

## Sugar & Gur Domestic & International Fundamentals

### Price Outlook:

**Sugar wholesale market prices were witnessed steady to weak on Tuesday.** 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 cooperative sugar mills in Haryana have so far produced over 2.75 lakh quintals of sugar by crushing 37.48 lakh tonnes of sugarcane during the current crushing season**

**The COFCO believes that world sugar prices will depend on the cost of fuel in Brazil. According to its estimates, from 33.5% to 48.6% of the sugar cane harvest can be intended for the production of biofuels in the 2019/20. The Brazilian Sugarcane Industry Association (Unica), from April 1 to November 16, 2018, sugar production in central and southern Brazil decreased by 26.8% compared to the same period of the last year. Brazil produces more than 20% of the world's sugar. At the same time, it accounts for almost half of global sugar exports.**

### Weather Update:

**12.12.2018:** Dense fog at isolated places is very likely over Punjab, Haryana, Chandigarh & Delhi and West Uttar Pradesh.

Squally wind speed reaching 45-55 kmph gusting to 60 kmph likely over central parts of south Bay of Bengal and adjoining equatorial Indian ocean. Sea condition likely to be rough to very rough. Fishermen are advised not to venture into these areas



### Previous Updates:

**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.**

**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.

## NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 11-12-2018)

Contract	+/-	Open	High	Low	Close	Volume	O.I
Cont. (Nov)	-	2991	2991	2991	2991	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
		10-Dec-18	3-Dec-18	10-Nov-18	10-Dec-17	10-Dec-18
Oct-18	1.97	2104	2094	2173	2063	71.32
Mar-19	0.17	2032	2025	2092	2029	
May-19	1.53	2048	2042	2115	2017	

(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
		10-Dec-18	3-Dec-18	10-Nov-18	10-Dec-17	10-Dec-18
Oct-18	3.68	2526	2515	2606	2437	71.32
Dec-18	4.70	2590	2578	2491	2473	
Mar-19	3.46	2446	2454	2524	2364	

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

Commodity		Change
Thai Sugar FOB 45 lcumsa	343.00	1.40

Spot Prices of Sugar at NCDEX Delivery Centers:					
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		11-Dec-18	4-Dec-18	11-Nov-18	11-Dec-17
Sugar S Grade					
Erode	-	NA	NA	NA	3895
Kolhapur	-12.60	2900	2909	NA	3318
Kolkata	-	NA	NA	NA	NA
Vashi	-	NA	NA	NA	NA
Sugar M Grade					
Delhi	-11.89	3075	3095	NA	3490
Erode	-	NA	NA	NA	NA
Kanpur	-10.71	3143	3181	NA	3520

Kolhapur	-12.27	2996	2990	NA	3415
Kolkata	-9.73	3267	3248	NA	3619
Muzaffar Nagar	-10.56	3075	3093	NA	3438
*NA: Not Available					

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			11-Dec-18	10-Dec-18	
Delhi	Delhi	M-Grade	3000	3000	Unch
	Delhi	S-Grade	2980	2980	Unch
Uttar Pradesh	Khatauli	M-Grade	3155	3180	-25
	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	3086	3090	-4
	Nagpur	M-Grade	3050	3075	-25
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	2925	2950	-25
	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	3420	3460	-40
	Vijayawada	S-Grade	3400	3420	-20
West Bengal	Kolkata	M-Grade	3450	3450	Unch
Tamil Nadu	Chennai	S-Grade	3100	3150	-50
	Dindigul	M-Grade	3400	3400	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)			11-Dec-18	10-Dec-18	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2528	2500	28
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	8000	-3000
	Muzaffarnagar	Khurpa (Fresh)	2338	2300	38
	Muzaffarnagar	Laddoo (Fresh)	2750	2650	100
	Muzaffarnagar	Rascut (Fresh)	2028	2063	-35
	Hapur	Chaurasa	2163	Closed	-
	Hapur	Balti	2225	Closed	-
Andhra Pradesh	Chittur	Gold	3900	3800	100
		White	3700	3700	Unch
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4250	4250	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3150	3160	-10
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2550	2550	Unch
	Mandya	Kurikatu (Medium)	2500	2500	Unch
	Mandya	Other (Medium)	2450	2500	-50
	Mandya	Yellow (Medium)	2650	2700	-50
	Shimoga/Shivamogga	Achhu (Average)	3100	3100	Unch

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