

Sugar & Gur Domestic & International Fundamentals

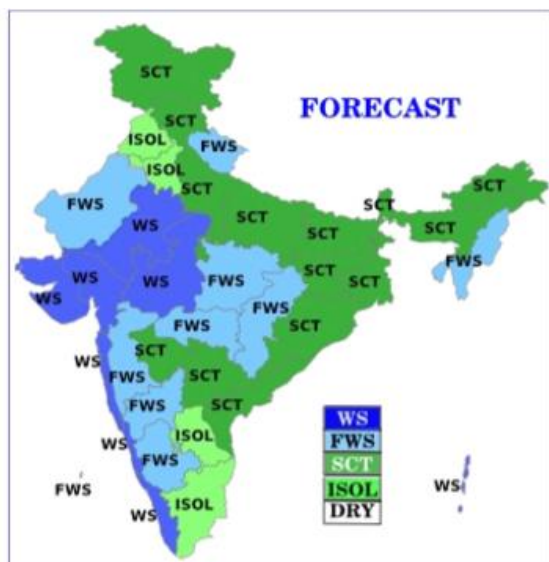
Recent Update:

Most of the sugar prices were witnessed steady to weak on Saturday. Sugar prices fell by Rs 30-50 per quintal in the wholesale markets in the last week due to increased stocks and weak demand from bulk consumers. Increased stocks after continued supplies from mills mainly pulled down sweetener prices. Meanwhile, sporadic demand from bulk consumers ahead of festive season somewhat managed to cap heavy falls in sweetener prices.

The average price for gur 1st grade in Chittur market settled at Rs 4000 per quintal last week gaining INR 2.5 per quintal from the previous week.

The central government has set minimum selling price of Rupee 29/kg along with prescribing a monthly release quota. As a combined result of both the decisions, ex-mill prices have been ruling in the range of Rupee 30-33/kg. However, sugar mills from Uttar Pradesh, where sugar production has been rising every year, are keen to sell more sugar. It will help them clear the cane price arrears. But, sugar industry of Maharashtra thinks that release mechanism is necessary for the survival of small-sized sugar cooperatives.

Weather Update:



20th Aug: Heavy to very heavy rain at isolated places very likely over Odisha and Chhattisgarh; heavy rain at isolated places over Uttar Pradesh, East Rajasthan, Assam & Meghalaya, Gangetic West Bengal, Jharkhand, Madhya Pradesh, Vidarbha, Coastal & South Interior Karnataka and Telangana.

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

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)			

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:

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.

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.

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 17-08-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Oct)	-	3164	3164	3164	3164	-	-
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 17 Aug, 2018(AT 5.00pm)

Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
Oct-18	180816	10.25	10.43	10.25	10.3	0.07	61,983	5,14,972	2,835
Mar-19	180816	11.15	11.27	11.12	11.14	0.01	37,969	3,04,625	3,041
May-19	180816	11.37	11.48	11.35	11.36	unch	10,482	95,175	1,127
Jul-19	180816	11.61	11.72	11.56	11.59	unch	2,080	51,494	-201
Oct-19	180816	11.95	12.04	11.92	11.93	unch	992	43,891	162
Mar-20	180816	12.6	12.67	12.56	12.56	-0.01	185	14,594	-19
May-20	180816	12.71	12.71	12.66	12.66	-0.01	35	3,018	4
Jul-20	180816	12.81	12.81	12.75	12.75	-0.02	21	2,806	8
Total Volume and Open Interest							1,13,764	10,34,096	6,968
London Sugar(LCE)									
Oct-18	180816	312	314.3	310.7	311.2	0.4	4,420	49,403	-595
Dec-18	180816	313.4	314.5	312	312.4	0.3	2,088	27,344	420
Mar-19	180816	317.4	318.5	315.9	316.5	0.3	1,263	17,631	-75
May-19	180816	318.6	322	318.6	319.8	unch	427	8,781	140
Aug-19	180816	325.6	327	325	325.2	-0.1	114	6,085	-8
Total Volume and Open Interest							8,332	1,13,050	-121

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			18-Aug-18	16-Aug-18	
Delhi	Delhi	M-Grade	3180	3200	-20
	Delhi	S-Grade	3160	3180	-20
Uttar Pradesh	Khatauli	M-Grade	3300	3320	-20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3200	3200	Unch
	Dhampur	S-Grade Ex-Mill	3180	3180	Unch
	Dhampur	L-Grade Ex-Mill	3250	3250	Unch
Maharashtra	Mumbai	M-Grade	3446	3450	-4
	Mumbai	S-Grade	3236	3242	-6
	Nagpur	M-Grade	3275	3225	50
	Nagpur	S-Grade	3175	3150	25
	Kolhapur	M-Grade	3150	3100	50
	Kolhapur	S-Grade	3050	3025	25
Assam	Guhawati	S-Grade	3360	3334	25
Meghalaya	Shillong	S-Grade	3370	3345	25
Andhra Pradesh	Vijayawada	M-Grade	3620	3620	Unch
	Vijayawada	S-Grade	3560	3560	Unch
West Bengal	Kolkata	M-Grade	3590	3590	Unch
Tamil Nadu	Chennai	S-Grade	3500	3475	25
	Dindigul	M-Grade	3760	3760	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)			18-Aug-18	16-Aug-18	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2950	2950	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	2675	2675	Unch
	Hapur	Chaurasa	2750	2750	Unch
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	4100	NR	-
		White	3900	NR	-
		Black	2600	NR	-
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	3100	3100	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	3150	-
	Mahalingapura	Penti (Average)	NA	3263	-
	Mandya	Achhu (Medium)	3400	3350	50
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2950	2950	Unch
	Mandya	Yellow (Medium)	3400	3300	100
	Shimoga/Shivamogga	Achhu (Average)	NA	3950	-

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