

Sugar & Gur Domestic & International Fundamentals

Price Outlook:

Sugar wholesale market prices were unchanged from previous day. 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:

10.12. 2018: Heavy rain/snow very likely at isolated places over Jammu & Kashmir. Heavy rain very likely at isolated places over Andaman & Nicobar Islands.

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	
		7-Dec-18	30-Nov-18	5-Nov-18	7-Dec-17	7-Dec-18	
Oct-18	0.09	2104	2075	2223	2102	70.56	
Mar-19	-1.66	2034	2003	2152	2068		
May-19	-0.41	2050	2020	2175	2058		

(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	
		7-Dec-18	30-Nov-18	5-Nov-18	7-Dec-17	7-Dec-18	
Oct-18	2.26	2527	2487	2652	2471	70.56	
Dec-18	3.21	2590	2547	2543	2509		
Mar-19	1.80	2439	2425	2584	2395		

(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
		8-Dec-18	1-Dec-18	8-Nov-18	8-Dec-17
Sugar S Grade					
Erode	-	NA	NA	NA	3895
Kolhapur	-12.11	2902	2918	NA	3302
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-12.31	3085	3120	NA	3518
Erode	-	NA	NA	NA	NA
Kanpur	-10.13	3166	3184	NA	3523

Kolhapur	-12.14	2988	3000	NA	3401
Kolkata	-9.74	3271	3267	NA	3624
Muzaffar Nagar	-9.55	3107	3120	NA	3435
*NA: Not Available					

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			8-Dec-18	7-Dec-18	
Delhi	Delhi	M-Grade	3000	2888	112
	Delhi	S-Grade	2980	2868	112
Uttar Pradesh	Khatauli	M-Grade	3180	3180	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3015	3015	Unch
	Dhampur	S-Grade Ex-Mill	2995	2995	Unch
	Dhampur	L-Grade Ex-Mill	3065	3065	Unch
Maharashtra	Mumbai	M-Grade	3256	3256	Unch
	Mumbai	S-Grade	3090	3090	Unch
	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	3460	Unch
	Vijayawada	S-Grade	3420	3420	Unch
West Bengal	Kolkata	M-Grade	3450	3450	Unch
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
			8-Dec-18	7-Dec-18	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2475	2463	13

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	6000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2320	2313	8
	Muzaffarnagar	Laddoo (Fresh)	2725	2713	13
	Muzaffarnagar	Rascut (Fresh)	2088	2063	25
	Hapur	Chaurasa	2188	2200	-13
	Hapur	Balti	2175	2200	-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)	NA	4250	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	2750	-
	Gulbarga/Kalaburgi	Other (Average)	3150	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	2600	-
	Mandya	Kurikatu (Medium)	NA	2550	-
	Mandya	Other (Medium)	NA	2550	-
	Mandya	Yellow (Medium)	NA	2700	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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