

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:

The government backs the sugar industry's demand for more financial assistance to enhance the ethanol capacity as for the first time India hopes to double blending with petrol to 8 per cent in the 2018-19 sugar season. So far, India has been able to blend less than 4 per cent petrol with ethanol but because of better price offered by Oil Marketing Companies (OMCs), the industry feels that country will double the blending level.

Australia's total sugar cane crush so far has topped 32.029 million tonnes against 31.644 mln last season, Australian Sugar Milling Council (ASMC) data showed.

Weather Update:

11.12.2018: Heavy rain very likely at isolated places over Andaman & Nicobar Islands. Squally weather is very likely to prevail over Equatorial Indian Ocean and adjoining central parts of south Bay of Bengal.



Previous Updates:

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.

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.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 10-12-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Nov)	-	2996	2996	2996	2996	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
		10-Dec-18	3-Dec-18	10-Nov-18	9-Dec-17
Sugar S Grade					
Erode	-	NA	NA	NA	3895
Kolhapur	-12.57	2900	2920	NA	3317
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-11.10	3085	3115	NA	3470
Erode	-	NA	NA	NA	NA

Kanpur	-10.09	3163	3181	NA	3518
Kolhapur	-12.12	2994	3000	NA	3407
Kolkata	-9.73	3267	3243	NA	3619
Muzaffar Nagar	-10.05	3087	3098	NA	3432
*NA: Not Available					

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Dec-18	8-Dec-18	
Delhi	Delhi	M-Grade	3000	3000	Unch
	Delhi	S-Grade	2980	2980	Unch
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	3400	3420	-20
	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
			10-Dec-18	8-Dec-18	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2500	2475	25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	5000	3000
	Muzaffarnagar	Khurpa (Fresh)	2300	2320	-20
	Muzaffarnagar	Laddoo (Fresh)	2650	2725	-75
	Muzaffarnagar	Rascut (Fresh)	2063	2088	-25
	Hapur	Chaurasa	Closed	2188	-
	Hapur	Balti	Closed	2175	-
Andhra Pradesh	Chittur	Gold	3800	4000	-200
		White	3700	3800	-100
		Black	NA	3600	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4250	NA	-
	Belgaum	Mudde (Average)	NA	3200	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3160	3150	10
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2550	2550	Unch
	Mandya	Kurikatu (Medium)	2500	2500	Unch
	Mandya	Other (Medium)	2500	2500	Unch
	Mandya	Yellow (Medium)	2700	2700	Unch
	Shimoga/Shivamogga	Achhu (Average)	3100	NA	-

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.