

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

The sugar wholesale market prices noticed weak on Tuesday across the nation. Mills are disparate to sell sugar stocks. In Kolhapur sugar market prices are trading at below MSP level where as in Khatauli market prices were trading in range 3100 -3125 INR per quintal from last week.

Sugar mills across the country have produced 273.47 lakh tonnes (LT) of sugar till March 15, nearly 6 per cent more than 258.2 LT produced during the corresponding period in the previous sugar season, said a release from the Indian Sugar Mills Association (ISMA) on Monday. While 154 mills have closed crushing operations whereas 373 are still crushing.

Weather Forecast for tomorrow:

Scattered to fairly widespread rain/thundershowers are very likely over northeast India during next 3 days with isolated thunderstorms, gusty winds and lightning are likely mainly over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura during next 2 days. A fresh Western Disturbance is very likely to cause fairly widespread to widespread rain/snow with isolated thunderstorms, hailstorms, gusty winds & lightning over Western Himalayan Region on 19th & 20th March.

Previous Updates:

In the ongoing sugarcane crushing season of 2018-19, the 119 operational UP sugar mills-94 private, 24 co-operative, and one state - had procured cane worth Rs 23,200 crore from farmers and paid Rs 11,350 crore, thus leaving an unpaid portion of Rs 11,850 crore. Besides, mills have to make a payment of Rs 290 crore for the 2017-18 season.

Brazil's sugar mills can make the switch into ethanol easier than ever before, making it harder to predict how much sweetener will come from the world's biggest producer and exporter. According to unica, the Brazil Center-South sugar production in the 2018/19 year through February fell -26.45% y/y to 26.364 MMT, with the percent of sugar cane crushed for sugar production falling to 35.40% from 46.84% last year and the percent of cane crushed for ethanol rising to 64.6% from 53.16% last year.

Gur (Jaggery) prices have risen in major markets by 5 per cent in the past one week and further appreciation is expected during the seven-phase election season which will end on May 23. Prices have raised Rs 200-250 per quintal to Rs 3,600-4,500 a quintal. We expect local breweries to increase buying until elections get over whereas, the farmers who are selling sugarcane to the local kolhu (where sugarcane is produced to make gur) were getting 25 per cent higher price at Rs 220 a quintal than a week ago.

The annual sugar production of UP, which jumped from an average of about 65 lakh quintal to 120 lakh quintal in past two to three years. Whereas, Maharashtra with the production touching 107 lakh quintals in 2017-18 and already adding 96.5 lakh quintals in the ongoing season.

UP mills have, in the current sugar season (October-September) as of March 12, crushed 725.36 lakh tonnes (lt) of cane, 6.4% below the 775.14 lt for the corresponding period of 2017-18. Yet, sugar output has fallen by just 0.4% from 82.13 lt to 81.77 lt. The reason for it is sugar recovery. Mills have produced

an average 11.27 tonnes of sugar from every 100 tonnes of cane crushed so far this season, as against the 10.60% recovery recorded during the same period of 2017-18. In Maharashtra's average recovery has dropped from 11.67% to 11.24%, and 11.14% in the ongoing season. UP has witnessed the opposite, with recovery going up from a mere 9.07% in 2011-12 to 10.84% in 2017-18 and 11.27% so far this season.

The government which has allocated monthly sales quota since June, 2018 on the demand of the industry out of which only 85% have been sold by the sugar mills in the past 10 months according to the trade sources. Even the sources said that sugar is being sold below the MSP at Rs.29/kg in Uttar Pradesh and Maharashtra.

The Centre on Thursday announced an additional soft loan of Rs 12,900 crore for sugar mills to create ethanol capacity. In addition, a separate soft loan of Rs 2,600 crore will be provided to molasses-based standalone distilleries to augment capacity and set up new units. A soft loan is a loan given at a subsidised interest rate. A decision in this regard was taken at the Cabinet Committee on Economic Affairs meeting, chaired by PM Narendra Modi.

Sugar mills in the country produced 247.68 lakh tonnes (lt) of sugar till end of last month, nearly 16 lt more than they produced in the corresponding period last year. The total sugar production in the same period last year was 231.77 lt. As many as 266 mills are in operation as against 457 last year and mills in Maharashtra and Karnataka are on the verge of completing crushing.

