-19 (01st October, 2018 -30th September, 2019). In addition, Uttar Pradesh is also expected to produce a large quantity of sugar this year too due to a surge in cane area, yield and sugar recovery.
- **The government has notified a decision to allow sugar mills to manufacture ethanol** directly from sugarcane juice or an intermediate product called B-molasses. The sugarcane control order of 1966 has been amended in this regard and the same has been notified by the Union Food Ministry. The move would help mills divert cane juice for ethanol manufacturing during surplus years.
- **The final price for sugar is in and the estimated value for the 2017-2018 crop** is not sweet news for farmers who will be paid an estimated 45 dollars and 47 cents per ton. That's the figure released today by American Sugar Refinery/Belize Sugar Industry to the three cane farmers' associations in the north. For the previous crop, farmers received approximately 53 dollars per ton of sugar cane taken to the mills. The new estimated price will now see farmers get a second payment of between three dollars and ninety cents and six dollars and thirty-four cents per ton when compared to last year when they received over eleven dollars

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 03-08-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Oct)	-	3221	3221	3221	3221	-	-
Spread	Cont Oct (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
		03-Aug-18	03-Aug-18	03-Aug-18	03-Aug-18
Delhi	M	3828	0	3828	3828
Sangli	M	759	0	759	759
Sholapur	M	-	-	-	-
Kolhapur	M	7953	0	7953	7953
Belgaum	M	1959	0	1959	1959
Delhi	S	149	0	149	149
Sangli	S	1199	0	1199	1949
Sholapur	S	2358	0	2358	2359
Kolhapur	S	10275	0	10275	10275
Belgaum	S	3328	0	3328	3827

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			04-Aug-18	03-Aug-18	
Delhi	Delhi	M-Grade	3230	3230	Unch
	Delhi	S-Grade	3210	3210	Unch
Uttar Pradesh	Khatauli	M-Grade	3375	3300	75
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3250	3300	-50
	Dhampur	S-Grade Ex-Mill	3230	3280	-50
	Dhampur	L-Grade Ex-Mill	3300	3350	-50
Maharashtra	Mumbai	M-Grade	3480	3480	Unch
	Mumbai	S-Grade	3276	3286	-10
	Nagpur	M-Grade	3325	3275	50
	Nagpur	S-Grade	3225	3175	50
	Kolhapur	M-Grade	3200	3150	50
	Kolhapur	S-Grade	3100	3050	50
Assam	Guhawati	S-Grade	3410	3360	51
Meghalaya	Shillong	S-Grade	3420	3370	50
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3580	3580	Unch
Tamil Nadu	Chennai	S-Grade	3550	3525	25
	Dindigul	M-Grade	3790	3680	110
	Coimbatore	M-Grade	3680	3550	130

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)			04-Aug-18	03-Aug-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2980	2975	5
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2675	2700	-25
	Hapur	Chaurasa	2750	2750	Unch
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NR	4600	-
		White	NR	4500	-
		Black	NR	2600	-
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	3100	3000	100
	Gulbarga/Kalaburgi	Other (Average)	2950	2980	-30
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3100	-
	Mandya	Kurikatu (Medium)	NA	2900	-
	Mandya	Other (Medium)	NA	2900	-
	Mandya	Yellow (Medium)	NA	3100	-
	Shimoga/Shivamogga	Achhu (Average)	3950	3950	Unch

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