

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

**March NY world sugar #11 (SBH19) on Monday closed up +0.35 (+2.81%) and March ICE London white sugar (SWH19) closed up +6.70 (+1.98%).** Sugar prices moved higher Monday. On the positive side is smaller sugar production in Brazil after data from Unica last week showed that 2018/19 Brazil Center-South sugar production through mid-Jan was down -26.5% y/y at 26.350 MMT, with the percentage of cane used for sugar production falling to 35.5% from 46.9% last year and the percentage of cane used for ethanol production rising to 64.5% from 53.1% last year. On the negative side, the CEO of sugar exporter Indian Sugar Exim Corp. said India is likely to keep exporting sugar through the 2019/20 season since production outpaces local consumption.

**The pace of cane crushing in Thailand eased fractionally during the past week** but daily cane crushing volumes are still about 1.2 mln tonnes. While, Mexico's sugar production crossed the 1.5 mln-tonne mark, though volumes are still behind in year-ago levels, official data showed.

**Weather Forecast for tomorrow:**

Cold wave conditions at isolated pockets very likely over Madhya Pradesh, Vidarbha and Odisha.

♦Cold day conditions at isolated pockets very likely over Madhya Pradesh and Vidarbha.

♦Thunderstorm accompanied with hailstorm very likely over Jammu & Kashmir, Himachal Pradesh, Punjab, Haryana and West Rajasthan.

♦Strong wind speed reaching 35-45 kmph likely along & off south Tamilnadu coast, Gulf of Mannar and Comorin area.

**Previos Updates:**

**Data from the Sugar Directorate indicate that the volume of the sweetener imported in 2018 declined to 284,169 from 989,619 tonnes in the previous year** when acute shortage compelled the State to remove import duty. Excess sugar attracts import duty at the rate of 25 percent if obtained from 19-member Comesa bloc and 100 percent if it comes from outside.

**The prices of M-30 and S-30 grades of sugar remains steady in Kolhapur market on Friday at Rs 2940 and 2900 respectively. March NY world sugar #11 on Thursday closed up +0.01 (+0.08%) and March ICE London white sugar closed up +0.50 (+0.14%).** Sugar prices closed higher Thursday on signs of smaller sugar production in Brazil after Unica reported 2018/19 Brazil Center-South sugar production through mid-Jan was down -26.5% y-o-y at 26.350 MMT, with the percentage of cane used for sugar production falling to 35.5% from 46.9% last year and the percentage of cane used for ethanol production rising to 64.5% from 53.1% last year.

**Indian Sugar Mills Association (ISMA) has lowered India's 2018-19 sugar production estimate by 2.5% to 307 lakh tonnes from first advance estimate of 315 lakh tonnes issued in October 2018.** ISMA has procured the satellite images of cane area already harvested and remaining un harvested area in the fields, across the country during mid-season i.e. in the second week of January 2019. On the basis of these images of harvested and balance area, trend of yields and sugar recoveries achieved till now as

also expected yield/sugar recovery in the balance period of the sugar season, sugar production in the current season is estimated to be around 307 lakh tonnes, against the first advance estimates of 315 lakh tonnes released by ISMA in October 2018. This is after considering estimated diversion of 5 lakh tonnes of sugar into production of ethanol through 'B' heavy molasses.

## Weekly Outlook:

Indian Sugar market traded week 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 28-Jan-19	Week ago 22-Jan-19	Month Ago 28-Dec-18	Year Ago 28-Jan-18	RBI Dollar 28-Jan-19
Futures month						
Mar-19	-	2038	2067	1941	NA	71.13
May-19	-	2054	2088	1949	NA	
Jul-19	-	2079	2110	1967	NA	

(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
		28-Jan-19	22-Jan-19	28-Dec-18	28-Jan-18	28-Jan-19
Mar-19	-	2460	2488	2371	2246	71.13
May-19	-	2411	2488	2371	2261	
Aug-19	-	2460	2549	2398	2293	

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

Commodity		Change
Thai Sugar FOB 45 Icumsa	345.80	345.80

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			29-Jan-19	28-Jan-19	
Delhi	Delhi	M-Grade	3125	3150	-25
	Delhi	S-Grade	3105	3130	-25
Uttar Pradesh	Khatauli	M-Grade	3265	3255	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3100	3000	100
	Dhampur	S-Grade Ex-Mill	3080	2980	100
	Dhampur	L-Grade Ex-Mill	3150	3050	100
Maharashtra	Mumbai	M-Grade	3300	3226	74
	Mumbai	S-Grade	3092	3092	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	3440	3440	Unch
	Vijayawada	S-Grade	3400	3400	Unch
West Bengal	Kolkata	M-Grade	3450	3450	Unch
Tamil Nadu	Chennai	S-Grade	3050	3060	-10
	Dindigul	M-Grade	#N/A	3420	-

	Coimbatore	M-Grade	#N/A	3450	-
<b>Chattisgarh</b>	Ambikapur	M-Grade (Without Duty)	#N/A	3500	-
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)			29-Jan-19	28-Jan-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2500	2525	-25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	6000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2263	2263	Unch
	Muzaffarnagar	Laddoo (Fresh)	2503	2488	15
	Muzaffarnagar	Rascut (Fresh)	2038	2030	8
	Hapur	Chaurasa	2188	Closed	-
	Hapur	Balti	2175	Closed	-
Andhra Pradesh	Chittur	Gold	3800	3800	Unch
		White	3400	3400	Unch
		Black	2900	2900	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	2800	2634	166
	Gulbarga/Kalaburgi	Other (Average)	3050	3120	-70
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2500	2550	-50
	Mandya	Kurikatu (Medium)	2500	2500	Unch
	Mandya	Other (Medium)	2500	2500	Unch
	Mandya	Yellow (Medium)	2650	2700	-50
	Shimoga/Shivamogga	Achhu (Average)	3200	NA	-

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