

## Sugar & Gur Domestic & International Fundamentals

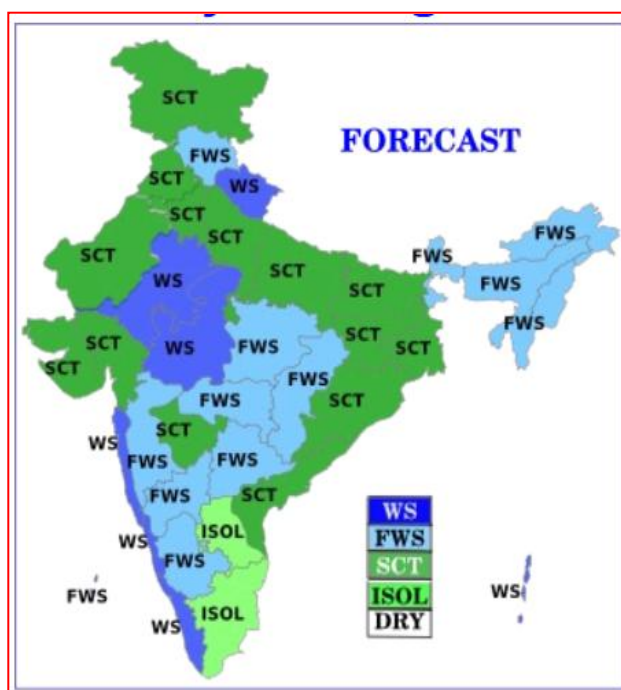
### Recent updates.

**Sugar wholesale market prices were witnessed steady to firm on Wednesday.** As the ex-mill prices at most producing centre's were already close to the government mandated floor of Rs.2900 per quintal. Currently, global sugar prices are hovering around 10.88 cents/lb. Expects world sugar price to remain below 13 cents/lb till September.

**Sugar mills in Maharashtra, which has seen a glut in production, owe Rs 593 crore to farmers.** The state government is making efforts to persuade the sugar mills to clear the dues of farmers, the mills paid around Rs 20,682 crore as sugarcane purchase price to farmers till July this year, but there are still arrears worth Rs 593 crore, the official in the state sugar commissioner's office said. Last year, there were arrears of only Rs two crore, he noted.

**Sugar exports under the MEIS (Merchandise Export from India Scheme) till July end were less than 20 per cent** and it is quite unlikely that sugar mills will be able to meet the target of 20 lakh tonnes by September 30. What has been moved out of mills till the end of July is about 3.5 lakh tonnes of sugar. Some consignments are on their way to ports and some are at ports already. We are completely off the target.

### Weather Update:



**9<sup>th</sup> Aug:** Heavy to very heavy rain at isolated places very likely over East Rajasthan and West Madhya Pradesh and heavy rain at isolated places over Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, East Madhya Pradesh, Kerala, Coastal Karnataka and Konkan & Goa.

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.

**Sugar cane crushing in Brazil's North/Northeast region (NNE) is seen rising 2.8% on the year to 46.5 mln tonnes in 2018/19,** according to INTL FC Stone.

**The FAO Sugar Price Index fell six per cent to a nearly three-year low,** largely driven by improved production prospects in India and Thailand, both important sugar-producing countries. Expectations of lower output in Brazil, the world's largest producer and exporter, limited the fall in international sugar prices.

SPATIAL DISTRIBUTION (% of Stations reporting)			
% Stations	Category	% Stations	Category
76-100	Widespread (WS/ Most Places)	26-50	Scattered (SCT/ A Few Places)
51-75	Fairly Widespread (FWS/ Many Places)	1-25	Isolated (ISOL)
	Dry (No station reported Rainfall)		

*The Western Indian Sugar Mills Association (WISMA), an apex body of private millers, is seeking an early start to the crushing season in Maharashtra for 2018-19. The millers who met Maharashtra cooperation minister Subhash Deshmukh have sought October 1 as the start for the crushing season in the state. The federation of cooperative millers, on the other hand, is looking at October 15 as a possible start for the crushing season. The crushing season in the state usually commences from November 1 after Diwali celebrations.*

**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.

**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.

**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 8-10% 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.

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

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Oct)	-	3188	3188	3188	3188	-	-
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
		07-Aug-18	07-Aug-18	07-Aug-18	07-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 Futures ICE& LIFFE as on 08Aug,2018

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

Contract	Open	High	Low	Close	+/-
Oct-18	10.96	11.09	10.84	10.88	-0.1
Mar-19	11.82	11.9	11.69	11.78	0.01
May-19	11.92	12.07	11.85	12	0.07

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

Contract	Open	High	Low	Close	+/-
Oct-18	327	329	322.3	323	-4.3
Dec-18	325.1	327.7	323.1	323.5	-2
Mar-19	329.8	330.7	327.5	328.3	-0.9

## Sugar Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			08-Aug-18	07-Aug-18	
Delhi	Delhi	M-Grade	3230	3215	15
	Delhi	S-Grade	3210	3195	15
Uttar Pradesh	Khatauli	M-Grade	3350	3350	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3300	3260	40
	Dhampur	S-Grade Ex-Mill	3280	3240	40
	Dhampur	L-Grade Ex-Mill	3350	3310	40
Maharashtra	Mumbai	M-Grade	3456	3476	-20
	Mumbai	S-Grade	3250	3226	24

	Nagpur	M-Grade	3300	3300	Unch
	Nagpur	S-Grade	3200	3200	Unch
	Kolhapur	M-Grade	3175	3175	Unch
	Kolhapur	S-Grade	3075	3075	Unch
Assam	Guhawati	S-Grade	3385	3385	Unch
Meghalaya	Shillong	S-Grade	3395	3395	Unch
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3590	3590	Unch
Tamil Nadu	Chennai	S-Grade	3500	3500	Unch
	Dindigul	M-Grade	3740	3740	Unch
	Coimbatore	M-Grade	3680	3680	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3450	150

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)			08-Aug-18	07-Aug-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	3000	3000	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2700	2700	Unch
	Hapur	Chaurasa	2750	2750	Unch
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	4300	4300	Unch
		White	4100	4400	-300
		Black	2500	2500	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	4150	Unch
	Belgaum	Mudde (Average)	NA	#N/A	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3100	-
	Gulbarga/Kalaburgi	Other (Average)	3100	3050	50
	Mahalingapura	Penti (Average)	NA	3193	-
	Mandya	Achhu (Medium)	3100	3100	Unch
	Mandya	Kurikatu (Medium)	2950	2950	Unch
	Mandya	Other (Medium)	2900	2950	-50
	Mandya	Yellow (Medium)	3150	3100	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3950	-



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