

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

**March NY world sugar #11 (SBH19) on Wednesday closed down -0.16 (-1.26%) and March ICE London white sugar (SWH19) closed down -3.30 (-0.96%).** Sugar prices moved lower Wednesday after India's Sugar Trade Association said that India's sugar mills should increase production to boost exports. India's 2018 sugar stockpiles almost doubled to 15.4 MMT as of Dec 31 due to record output and India's sugar export contracts totaled only 1.5 MMT so far this season, below the government's export quota of 5 MMT for 2018/19. India's 2018/19 sugar production is expected to climb +5.3% y/y to a record 35.9 MMT, according to USDA projections, which would put India's sugar production above Brazil's production for the first time in 15 years.

**The cooperative sugar mills in Haryana have so far produced over 13.97 lakh quintals of sugar by crushing 152.57 lakh quintals of sugarcane during the current crushing season.** So far, the average rate of sugar recovery by the cooperative sugar mills has been registered at 9.53 per cent.

**Sugar millers in India are urging the government to increase the benchmark price of the commodity to help them pay off about \$2.7 billion they owe to farmers.** The Indian Sugar Mills Association sent a letter to the government asking for the minimum selling price to be raised to Rs 35-36 (\$0.49-\$0.51) a kilogram at factory gates from Rs 29 currently.

**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:**

**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.

**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)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		31-Jan-19	24-Jan-19	30-Dec-18	30-Jan-18	31-Jan-19
Oct-18	3.45	2127	2168	#N/A	2056	71.03
Mar-19	3.38	2025	2072	#N/A	1959	
May-19	3.28	2038	2093	#N/A	1973	

(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
		31-Jan-19	24-Jan-19	30-Dec-18	30-Jan-18	31-Jan-19
Oct-18	6.58	2549	2605	#N/A	2391	71.03
Dec-18	7.86	2625	2669	#N/A	2433	
Mar-19	4.96	2424	2503	#N/A	2310	

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

Commodity		Change
Thai Sugar FOB 45 Icumsa	341.30	+2.00

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			1-Feb-19	31-Jan-19	
Delhi	Delhi	M-Grade	3100	3100	Unch
	Delhi	S-Grade	3080	3080	Unch
Uttar Pradesh	Khatauli	M-Grade	3245	3245	Unch
	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	3300	3300	Unch
	Mumbai	S-Grade	3082	3092	-10
	Nagpur	M-Grade	3075	3075	Unch
	Nagpur	S-Grade	3025	3025	Unch

	Kolhapur	M-Grade	2950	2950	Unch
	Kolhapur	S-Grade	2900	2900	Unch
<b>Assam</b>	Guhawati	S-Grade	3207	3207	Unch
<b>Meghalaya</b>	Shillong	S-Grade	3220	3220	Unch
<b>Andhra Pradesh</b>	Vijayawada	M-Grade	3440	3440	Unch
	Vijayawada	S-Grade	3400	3400	Unch
<b>West Bengal</b>	Kolkata	M-Grade	3450	3450	Unch
<b>Tamil Nadu</b>	Chennai	S-Grade	3050	3050	Unch
	Dindigul	M-Grade	3420	3420	Unch
	Coimbatore	M-Grade	3450	3450	Unch
<b>Chattisgarh</b>	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
			1-Feb-19	31-Jan-19	
<b>Jaggery(Gur)</b>					
<b>Uttar Pradesh</b>	Muzaffarnagar	Chaku Fresh	2510	2500	10
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2263	2263	Unch
	Muzaffarnagar	Laddoo (Fresh)	2463	2463	Unch
	Muzaffarnagar	Rascut (Fresh)	2008	2030	-23
	Hapur	Chaurasa	2225	2188	38
	Hapur	Balti	2200	2188	13
<b>Andhra Pradesh</b>	Chittur	Gold	3500	3500	Unch
		White	3300	3300	Unch
		Black	2900	2900	Unch
<b>Maharashtra</b>	Latur	Lal Variety	NR	NR	-
<b>Karnataka</b>	Bangalore	Mudde (Average)	NA	4250	-
	Belgaum	Mudde (Average)	NA	3150	-
	Belthangadi	Yellow (Average)	0	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3100	-
	Mahalingapura	Penti (Average)	NA	3127	-
	Mandya	Achhu (Medium)	NA	2550	-
	Mandya	Kurikatu (Medium)	NA	2450	-
	Mandya	Other (Medium)	NA	2500	-
	Mandya	Yellow (Medium)	NA	2550	-

	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-
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