

### Sugar & Gur Domestic & International Market Update:

**The firm trend has been seen in the sugar wholesale market prices on Friday.** Mills are warned by the government to sell sugar not below MSP in all sugar producing states. The sudden rise in temperature and improved bulk and retail demand from cold drinks and juice makers lifted sugar prices by Rs.10-30 at major markets. In contrast, Kolhapur sugar mill price remained below MSP at Rs.3050/q whereas in Khatauli market price is trading at 3220 INR.

**India has a 55% chance of a below-normal monsoon, 30% probability of normal showers and a 15% chance of a drought.** The Pacific Ocean has become strongly warmer than average. The model projections call for an 80% chance of El Nino during March-May, dropping to 60% for June to August.

**India has so far this season shipped out around 1.5 million tonnes of sugar** and contracts have been signed for 2.2 million tonnes. The sugar industry, however, expects to export 3-3.5 million tonnes of the sweetener in 2018-19 (Oct-Sept) against Government's target of 5 million tonnes of exports this season which seems unlikely due to the disparity between international and local prices. Sluggish exports from India is also a discouragement for sugar prices.

**Brazil exported 1.133 mln tonnes of sugar, raw value, in March 2019,** down from 1.214 mln in February and the lowest level for the month of March since 2012 compared with 1.802 mln tonnes of sugar exported in March 2018.

**ICRA the rating agency released their revised prediction for total sugar production for 2019-20 at 30.7 million tonnes** from its earlier estimate of 31.5 mt due to a decline in Uttar Pradesh, the largest growing state. Also the production may be further hit due to the diversion of 'B' heavy molasses and sugarcane juice away from sugar into ethanol.

**114 mills in India are expanding their ethanol capacities, which in the next 24 months will add 90-crore litres of capacity.** In 2018-19, Brazil converted 65 per cent of its cane into ethanol directly. This helped it to keep sugar production at the required level and also reduce significantly its oil import bill at a time when crude oil prices rose sharply.

**Only 27 mills were operating in the center-south region in the first half of March, compared with 50 mills at this time last year according to Unica said on Tuesday.** Center-south mills crushed 1.59 million tonnes of cane in the first half of March, 53 percent less than in the same period a year earlier. Due to dry spell in December and January, followed by ample March rains which delayed crushing in mills. Sugar production was marginal at 9,000 tonnes (80 percent less than previous year). Ethanol production was 142 million liters (23 percent less).

**Pakistan bagged an opportunity by winning a 300,000-tonne sugar export quota from China** taking a lead over India, according to traders. For which India has been waiting since long to bag the export quota from China.

**Indian traders have contracted 2.2 million tonnes of sugar for exports as of March 7,** according to industry officials. Maharashtra has exported about 800,000 tonnes of sugar, including third-party exports. Uttar Pradesh has exported 300,000 tonnes and Karnataka too exported 300,000 tonnes.

**According to data compiled by the Cane Commissioner's Office in Lucknow, as on March 22, the state's sugar mills have bought cane worth Rs 24,888.65 crore** during the current 2018-19 crushing season

(October-September) at the state government's fixed ("advised") price of Rs.315 per quintal for normal and Rs.325 per quintal for early-maturing varieties. They were to pay Rs.22,175.21 crore within the stipulated 14-day period of taking cane delivery. But the actual payments have been only Rs.12,339.04 crore, translating into arrears of Rs.9,836.17 crore. Adding the dues of Rs.238.81 crore from the previous 2017-18 season takes the total to Rs.10,074.98 crore. Of the Rs 10,074.98 crore, as much as Rs.4,547.97 crore, or over 45 per cent, is due from mills in just six constituencies: Meerut, Baghpat, Kairana, Muzaffarnagar, Bijnor and Saharanpur.

**85 India sugar mills in the state of Maharashtra, India's second-largest sugar producing region, have closed as of March 15** versus 38 mills that closed a year earlier, and that 56 sugar mills closed by March 15 in Karnataka, India's third-biggest sugar-producing region, versus 48 mills that closed a year earlier reported by ISMA on Friday.

**The Centre on Wednesday asked sugar-producing States to ensure that mills do not sell refined sugar below the prescribed minimum selling price (MSP) of Rs 31 per kg** as this was against the Sugar (Price Control) order, 2018. As we know that some sugar mills are selling refined sugar below MSP, while some others have made MSP inclusive of GST, which is against the directives.

