

Sugar & Gur Domestic & International Fundamentals

Recent Update:

March NY world sugar #11 (SBH19) on Wednesday closed down -0.20 (-1.55%) and March ICE London white sugar (SWH19) closed down -3.60 (-1.04%). Sugar prices moved lower Thursday on weakness in crude oil prices, which undercuts ethanol and may prompt Brazil's sugar mills to divert more cane crushing toward sugar production rather than ethanol, thus boosting sugar supplies.

India's sugar exports are likely to be far lower than a 5 million-tonne target set by government as a strengthening rupee and falling global prices make shipments unattractive despite a government push for overseas sales. As Agriwatch expected that India is likely to export to 3.0 million tonnes of sugar in the 2018/19 marketing year that started on Oct. 1

Weather Forecast for tomorrow:

During the next 24 hours, light to moderate rain and snow is expected over many places of Jammu and Kashmir, Himachal Pradesh and isolated pockets of Uttarakhand and Arunachal Pradesh. Isolated rains may also occur over North Punjab. Minimums are expected to rise over the northwestern plains and maximums may drop over Jammu and Kashmir, Himachal Pradesh, Uttarakhand and parts of Punjab. Pollution levels over Delhi-NCR will remain unchanged.

Previos Updates:

The Government of Punjab has released Rs 35 crore to the cooperative sugar mills of the state towards the payment for sugarcane dues for the year 2017-18. The same has been credited into the accounts of the sugarcane farmers. The cooperative sugar mills had dues amounting to Rs 182.26 crore pending towards the government as of December 31, 2018, out of which Rs 151.82 crores remain due following the payment of Rs 35 crore. Out of these Rs 151.82 crore, a sum of Rs 65 crore has been released by the Punjab Rural Development Board, which would be paid soon. This was stated by the state cooperation minister, S Sukhjinder Singh Randhawa.

The Centre is likely to revise the sugar minimum selling price (MSP) by 10 per cent from its current level of Rs 29 a kg to Rs 32 a kg in the weeks ahead. Last year, the Union food ministry had fixed the ex-factory sugar sale price at Rs 29 a kg to help domestic sugar mills amid falling retail sugar prices and the export-market squeeze owing to a global glut in the sector.

According to the latest data from the Maharashtra government's Commissionerate of Sugar, mills in the state, as on December 31, were to have paid growers Rs 7,450.90 crore for cane at the "fair and remunerative price" or FRP of about Rs 245 per quintal declared by the Centre for the 2018-19 season (average rate, after deducting harvesting and transport charges from field). But they had only managed to pay Rs 2,875.37 crore, which translates into arrears of Rs 4,575.53 crore. For Uttar Pradesh the current season, they have, till January 4, bought cane worth Rs 10,051.02 crore at the state government's average state "advised" price or SAP of around Rs 320 per quintal. Out of this, they were to pay Rs 7,210.11 crore within the stipulated 14-day period from the date of cane delivery. But payments so far have been just Rs 2,857.03 crore, with the resulting arrears at Rs 4,353.08 crore, and Rs 6,123.26 crore overall.

India's sugar production till December 31, 2018 is up by 6.7% y-o-y. As on 31st December, 2018, 501 sugar mills were in operation in the country and have produced 110.52 lakh tonnes of sugar, as compared to 103.56 lakh tons produced by 505 sugar mills as on 31st December 2017. The slightly higher production of 6.96 lakh tonnes is because Maharashtra and Karnataka sugar mills started their crushing earlier this year. However, due to substantially lower rainfall and white grub infestation, Maharashtra will produce significantly lower quantity this year as compared to last year. Overall, the country is expected to produce much less sugar this season as compared to last year.

Weekly Outlook:

Indian Sugar market witnessed a mixed trend during last week. On hopes of increase in floor price which is currently at Rs 2,900 per quintal. We expect sugar prices may trade down on good physical supplies from mills are continuing in the physical market due to imposed stock limit on mills. Prices are supportive after Jan due to the expectation of weak cane crush this season in the key producing states of UP, Maharashtra and Karnataka. The release quota for January month of 18.50 LMT little lower than December month, since UP and Maharashtra states demanding extra sales quota, due to the low sales quota, mills are unable to sell their sugar and repay the farmers on time.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 20-12-2018)

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)	
	% Change over previous year	Today 15-Jan-19	Week ago 8-Jan-19	Month Ago 15-Dec-18	Year Ago 13-Jan-18	RBI Dollar 15-Jan-19
Futures month						
Oct-18	#N/A	2162	2091	Closed	#N/A	71.02
Mar-19	#N/A	2094	2001	Closed	#N/A	
May-19	#N/A	2108	2022	Closed	#N/A	

(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
		15-Jan-19	8-Jan-19	15-Dec-18	13-Jan-18	15-Jan-19
Oct-18	#N/A	2615	2508	Closed	#N/A	71.02
Dec-18	#N/A	2672	2577	Closed	#N/A	
Mar-19	#N/A	2520	2418	Closed	#N/A	

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

Commodity		Change
Thai Sugar FOB 45 Icumsa	354.8	11.30

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			16-Jan-19	15-Jan-19	
Delhi	Delhi	M-Grade	3040	3040	Unch
	Delhi	S-Grade	3020	3020	Unch
Uttar Pradesh	Khatauli	M-Grade	3360	3450	-90
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3100	3100	Unch
	Dhampur	S-Grade Ex-Mill	3080	3080	Unch
	Dhampur	L-Grade Ex-Mill	3150	3150	Unch
Maharashtra	Mumbai	M-Grade	3206	3190	16
	Mumbai	S-Grade	3112	3106	6
	Nagpur	M-Grade	3175	3175	Unch
	Nagpur	S-Grade	3075	3075	Unch
	Kolhapur	M-Grade	3050	3050	Unch
	Kolhapur	S-Grade	2950	2950	Unch
Assam	Guhawati	S-Grade	3258	3258	Unch
Meghalaya	Shillong	S-Grade	3270	3270	Unch
Andhra Pradesh	Vijayawada	M-Grade	3440	3440	Unch
	Vijayawada	S-Grade	3400	3400	Unch
West Bengal	Kolkata	M-Grade	3530	3530	Unch
Tamil Nadu	Chennai	S-Grade	Closed	Closed	-

	Dindigul	M-Grade	3450	3450	Unch
	Coimbatore	M-Grade	3450	3450	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3500	3500	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)			16-Jan-19	15-Jan-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2438	2453	-15
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	6000	1000
	Muzaffarnagar	Khurpa (Fresh)	2288	2278	10
	Muzaffarnagar	Laddoo (Fresh)	2563	2563	Unch
	Muzaffarnagar	Rascut (Fresh)	2038	2053	-15
	Hapur	Chaurasa	2175	2175	Unch
	Hapur	Balti	2163	2150	13
Andhra Pradesh	Chittur	Gold	Closed	Closed	-
		White	Closed	Closed	-
		Black	Closed	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2750	NA	-
	Mandya	Kurikatu (Medium)	2700	NA	-
	Mandya	Other (Medium)	2600	NA	-
	Mandya	Yellow (Medium)	2950	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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