

## Sugar & Gur Domestic & International Fundamentals

### Price Outlook:

**Sugar wholesale market prices were noticed steady to weak on Friday.** This was despite trade expectations that the release quota of 1.9 million tonnes for Dec was slightly lower than probable demand. The government said that 'sugar mills having distilleries with ethanol production capacity which divert B-heavy molasses to produce ethanol and thereby sacrifice sugar shall be eligible to sell additional quantity of sugar in addition to the quantity of White /Refined sugar prescribed for domestic sale."

### Recent Update:

**Brazilian mills are expected to increase the amount of cane they allocate to sugar production next season due to better prices for the sweetener, which will lead to a rise in sugar output of 3 million tonnes, broker and consultancy INTL FCStone said on Wednesday.** FCStone expects Brazil's center-south to produce 29.6 million tonnes of sugar in the 2019/20 season that starts in April versus 26.3 million tonnes in 2018/19, which was the country's smallest output in years and almost 10 million tonnes lower than in the previous crop.

**India's sugar industry is eyeing exports to China and hoping for positive outcome from the talks with the Chinese delegation which is visiting the country from Thursday.** If China decides to buy sugar from India, the Indian industry hopes to export about 2 million tonnes of sugar. This will be a big boost to the industry which is struggling to get exports moving owing to the fall in international prices, appreciation of Indian rupee and a section of traders holding on to the commodity in the hope that domestic prices will increase.

**Amid protests by the sugarcane farmers in parts of the Punjab State, the Punjab government on Wednesday decided to pay ₹25 per quintal directly to the sugarcane farmers and directed the private sugar mills to immediately start crushing operations.** The government also announced an immediate release of ₹65 crore towards the interest on loans taken by private sugar mill owners to clear pending dues of farmers.

### Weather Update:

**08.12. 2018:** Shallow to moderate fog at few places with isolated dense fog is very likely over Punjab, Haryana, Himachal Pradesh, Uttarakhand, West Uttar Pradesh, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura

### **Weather Forecast:-**

- Dry weather likely over the rest of the country.
- Dense fog at isolated places very likely over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura in the morning hours.
- Heavy rain likely at isolated places over south coastal Andhra Pradesh and north Coastal Tamilnadu.
- No significant change in minimum temperatures are likely over major parts of the country during next 3-4 days.



## Previous Updates:

**The U.P state government has extended its concessional loan package for Uttar Pradesh's private sugar millers till the coming Monday.** Around Rs 35 billion of dues to cane farmers is pending from private mills for the 2017-18 crushing season. The state had announced a soft loan package of Rs 40 billion to help the private millers, after commercial banks had put the sector in their 'negative list' for loans, with a supply glut and low retail prices.

**Sugar mills across the country have produced close to 40 lakh tonnes (lt) of sugar till November 30, very similar to that in the corresponding period in the 2017-18 sugar season,** showed data released by the Indian Sugar Mills Association (ISMA) on Tuesday. Maharashtra mills produced 18 lt, 21 per cent more year-on-year, while Uttar Pradesh accounted for 9.5 lt, 27.5 per cent lower (13.11 lt). Karnataka mills produced 7.93 lt, up 13 per cent. Mills in Gujarat, produced 1.95 lt sugar. Mills, in other States, so far contributed 2.3 lt, the ISMA release said.

**As per sources, Sugar mills in Bijnor have paid the dues of Rs. 341 crore to the cane farmers when they got the government announcement of soft loan worth Rs. 4000 crore for sugar mills.** Total dues of the cane farmers is Rs. 501 crore.

**According to Green pool analyst, India may produce total 32.3 million sugar in 2017/18 and 34.1 million tonnes in 2018/19.** While, it has revised down its estimates for European Union sugar output at 17.1 million Tonnes in 2018/19 from its previous estimate i.e. 17.7 million tonnes due to hot dry weather condition in major beet growing countries over the summer.

**As per sources, China may explore to imports sugar from India in next month. If import deals will set with the government, prices may get support to rise in expectation of bulk buying quantity of sugar from China, Thailand and Malaysia.** However, China is not in view for bulk buying quantities as it don't want to stockpiles the sugar.

