

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

The mixed trend has been observed at major sugar markets on Monday. 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 at MSP Rs.3100/q whereas in Khatauli market price is also trading at the same price 3230 INR per quintal up by 10INR from previous day.

The payments ratio logged a massive dip to about 57% in the current sugarcane season 2018-19. According to the latest data, Sugarcane payments notched up to more than 71% at the end of March 2018. The current outstanding close to Rs.12,700 crore and the payments ratio is at 52%.

Weather Forecast for tomorrow:

The Western Disturbance as an upper air trough lies over North Pakistan and adjoining parts of Jammu and Kashmir. An upper air trough is extending from southern parts of Haryana to Chhattisgarh across southern parts of Uttar Pradesh and eastern parts of Madhya Pradesh. The Cyclonic Circulation lies over Southwest Jharkhand and adjoining parts of Gangetic West Bengal. Another Cyclonic Circulation lies over Meghalaya and adjoining parts of Assam. An upper air trough/ wind discontinuity is extending from Vidarbha to Tamil Nadu across Marathwada and Karnataka.

Previous Updates:

Ethanol manufacturers have successfully supplied 75 crore litres in the first four months of the contracted supply period started from 1st December, 2018 and will continue till November, 2019. This year the average blending hiked 8% in 10 states and more than 9% in Maharashtra, Uttar Pradesh and Uttarakhand this year.

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.

Sugar output in Maharashtra, India's second-largest sugar producing region, rose +3.7% y/y to 10.5 MMT during Oct 1-Apr 1 data released by India's Sugar Factories Federation Ltd.

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.

Weekly Outlook:

Indian Sugar markets remained weak during last 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 which contribute 55% of sugar. As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3050–Rs 3200 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	330.3	0.3

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri April 05, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-May	190405	12.72	12.84	12.68	12.76	0.05	77,629	304,127	-3,858
19-Jul	190405	12.8	12.92	12.78	12.87	0.06	56,149	235,632	8,982
19-Oct	190405	13.12	13.22	13.08	13.18	0.07	17,833	180,969	70
20-Mar	190405	13.98	14.08	13.93	14.06	0.1	5,969	111,589	8
20-May	190405	14.09	14.18	14.07	14.17	0.11	1,640	29,075	-494
20-Jul	190405	14.16	14.25	14.1	14.25	0.12	650	19,807	2
20-Oct	190405	14.31	14.4	14.3	14.4	0.11	287	23,796	97
21-Mar	190405	14.85	14.96	14.85	14.95	0.11	17	6,898	-2
Total Volume and Open Interest							160,203	915,953	4,826

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri April 05, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-May	190405	330.1	332.2	329.4	330.3	0.3	7,387	24,309	-2,556
19-Aug	190405	339.4	340.8	337.7	339.4	-0.4	6,860	41,017	1,657
19-Oct	190405	346.9	347.5	344.9	346.9	0.6	1,378	18,171	-26

19-Dec	190405	356.6	358.3	355.3	357.9	1.3	659	8,313	286
20-Mar	190405	366.4	368.6	365.4	368.3	2.1	313	6,349	168
Total Volume and Open Interest							16,619	100,801	-467

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			8-Apr-19	6-Apr-19	
Delhi	Delhi	M-Grade	3120	3170	-50
	Delhi	S-Grade	3100	3150	-50
Uttar Pradesh	Khatauli	M-Grade	3230	3220	10
	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	3330	Closed	-
	Mumbai	S-Grade	3210	Closed	-
	Nagpur	M-Grade	3225	3175	50
	Nagpur	S-Grade	3175	3125	50
	Kolhapur	M-Grade	3100	3050	50
	Kolhapur	S-Grade	3050	3000	50
Assam	Guhawati	S-Grade	3360	3309	51
Meghalaya	Shillong	S-Grade	3370	3320	50
Andhra Pradesh	Vijayawada	M-Grade	3540	3540	Unch
	Vijayawada	S-Grade	3480	3480	Unch
West Bengal	Kolkata	M-Grade	3500	3420	80
Tamil Nadu	Chennai	S-Grade	3460	3460	Unch
	Dindigul	M-Grade	3510	3510	Unch
	Coimbatore	M-Grade	3520	3520	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3400	3400	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)			8-Apr-19	6-Apr-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2938	2938	Unch

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	5000	7000
	Muzaffarnagar	Khurpa (Fresh)	2600	2630	-30
	Muzaffarnagar	Laddoo (Fresh)	2938	2963	-25
	Muzaffarnagar	Rascut (Fresh)	2275	2313	-38
	Hapur	Chaurasa	Closed	2425	-
	Hapur	Balti	Closed	2413	-
Andhra Pradesh	Chittur	Gold	4000	Closed	-
		White	3600	Closed	-
		Black	3100	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4200	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3100	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3150	NA	-
	Mahalingapura	Penti (Average)	2966	NA	-
	Mandya	Achhu (Medium)	3600	NA	-
	Mandya	Kurikatu (Medium)	3300	NA	-
	Mandya	Other (Medium)	3000	NA	-
	Mandya	Yellow (Medium)	3500	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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