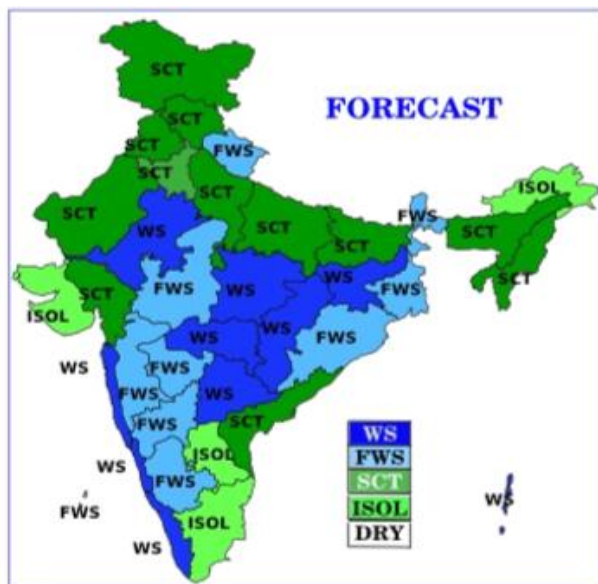


Sugar & Gur Domestic & International Fundamentals

Recent Update:

- **Most of the sugar prices were witnessed steady to weak on Tuesday.** Sugar prices fell by Rs 75 per quintal in the wholesale market at Kolhapur due to increased stocks and weak demand from bulk consumers. Increased stocks after continued supplies from mills mainly pulled down sweetener prices.
- **NY No. 11 raw sugar futures crashed to an almost three-year low on Monday at 10.21 cents/lb (\$225.09/mt) before settling at 10.30 cents/lb amid a global supply glut, weaker Brazilian real and heavy rains in Center-South Brazil and Europe easing concerns of a drought.**
- **Sugar mills crushed 1.563 million tonnes of cane in the week to August 5,** down from 1.608 mln last week and also below the 1.568 mln in the same week in 2017, Australian Sugar Milling Council (ASMC) data show.

Weather Update:



16th Aug: Heavy rain at isolated places likely over Rajasthan, Madhya Pradesh, Chhattisgarh, Gangetic West Bengal and Coastal Karnataka.

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

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)			

northeast India, extreme north and south peninsula regions are expected to get below- normal rainfall.

Previous Updates:

Beet sugar production for 2018/19 is projected up 71,000 short tons, raw value (STRV) to 5.107 million based on sugarbeet area and yield forecasts made by NASS in Crop Production. Beet sugar production for 2017/18 is reduced by 34,353 STRV to 5.241 million based on higher beet pile shrink estimated for the 2017/18 slicing campaign. Based on NASS sugarcane yield and area harvested, 2018/19 cane sugar production in Louisiana is increased by 191,000 STRV to 1.781 million and cane sugar production in Florida is increased by 50,000 STRV to 2.050 million. Deliveries for human consumption for 2017/18 are reduced by 135,000 STRV to 12.100 million based on pace to date and the corresponding projection for 2018/19 is reduced in line by 150,000 STRV to 12.250 million. Ending stocks for 2017/18 are estimated at 2.103 million STRV for a stocks-to-use ratio of 16.9 percent. Ending stocks for 2018/19 are projected at 2.261 million STRV for a stocks-to-use ratio of 18.1 percent. Sugar supply and use in Mexico are unchanged from last month.

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.

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

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..

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 14-08-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Oct)	-	3171	3171	3171	3171	-	-
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 14 Aug,2018(AT 5.30pm)

Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-18	180813	10.55	10.55	10.21	10.3	-0.24	46,483	5,22,693	-5,151
Mar-19	180813	11.51	11.51	11.26	11.34	-0.16	36,133	2,96,711	315
May-19	180813	11.78	11.78	11.52	11.59	-0.16	12,986	88,842	2,709
London Sugar(LCE)									
Oct-18	180813	315.4	315.4	310.4	310.8	-4.9	4,436	49,580	-246
Dec-18	180813	316.9	316.9	312.9	314.9	-3.1	3,310	23,968	926
Mar-19	180813	321	321.3	317.5	319.9	-2.9	1,403	17,329	341
May-19	180813	324.8	325	321.1	323.5	-3	255	8,122	-112

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			14-Aug-18	13-Aug-18	
Delhi	Delhi	M-Grade	3250	3200	50
	Delhi	S-Grade	3230	3180	50
Uttar Pradesh	Khatauli	M-Grade	3330	3345	-15
	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	3456	Unch

	Mumbai	S-Grade	3342	3256	86
	Nagpur	M-Grade	3225	3300	-75
	Nagpur	S-Grade	3160	3200	-40
	Kolhapur	M-Grade	3100	3175	-75
	Kolhapur	S-Grade	3035	3075	-40
Assam	Guhawati	S-Grade	3344	3385	-41
Meghalaya	Shillong	S-Grade	3355	3395	-40
Andhra Pradesh	Vijayawada	M-Grade	3620	3620	Unch
	Vijayawada	S-Grade	3560	3560	Unch
West Bengal	Kolkata	M-Grade	3580	3590	-10
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)			14-Aug-18	13-Aug-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2970	2970	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	Closed	-
	Hapur	Balti	NA	Closed	-
Andhra Pradesh	Chittur	Gold	4090	4090	Unch
		White	3200	3200	Unch
		Black	2900	2900	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	4150	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3200	2950	250
	Gulbarga/Kalaburgi	Other (Average)	2950	3150	-200
	Mahalingapura	Penti (Average)	NA	3217	-
	Mandya	Achhu (Medium)	3350	3300	50
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2900	2950	-50
	Mandya	Yellow (Medium)	3250	3100	150
	Shimoga/Shivamogga	Achhu (Average)	4000	4000	Unch

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.