## **NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 07-12-2018)**

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Nov)	-	3005	3005	3005	3005	0	0
Spread	Cont Dec (C1)						
Spot	-	-	-	-	-	-	
	-	-	-	-	-	-	

**Note:** There is no trade volume in near month future contract. Market participants are advised to wait until trade in volume starts.

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		6-Dec-18	29-Nov-18	6-Nov-18	6-Dec-17	6-Dec-18
Oct-18	-2.26	2080	2078	2223	2128	71.03
Mar-19	-3.58	2011	2015	2152	2086	
May-19	-2.88	2027	2031	2175	2087	

(Source: Reuters) \* Today – figures are a day ago Quotes.

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		6-Dec-18	29-Nov-18	6-Nov-18	6-Dec-17	6-Dec-18
Oct-18	0.47	2509	2487	2652	2497	71.03
Dec-18	1.41	2572	2548	2543	2536	
Mar-19	0.33	2426	2424	2584	2418	

(Source: Reuters)\* Today – figures are a day ago Quotes.

Commodity		Change
Thai Sugar FOB 45 Icumsa	341.60	-1.90

Spot Prices of Sugar at NCDEX Delivery Centers:					
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		7-Dec-18	30-Nov-18	7-Nov-18	7-Dec-17
Sugar S Grade					
Erode	-	NA	NA	NA	3895
Kolhapur	-12.47	2900	2903	3000	3313
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-11.16	3065	3070	3180	3450
Erode	-	NA	NA	NA	NA
Kanpur	-10.71	3176	3187	3373	3557

Kolhapur	-12.41	2993	3000	3094	3417
Kolkata	-9.50	3276	3288	3391	3620
Muzaffar Nagar	-9.99	3089	3101	3218	3432
*NA: Not Available					

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			7-Dec-18	6-Dec-18	
Delhi	Delhi	M-Grade	2888	3000	-112
	Delhi	S-Grade	2868	2980	-112
Uttar Pradesh	Khatauli	M-Grade	3180	3200	-20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3015	3050	-35
	Dhampur	S-Grade Ex-Mill	2995	3030	-35
	Dhampur	L-Grade Ex-Mill	3065	3100	-35
Maharashtra	Mumbai	M-Grade	3256	3256	Unch
	Mumbai	S-Grade	3090	3092	-2
	Nagpur	M-Grade	3075	3075	Unch
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	2950	2950	Unch
	Kolhapur	S-Grade	2900	2900	Unch
Assam	Guhawati	S-Grade	3207	3207	Unch
Meghalaya	Shillong	S-Grade	3220	3220	Unch
Andhra Pradesh	Vijayawada	M-Grade	3460	3500	-40
	Vijayawada	S-Grade	3420	3460	-40
West Bengal	Kolkata	M-Grade	3450	3460	-10
Tamil Nadu	Chennai	S-Grade	3150	3150	Unch
	Dindigul	M-Grade	3420	3420	Unch
	Coimbatore	M-Grade	3450	3450	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)			7-Dec-18	6-Dec-18	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2463	2438	25

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	6000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2313	2275	38
	Muzaffarnagar	Laddoo (Fresh)	2713	2693	20
	Muzaffarnagar	Rascut (Fresh)	2063	2043	20
	Hapur	Chaurasa	2200	2150	50
	Hapur	Balti	2200	2175	25
Andhra Pradesh	Chittur	Gold	4000	4000	Unch
		White	3800	3800	Unch
		Black	3600	3600	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4250	4250	Unch
	Belgaum	Mudde (Average)	NA	3300	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2750	2825	-75
	Gulbarga/Kalaburgi	Other (Average)	NA	3125	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2600	2650	-50
	Mandya	Kurikatu (Medium)	2550	2600	-50
	Mandya	Other (Medium)	2550	2600	-50
	Mandya	Yellow (Medium)	2700	2950	-250
	Shimoga/Shivamogga	Achhu (Average)	NA	3250	-

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