

Sugar & Gur Domestic & International Fundamentals

Recent Update:

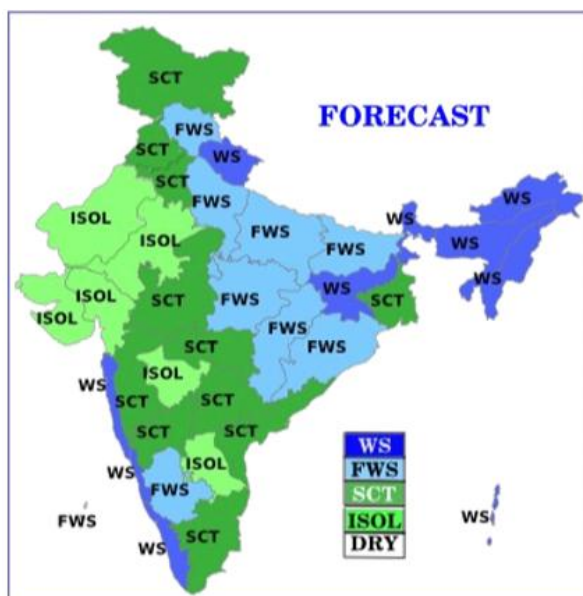
Sugar wholesale market prices were witnessed steady to weak on Friday. following abundant availability of stocks amid limited offtake. As the ex-mill prices at most producing centres were already close to the government mandated floor of Rs.2900 per quintal. Currently the global sugar prices were trading at 11.01 cents/lb. Expects world sugar price to remain below 13 cents/lb till September.

At Mumbai market, Sugar M-30 is trading lower at Rs. 3270-3430 per quintal, down by 0.75 per cent as compared to previous day. Sugar S-30 is offered at Rs. 3186-3250 per quintal, unchanged against previous close.

Raw sugar futures in New York ended with slight gains as the market was supported by the latest Brazilian crushing update which showed an ongoing strong preference of millers for ethanol against sugar. Sugar mills in Brazil's Centre/South crushed 47.347 mln tonnes of cane in the second half of July, up from 44.879 mln in the first half of the month but down 7.0% from the 50.907 mln in the same period a year ago, Unica data showed

Ukraine exported 36,700 tonnes of sugar in July 2018, down 46% from 67,600 in June but up from just 13,300 tonnes in the same month last year, according to the National Association of Sugar Producers (Ukrtsukor).

Weather Update:



11th Aug: Heavy to very heavy rain at isolated places very likely over Uttarakhand and SubHimalayan West Bengal & Sikkim; heavy rain at isolated places very likely over Himachal Pradesh, Uttar Pradesh, Chhattisgarh, Bihar, Jharkhand, Odisha, Arunachal Pradesh, Assam & Meghalaya, Coastal Andhra Pradesh, Coastal Karnataka, Tamilnadu and Kerala.

According to IMD, the Several parts of the country, barring Kerala (which is faced with floods), Odisha, eastern **Uttar Pradesh** and Bihar, received less than normal rainfall in the August 02-08 week. So far, data showed around 39 per cent of the 681 districts in the country have received deficient rainfall, while showers have been normal in remaining 69

per cent in this monsoon season from June 1 to August 09.

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:

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.

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.

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 10-08-2018)

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 09 Aug,2018(At 5.00PM)					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
Oct-18	10.82	11.01	10.78	10.84	0.03
Mar-19	11.71	11.9	11.65	11.79	0.1
May-19	11.91	12.08	11.87	12.01	0.12
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Oct-18	320.7	324.2	318.9	321.7	2.3
Dec-18	321.1	324.1	320.2	323.3	2.4
Mar-19	325.7	328.5	325.1	328.1	2.1

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Aug-18	09-Aug-18	
Delhi	Delhi	M-Grade	3193	3200	-7
	Delhi	S-Grade	3173	3180	-7
Uttar Pradesh	Khatauli	M-Grade	3300	3350	-50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3280	3300	-20
	Dhampur	S-Grade Ex-Mill	3260	3280	-20
	Dhampur	L-Grade Ex-Mill	3330	3350	-20
Maharashtra	Mumbai	M-Grade	3430	Closed	-

	Mumbai	S-Grade	3250	Closed	-
	Nagpur	M-Grade	3300	3325	-25
	Nagpur	S-Grade	3200	3225	-25
	Kolhapur	M-Grade	3175	3200	-25
	Kolhapur	S-Grade	3075	3100	-25
Assam	Guhawati	S-Grade	3385	3410	-25
Meghalaya	Shillong	S-Grade	3395	3420	-25
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	3500	3500	Unch
	Dindigul	M-Grade	3820	3820	Unch
	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)			10-Aug-18	09-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	NR	-
		White	3500	3800	-300
		Black	2700	2500	200
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	4150	Unch
	Belgaum	Mudde (Average)	NA	3100	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3000	-
	Gulbarga/Kalaburgi	Other (Average)	3000	2950	50
	Mahalingapura	Penti (Average)	3261	3280	-19
	Mandya	Achhu (Medium)	3100	3050	50
	Mandya	Kurikatu (Medium)	2950	2950	Unch
	Mandya	Other (Medium)	3000	2900	100
	Mandya	Yellow (Medium)	3150	3100	50
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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