Weekly Outlook:

Indian Sugar markets remained unchanged during the week. We expect sugar prices may trade lower as good physical supplies from mills are continuing in the physical market. Prices will be supportive in coming days due to the expectation of weak cane crush this season in the key producing states of UP, Maharashtra and Karnataka. As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3100–Rs 3300 per quintal for next week

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 start.

Commodity		Change
Thai Sugar FOB 45 Icumsa	340.70	1.9

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon March 18, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-May	190318	12.6	12.87	12.56	12.84	0.32	65,977	349,790	695
19-Jul	190318	12.8	13.03	12.72	13.01	0.33	35,785	217,372	704
19-Oct	190318	13.09	13.35	13.06	13.33	0.3	32,901	175,891	2,686
20-Mar	190318	14.02	14.22	13.95	14.2	0.28	24,516	110,243	9,555
20-May	190318	14.15	14.3	14.07	14.29	0.24	2,502	22,246	480
20-Jul	190318	14.25	14.37	14.16	14.34	0.2	608	14,867	-71
20-Oct	190318	14.43	14.51	14.38	14.48	0.16	285	19,607	-21
21-Mar	190318	14.98	15.03	14.96	14.99	0.12	102	6,216	-14
Total Volume and Open Interest							162,742	918,861	14,050

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Mon March 18, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-May	190318	343	347	340.9	346.7	6	7,460	40,245	-288
19-Aug	190318	350.3	355.3	348	355	6.9	3,662	27,281	1,484
19-Oct	190318	355.8	360.7	353.5	360.7	6.9	908	13,747	366
19-Dec	190318	364.1	368.2	361.6	368.2	6.5	159	5,489	-28
20-Mar	190318	372.1	376.1	370.1	376.1	6.2	214	5,064	53
Total Volume and Open Interest							12,441	94,219	1,597

Sugar Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/QtI)		Change
			19-Mar-19	18-Mar-19	
Sugar	Delhi	M-Grade	3070	3110	-40
	Delhi	S-Grade	3050	3090	-40
Uttar Pradesh	Khatauli	M-Grade	3105	3110	-5

	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3050	3050	Unch
	Dhampur	S-Grade Ex-Mill	3030	3030	Unch
	Dhampur	L-Grade Ex-Mill	3100	3100	Unch
Maharashtra	Mumbai	M-Grade	3280	3280	Unch
	Mumbai	S-Grade	3180	3182	-2
	Nagpur	M-Grade	3125	3125	Unch
	Nagpur	S-Grade	3075	3075	Unch
	Kolhapur	M-Grade	3000	3000	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	3420	3460	-40
	Vijayawada	S-Grade	3360	3400	-40
West Bengal	Kolkata	M-Grade	3470	3450	20
Tamil Nadu	Chennai	S-Grade	3460	3460	Unch
	Dindigul	M-Grade	3520	3540	-20
	Coimbatore	M-Grade	3540	3540	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
			19-Mar-19	18-Mar-19	
Jaggery(Gur)	Muzaffarnagar	Chaku Fresh	2578	2570	8
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	8000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2363	2338	25
	Muzaffarnagar	Laddoo (Fresh)	2618	2578	40
	Muzaffarnagar	Rascut (Fresh)	2088	2075	13
	Hapur	Chaurasa	2350	Closed	-
	Hapur	Balti	2300	Closed	-
Andhra Pradesh	Chittur	Gold	4200	4200	Unch
		White	3600	3700	-100
		Black	3000	3200	-200
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4200	4200	Unch

Belgaum	Mudde (Average)	NA	NA	-
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur/Vijayapura	Achhu	2650	NA	-
Gulbarga/Kalaburgi	Other (Average)	NA	2620	-
Mahalingapura	Penti (Average)	NA	3215	-
Mandya	Achhu (Medium)	3600	3650	-50
Mandya	Kurikatu (Medium)	3450	3450	Unch
Mandya	Other (Medium)	3450	3450	Unch
Mandya	Yellow (Medium)	NA	3650	-
Shimoga/Shivamogga	Achhu (Average)	3650	3750	-100

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