**According to ISMA, the arrears of UP have further increased to about Rs.12000 crore** (on SAP basis), while pan India outstanding are estimated at more than Rs.24000 crore. While the union government has extended the soft loan window for the sugar sector by another 4 weeks.

**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.

**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.

**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.

**Weather Forecast for tomorrow:**

Heat wave conditions are very likely to prevail in some parts of Rajasthan and in isolated pockets over south Haryana and Madhya Pradesh during next 2 days and in isolated pockets over Gujarat state and Vidarbha today. Parts of northwest India (north Rajasthan, Punjab and Haryana, Chandigarh & Delhi) is likely to experience isolated thunderstorms/dust storms and gusty winds during the afternoon/evening hours of 5th & 6th April. Isolated thundersqualls ( wind speed reaching 60-70 kmph) are likely to occur over Bihar and West Bengal & Sikkim on 5th & 6th April and over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura on 6th & 7th April.

**Spot Prices of Sugar at NCDEX Delivery Centers**

Spot Prices of Sugar at NCDEX Delivery Centers:					
Centre	% Change over previous year	Today	Week ago	Month Ago	Year Ago
		5-Apr-19	29-Mar-19	6-Mar-19	5-Apr-18
Sugar S Grade					
Erode	#VALUE!	NA	NA	NA	0
Kolhapur	6.56	3103	3100	3100	2912
Kolkata	-	NA	NA	NA	0
Vashi	#VALUE!	NA	NA	NA	0
Sugar M Grade					
Delhi	4.66	3145	3138	3120	3005
Erode	#VALUE!	NA	NA	NA	0
Kanpur	5.24	3216	3229	3215	3056
Kolhapur	4.62	3150	3153	3168	3011
Kolkata	6.24	3319	3352	3281	3124
Muzaffar Nagar	4.20	3124	3118	3125	2998
*NA: Not Available					

**NCDEX Futures Quote(As on 20Dec, 2018)**

Contract	+/-	Open	High	Low	Close
Dec-18	-	2989	2989	2989	2989

Source: NCDEX

## International Sugar Futures ICE(US Cent/lb)

Daily Futures Price Listing Thu April 04, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">19-May</a>	190404	12.48	12.8	12.4	12.71	0.29	58,666	307,985	-4,917
<a href="#">19-Jul</a>	190404	12.61	12.9	12.55	12.81	0.26	36,707	226,650	8,486
<a href="#">19-Oct</a>	190404	12.91	13.2	12.87	13.11	0.25	16,427	180,899	-807
<a href="#">20-Mar</a>	190404	13.76	14.06	13.75	13.96	0.23	7,098	111,581	1,661
<a href="#">20-May</a>	190404	13.88	14.16	13.88	14.06	0.21	1,705	29,569	-156
<a href="#">20-Jul</a>	190404	13.99	14.25	13.98	14.13	0.18	639	19,805	125
<a href="#">20-Oct</a>	190404	14.18	14.41	14.18	14.29	0.16	194	23,699	18
<a href="#">21-Mar</a>	190404	14.74	14.98	14.74	14.84	0.16	70	6,900	-8
Total Volume and Open Interest							121,574	911,127	4,401

