

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

- ***The prices of M-30 and S -30 grades of sugar rates remained steady in Kolhapur sugar market today at Rs 2925/2900 per quintal respectively. Indian sugar market ruled flat on eased supply and demand. Heavy carryover stocks, higher production and limited domestic demand kept the market under pressure.***
- ***15 sugar mills in the Kolhapur division of Maharashtra have been issued notices by the deputy district registrar for their failure to pay fair and remunerative price (FRP) dues to farmers for the season of 2018-19. According to the officials, millers have paid up only Rs 360.36 crore to farmers till December 15 and the total payable FRP was to the tune of Rs 2,497.41 crore by the end of November.***
- ***The Tamil Nadu Sugar mills are working at 25-30 per cent capacity utilisation, against an installed capacity of about 30 lakh tonnes (lt) due to sustained dry spell in recent years. Last season, the total sugar output was about 7 lt. Mills in the state have produced 85,000 tonnes of sugar till Dec 14 of this year.***
- ***Ukraine's sugar factories processed 12.10 million tonnes of beet into 1,639,500 tonnes of sugar as of December 19, the National Association of Sugar Producers (Ukrtsukor) indicated.***

Weather Forecast for tomorrow:

- ***During the next 24 hours, light rains are expected over Tamil Nadu, Kerala, Karnataka and few parts of South Andhra Pradesh. Isolated light rains are also possible over northeastern states and East Jammu and Kashmir. Minimums will continue to remain below normal by 3°C to 4°C over parts of northwest and central India. Cold wave and ground frost conditions are also expected to persist for another 24 hours. Fog is likely over Bihar, Jharkhand, West Bengal, South Odisha and Chhattisgarh.***

Previous Updates:

- ***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.***

- **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 21-12-2018)

Contract	+/-	Open	High	Low	close	Volume	O.I
Cont. (DEC)	-	2989	2989	2989	2989	-	-
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
		20-Dec-18	13-Dec-18	20-Nov-18	20-Dec-17	20-Dec-18
Oct-18	-3.69	2034	2107	2067	2112	70.28
Mar-19	-6.39	1957	2043	1991	2090	
May-19	-4.75	1968	2053	2011	2066	

(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
		20-Dec-18	13-Dec-18	20-Nov-18	20-Dec-17	20-Dec-18
Oct-18	-0.97	2447	2541	2485	2471	70.28
Dec-18	0.33	2513	2604	2555	2504	
Mar-19	-2.33	2385	2469	2411	2442	

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

Commodity		Change
Thai Sugar FOB 45 Icumsa	339.40	-1.60

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			21-Dec-18	20-Dec-18	
Delhi	Delhi	M-Grade	3000	3040	-40
	Delhi	S-Grade	2980	3020	-40
Uttar Pradesh	Khatauli	M-Grade	3170	3170	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3040	3030	10
	Dhampur	S-Grade Ex-Mill	3020	3010	10
	Dhampur	L-Grade Ex-Mill	3090	3080	10
Maharashtra	Mumbai	M-Grade	3242	3242	Unch
	Mumbai	S-Grade	3080	3080	Unch

	Nagpur	M-Grade	3050	3050	Unch
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	2925	2925	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	3400	3400	Unch
	Vijayawada	S-Grade	3360	3360	Unch
West Bengal	Kolkata	M-Grade	3450	3460	-10
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
			21-Dec-18	20-Dec-18	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2703	2675	28
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	6000	1000
	Muzaffarnagar	Khurpa (Fresh)	2328	2350	-23
	Muzaffarnagar	Laddoo (Fresh)	2788	2788	Unch
	Muzaffarnagar	Rascut (Fresh)	2063	2063	Unch
	Hapur	Chaurasa	2200	2200	Unch
	Hapur	Balti	2238	2250	-13
Andhra Pradesh	Chittur	Gold	4000	4000	Unch
		White	3700	3900	-200
		Black	3400	3500	-100
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	2935	-
	Gulbarga/Kalaburgi	Other (Average)	3186	3250	-64
	Mahalingapura	Penti (Average)	NA	2913	-
	Mandya	Achhu (Medium)	2850	2850	Unch
	Mandya	Kurikatu (Medium)	2550	2550	Unch

	Mandya	Other (Medium)	2550	2500	50
	Mandya	Yellow (Medium)	2800	2950	-150
	Shimoga/Shivamogga	Achhu (Average)	NA	3100	-

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.

