

## Sugar & Gur Domestic & International Fundamentals

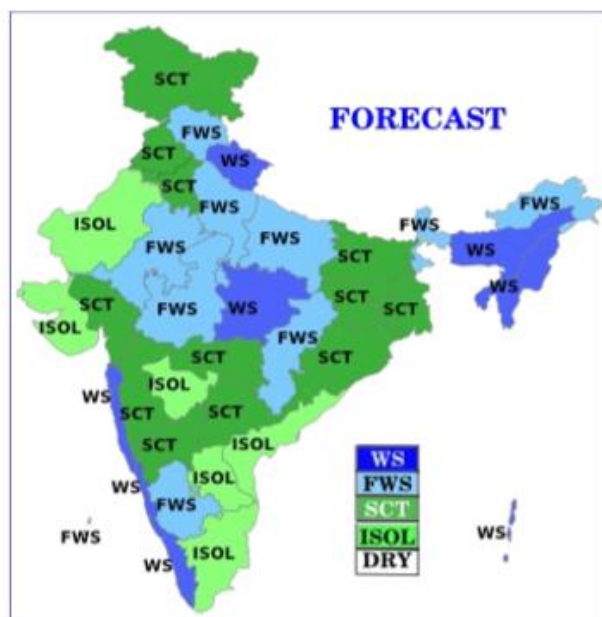
### Recent Update:

**Sugar wholesale market prices were noticed mixed tone on Thursday.** As the ex-mill prices at most producing centre's were already close to the government mandated floor of Rs.2900 per quintal. Raw sugar futures in New York ended with slight losses in the most-actively traded October contract as support ran out of steam above the 11¢/lb threshold. Expects world sugar price to remain below 13 cents/lb till September.

**India is finding it difficult to export the surplus sugar due to lower returns and global glut.** Sugar exports under the MEIS till July end were only 3.5 lakh tonnes and it is quite unlikely that sugar mills will be able to meet the target of 20 lakh tonnes by Sep 30.

**The Indian Sugar Industry urged the union government to raise the minimum sale price of sugar to Rs36/ kg from Rs 29.** If the floor price of the sweetener for sale by mills fixed at Rs 36, sugar factories will be able to take a loss on the exports without need of financial assistance. The loss on sugar exports currently is around 11-12 Rs a kg over domestic ex- mill prices.

### Weather Update:



**10<sup>th</sup> Aug** Heavy rain at isolated places very likely over Uttarakhand, West Madhya Pradesh, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Coastal & South Interior Karnataka, Tamilnadu and Kerala.

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.

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)			

### Previous Updates:

**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 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.*

*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.*

*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 09-08-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Oct)	-	3181	3181	3181	3181	-	-
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
		08-Aug-18	08-Aug-18	08-Aug-18	08-Aug-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 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
Sugar			09-Aug-18	08-Aug-18	
Delhi	Delhi	M-Grade	3200	3230	-30
	Delhi	S-Grade	3180	3210	-30
Uttar Pradesh	Khatauli	M-Grade	3350	3350	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3300	3300	Unch
	Dhampur	S-Grade Ex-Mill	3280	3280	Unch
	Dhampur	L-Grade Ex-Mill	3350	3350	Unch
Maharashtra	Mumbai	M-Grade	Closed	3456	-
	Mumbai	S-Grade	Closed	3250	-
	Nagpur	M-Grade	3325	3300	25

	Nagpur	S-Grade	3225	3200	25
	Kolhapur	M-Grade	3200	3175	25
	Kolhapur	S-Grade	3100	3075	25
Assam	Guhawati	S-Grade	3410	3385	25
Meghalaya	Shillong	S-Grade	3420	3395	25
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3580	3590	-10
Tamil Nadu	Chennai	S-Grade	3500	3500	Unch
	Dindigul	M-Grade	3820	3740	80
	Coimbatore	M-Grade	3680	3680	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	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)			09-Aug-18	08-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	NR	4300	-
		White	3800	4100	-300
		Black	2500	2500	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	4150	Unch
	Belgaum	Mudde (Average)	3100	3100	Unch
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3000	NA	-
	Gulbarga/Kalaburgi	Other (Average)	2950	3100	-150
	Mahalingapura	Penti (Average)	3280	3259	21
	Mandya	Achhu (Medium)	NA	3100	-
	Mandya	Kurikatu (Medium)	NA	2950	-
	Mandya	Other (Medium)	NA	2900	-
	Mandya	Yellow (Medium)	NA	3150	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3950	-

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