

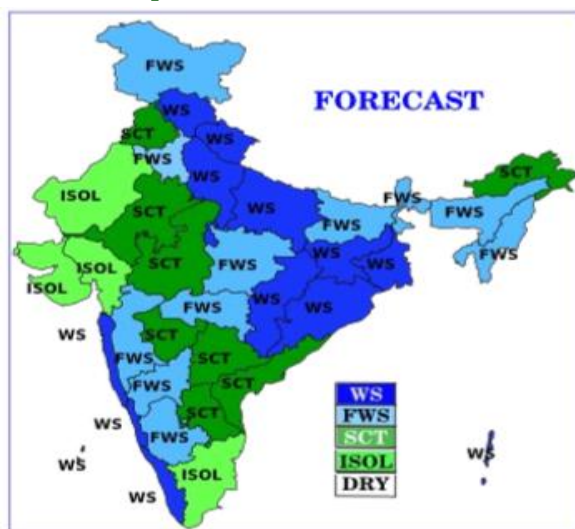
## Sugar & Gur Domestic & International Fundamentals

### Recent Update:

**Most of the sugar prices were noticed firm tone on Monday,** A tight monthly sales quota and festive demand keeping sugar prices supportive. For August, the government allowed mills to sell 1.7 million tonnes of sugar.

**Global Sugar was at a very low price around 10.54 at cents** and it was a good price to invest in sugar since it has dropped even lower. Based on the cost of production, sugar at below 11 cents is an incredible investment. This is a buy-and-hold strategy and you'll have to roll-over every few months to a new contract. Expects world sugar price to remain below 13 cents/lb till March.

### Weather Update:



**14<sup>th</sup> Aug:** Heavy to very heavy rain at a few places with extremely heavy falls at isolated places very likely over Odisha; heavy rain at a few places with very heavy rain at isolated places very likely over Coastal Karnataka; heavy to very heavy rain at isolated places very likely over Uttarakhand, Konkan & Goa, South Interior Karnataka and Kerala; heavy rain at isolated places very likely over Himachal Pradesh, Haryana, Chandigarh & Delhi, Uttar Pradesh, Chhattisgarh, Bihar, Jharkhand, Gangetic West Bengal, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Madhya Maharashtra, Coastal Andhra Pradesh and Tamilnadu.

The India Meteorological Department (IMD)'s weather models hinted at weak monsoon rain over the central India and the country in general from August 10 to 16. But the models of the National Centre for Medium Range Weather Forecasting (NCMRWF), under the ministry of earth sciences, are showing active monsoon conditions from August 13. IMD weather models are indicating that most of the central India, including Maharashtra, will see an increase in rainfall activity after August 17. But northeast India, extreme north and south peninsula regions are expected to get below- normal rainfall.

### Previous Updates:

**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).

**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.

**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 13-08-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Oct)	-	3172	3172	3172	3172	-	-
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 10 Aug,2018					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
Oct-18	10.79	10.83	10.43	10.54	-0.3
Mar-19	11.75	11.75	11.4	11.5	-0.29
May-19	11.94	11.97	11.63	11.75	-0.26
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
Oct-18	321.3	321.3	314.1	315.7	-6
Dec-18	323.1	323.1	316.1	318	-5.3
Mar-19	327.6	327.6	320.4	322.8	-5.3

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			13-Aug-18	11-Aug-18	
Delhi	Delhi	M-Grade	3200	3195	5
	Delhi	S-Grade	3180	3175	5
Uttar Pradesh	Khatauli	M-Grade	3345	3345	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3250	3250	Unch
	Dhampur	S-Grade Ex-Mill	3230	3230	Unch
	Dhampur	L-Grade Ex-Mill	3300	3300	Unch
Maharashtra	Mumbai	M-Grade	3456	3430	26
	Mumbai	S-Grade	3256	3246	10
	Nagpur	M-Grade	3300	3275	25

	Nagpur	S-Grade	3200	3175	25
	Kolhapur	M-Grade	3175	3150	25
	Kolhapur	S-Grade	3075	3050	25
Assam	Guhawati	S-Grade	3385	3360	25
Meghalaya	Shillong	S-Grade	3395	3370	25
Andhra Pradesh	Vijayawada	M-Grade	3620	3660	-40
	Vijayawada	S-Grade	3560	3600	-40
West Bengal	Kolkata	M-Grade	3590	3580	10
Tamil Nadu	Chennai	S-Grade	3500	3500	Unch
	Dindigul	M-Grade	3820	#N/A	-
	Coimbatore	M-Grade	3680	#N/A	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	#N/A	-

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)			13-Aug-18	11-Aug-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2970	2990	-20
	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	Closed	2750	-
	Hapur	Balti	Closed	NA	-
Andhra Pradesh	Chittur	Gold	4090	4300	-210
		White	3200	3500	-300
		Black	2900	2650	250
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	NA	-
	Belgaum	Mudde (Average)	NA	3000	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3150	NA	-
	Mahalingapura	Penti (Average)	NA	3311	-
	Mandya	Achhu (Medium)	3300	3200	100
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2950	2950	Unch
	Mandya	Yellow (Medium)	3100	3000	100
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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