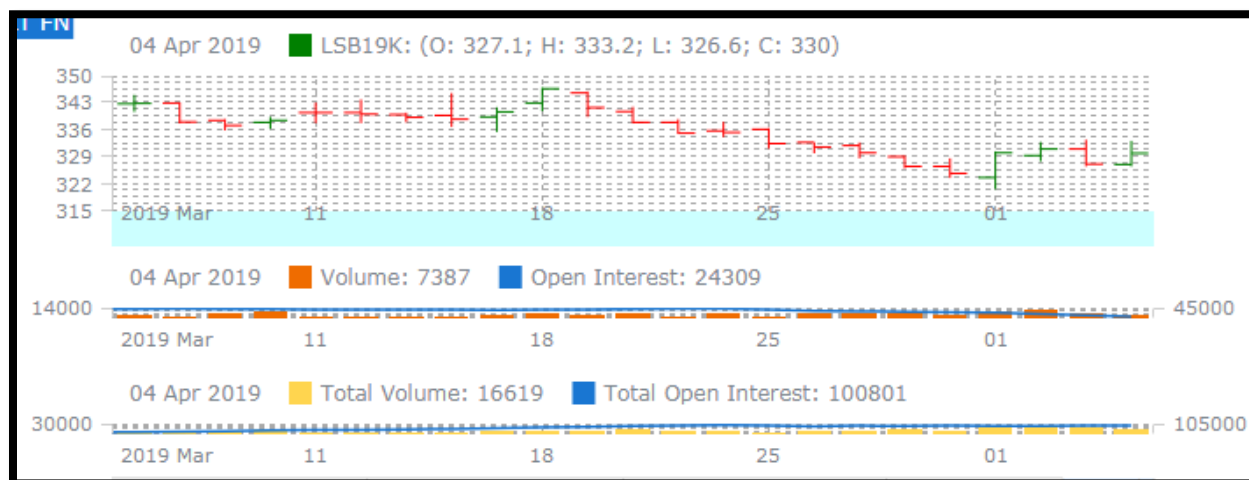
## International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thu April 04, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">19-May</a>	190404	327.1	333.2	326.6	330	2.8	8,962	26,865	-3,195
<a href="#">19-Aug</a>	190404	336	342.5	334.9	339.8	4	7,679	39,360	2,463
<a href="#">19-Oct</a>	190404	342	348.5	342	346.3	3.6	2,830	18,197	958
<a href="#">19-Dec</a>	190404	352.9	358.2	352.3	356.6	3.5	1,451	8,027	668
<a href="#">20-Mar</a>	190404	362.3	368	362.3	366.2	3.4	541	6,181	203
Total Volume and Open Interest							21,483	101,268	1,104

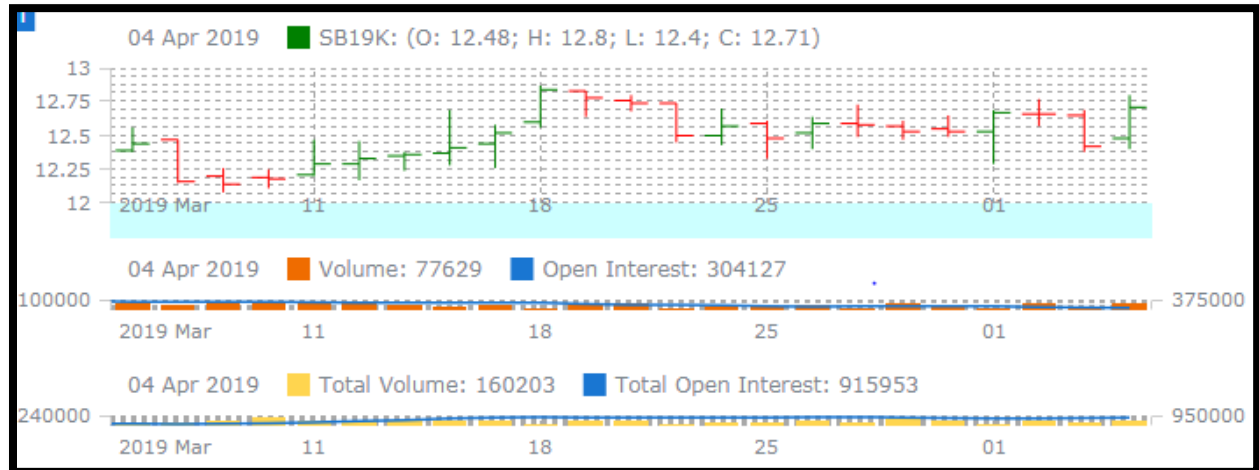
Market Center	Arrivals(in tonnes)	Variety	Minimum Prices(in Rs/quintals)	Maximum Prices(in Rs/quintals)	Modal Prices(in Rs/quintals)
Other					
Sugar					
<b>Maharashtra</b>					
Mumbai	397	Other	3182	3330	3222
<b>Odisha</b>					
Bonai	0.5	Other	4000	4000	4000
<b>Rajasthan</b>					
Jaipur (Grain)	139	Other	3200	3800	3350
Jaipur(Grain)(Chandpole)	2.5	Other	3200	3500	3350
<b>Uttar Pradesh</b>					
Lakhimpur	16	Chini	3230	3280	3250
Paliakala	1.1	Chini	3160	3210	3185
Sultanpur	3.5	Chini	3400	3600	3550

Source:Agmarknet

### LIFFE WHITE SUGAR FUTURES PRICE TREND (May'19)



### ICE RAW SUGAR FUTURES PRICE TREND (May'19)



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