

Sugar & Gur Domestic & International Fundamentals

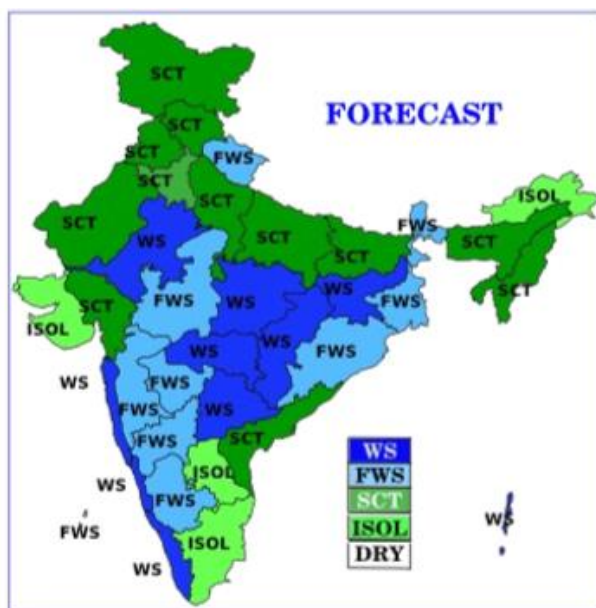
Recent Update:

Most of the sugar prices were witnessed steady to weak on Thursday. Sugar prices fell by Rs 50 per quintal in the wholesale market at Delhi and Khatauli due to increased stocks and weak demand from bulk consumers. Increased stocks after continued supplies from mills mainly pulled down sweetener prices.

The composite raw sugar ex-mill price in the Philippines dropped for the first time in over 14 months in half-monthly cycles, by 3 Pesos/lkg (\$1.12/mt) in second-half July to Pesos 1,950.88/lkg, latest data released by the country's Sugar Regulatory Administration showed.

South Africa has raised import duties on sugar to \$680 from \$566 a tonne to protect the domestic industry against a surge in imports, the trade and industry minister said on Wednesday.

Weather Update:



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

17th Aug: Heavy to very heavy rain at a few places with extremely heavy falls at isolated places very likely over Gujarat Region; Heavy to very heavy rain with extremely heavy falls at isolated places over north Madhya Maharashtra, north Konkan and Saurashtra; heavy to very heavy rain at isolated places very likely over Coastal Karnataka and Kerala.

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)			

Previous Updates:

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.

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..

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 16-08-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Oct)	-	3169	3169	3169	3169	-	-
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			16-Aug-18	14-Aug-18	
Delhi	Delhi	M-Grade	3200	3250	-50
	Delhi	S-Grade	3180	3230	-50
Uttar Pradesh	Khatauli	M-Grade	3320	3330	-10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3200	3250	-50
	Dhampur	S-Grade Ex-Mill	3180	3230	-50

	Dhampur	L-Grade Ex-Mill	3250	3300	-50
Maharashtra	Mumbai	M-Grade	3450	3456	-6
	Mumbai	S-Grade	3242	3242	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3150	3160	-10
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3025	3035	-10
Assam	Guhawati	S-Grade	3334	3344	-10
Meghalaya	Shillong	S-Grade	3345	3355	-10
Andhra Pradesh	Vijayawada	M-Grade	3620	3620	Unch
	Vijayawada	S-Grade	3560	3560	Unch
West Bengal	Kolkata	M-Grade	3590	3580	10
Tamil Nadu	Chennai	S-Grade	3475	3500	-25
	Dindigul	M-Grade	3760	#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)			16-Aug-18	14-Aug-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2950	2970	-20
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2675	2700	-25
	Hapur	Chaurasa	2750	2750	Unch
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NR	4090	-
		White	NR	3200	-
		Black	NR	2900	-
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	NA	3200	-
	Gulbarga/Kalaburgi	Other (Average)	3150	2950	200
	Mahalingapura	Penti (Average)	3263	3223	40
	Mandya	Achhu (Medium)	3350	3350	Unch
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2950	2900	50

	Mandya	Yellow (Medium)	3300	3250	50
	Shimoga/Shivamogga	Achhu (Average)	NA	4000	-

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