

**Sugar & Gur Domestic & International Fundamentals****Recent Update:**

- ***So far, India has exported only 2.46 lakh tonnes of sugar for this season. If the current trend continues, achieving 5 million tonnes of MIEQ export looks difficult. Sugar factories face several headwinds for executing export orders. Apart from depreciating Indian rupee making thereby exports less remunerative, depreciation in the Brazilian Lira coupled with sustained fall in global prices made sugar shipment from India less remunerative. With the government releases subsidy amount at the end of the season, sugar mills fear blockage of working capital for the entire year on which they pay interest to lenders.***
- ***Sugar prices have fallen by over 11 per cent in the benchmarks Nybot and Liffe exchanges during the last two months. Also, the rupee appreciated and Brazilian Lira depreciated during the last two months to sugar export from Brazil more competitive. Despite these odds sugar mills are expected to start dispatches by the end of December. Sugar prices in Nybot declined by 11.44 per cent to trade currently at \$12.30 oz per pound. In the benchmark Liffe market, near month sugar contract was quoted \$339.70 per tonne, 10.37 per cent lower than \$379 per tonne traded two months ago.***

**Weather Forecast for tomorrow:**

- *During the next 24 hours, moderate rains are expected over few places of Andaman and Nicobar Islands. Light rains are likely over few places of South Andhra Pradesh, Rayalaseema, Coastal Tamil Nadu, Kerala, parts of Coastal Karnataka and Arunachal Pradesh. Moderate to dense fog is expected over Bihar, West Bengal, East Uttar Pradesh, Odisha, Chhattisgarh, North Andhra Pradesh, Vidarbha and northeastern states. Shallow to moderate fog will continue over North Rajasthan, West Uttar Pradesh, Haryana, Punjab and Delhi. Subzero temperatures during the morning hours are likely over North Rajasthan and West Haryana in Northwest India.*

**Previous Updates:**

- ***Sugar production has increased by 2.1 per cent to 7.05 million tonnes till December 15 of the current marketing year. Mills had produced 6.9 million tonnes of sugar in the same period of 2017-18 marketing year. India is likely to produce 31.5 million tonnes of sugar in 2018-19 marketing year, slightly lower than 32.5 million tonnes last year, according to ISMA forecast. Sugar consumption is estimated at 26 million tonnes in 2018-19.***
- ***Production in Maharashtra, the country's largest sugar producing state, rose to 2.9 million tonnes till December 15 of this year, as against 2.57 million tonnes in the same period last year. About 176 mills were in operation in the state and the average sugar recovery achieved so far was 10.18 per cent as compared to 10.10 per cent in the year-ago. Whereas production in Uttar Pradesh, the country's second largest producing state, remained lower at 1.89 million tonnes so far when compared with 2.33 million tonnes in the year-ago. However the production in Karnataka, the country's third largest sugar producing state, stood higher at 1.39 million tonnes as against 1.12 million tonnes in the year-ago. The total output of other States, including Andhra Pradesh, Telangana, Tamil Nadu and Bihar, is 4.5 lt.***
- ***Indian sugar industry is making efforts to export raw sugar to South Korea during 2018-19 sugar season. The industry will undertake further discussions and talks with the sugar refineries in South***

Korea to pursue the matter further so that sugar exports may take place from India to South Korea. South Korea imports around 1.5 million tonnes of raw sugar annually.

### Weekly Outlook:

- Indian sugar prices are likely to show support in the coming days on the back of likely improvement in the retail off take for Christmas and New Year. This was despite trade expectations that the release quota of 1.9 million tonnes for Dec was slightly lower than probable demand.

### NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 19-12-2018)

Contract	+/-	Open	High	Low	close	Volume	O.I
Cont. (DEC)	-	2996	2996	2996	2996	-	-
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	
		19-Dec-18	12-Dec-18	19-Nov-18	19-Dec-17		
Oct-18	-2.58	2030	2127	2129	2084	70.10	
Mar-19	-5.39	1958	2056	2062	2070		
May-19	-3.66	1969	2069	2082	2044		

(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	
		19-Dec-18	12-Dec-18	19-Nov-18	19-Dec-17		
Oct-18	0.11	2451	2549	2548	2448	70.10	
Dec-18	1.46	2514	2614	2612	2478		
Mar-19	-1.17	2390	2472	2473	2419		

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

Commodity		Change
Thai Sugar FOB 45 Icumsa	341.00	5.00

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			20-Dec-18	19-Dec-18	
Delhi	Delhi	M-Grade	3040	2990	50
	Delhi	S-Grade	3020	2970	50
Uttar Pradesh	Khatauli	M-Grade	3170	3185	-15
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3030	3030	Unch
	Dhampur	S-Grade Ex-Mill	3010	3010	Unch
	Dhampur	L-Grade Ex-Mill	3080	3080	Unch
Maharashtra	Mumbai	M-Grade	3242	3242	Unch
	Mumbai	S-Grade	3080	3082	-2
	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	3400	3400	Unch
	Vijayawada	S-Grade	3360	3360	Unch
West Bengal	Kolkata	M-Grade	3460	3460	Unch
Tamil Nadu	Chennai	S-Grade	3050	3050	Unch
	Dindigul	M-Grade	3460	3460	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)			20-Dec-18	19-Dec-18	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2675	2600	75
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	7000	-1000

	Muzaffarnagar	Khurpa (Fresh)	2350	2350	Unch
	Muzaffarnagar	Laddoo (Fresh)	2788	2813	-25
	Muzaffarnagar	Rascut (Fresh)	2063	2045	18
	Hapur	Chaurasa	2200	2225	-25
	Hapur	Balti	2250	2250	Unch
Andhra Pradesh	Chittur	Gold	4000	3900	100
		White	3900	3800	100
		Black	3500	3500	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	4150	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3050	-
	Mahalingapura	Penti (Average)	2913	2970	-57
	Mandya	Achhu (Medium)	2850	2800	50
	Mandya	Kurikatu (Medium)	2550	2550	Unch
	Mandya	Other (Medium)	2500	2500	Unch
	Mandya	Yellow (Medium)	2950	2800	150
	Shimoga/Shivamogga	Achhu (Average)	3100	3150	-50

## 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.