

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

*The major sugar markets remained unchanged on Thursday. 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 Rs.3100/q whereas in U.P's Khatauli market is closed due to elections.*

*Indian mills get contracts to export 2.7 mt sugar since the current season started from October 1<sup>st</sup>. Mills have already shipped out 1.7 million tonnes of the sweetener to the top destinations are Bangladesh, Sri Lanka, Somalia, Iran and Sudan.*

*Brazil's center-south region produced 26.500 million tonnes of sugar in the 2018/2019 crop, down from 36.060 million tonnes in the previous harvest. Mills in the main cane belt in Brazil crushed 573.070 million tonnes of cane against 596.330 million tonnes and directed more of their production to ethanol instead of sugar according to UNICA.*

**Weather Forecast for tomorrow:**

*An approaching western disturbance is likely to cause scattered to fairly widespread rain/thundershowers with isolated thunderstorms/hailstorms and gusty winds over Jammu & Kashmir, Himachal Pradesh and Uttarakhand during 10-12 April. Isolated dust storm/thunderstorm (gusty winds, speed reaching 40-50 kmph) are also likely over Punjab, south Haryana, Delhi and Rajasthan during the same period and over Uttar Pradesh during 11-13 April. Heat wave conditions are likely to continue over West Rajasthan (in some parts ) and at isolated pockets over East Rajasthan and West Madhya Pradesh during next 2-3 days.*

**Previous Updates:**

*USDA lowers 2018-19 sugar supply forecast to 13.93 mln tonnes, down about 43,000 tonnes from March and down by 3.6% from 14.44 mln tonnes last year.*

*573.07 MMT of cane crushed, down 3.9% from the 596.33MMT crushed during 2017-18 reported by UNICA. Total sugar production of 26.5MMT during this season fell by 26.5% from a year ago in Centre-South Brazil as the sugar season came to a close on March 31.*

*Maharashtra's sugar output is likely to touch 10.7 mln tonnes from 10.5 mln tonnes in March in the current 2018/19 season, with 63 sugar mills in the state continuing to crush cane, according to local press reports.*

*Ethanol blending with petrol is estimated to touch 7.2 per cent in 2018-19 marketing year as record 237 million litre of supplies have been contracted which was 4.22 per cent in 2017-18 marketing year (December to November) with supply of 150 crore litres according to ISMA.*

*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%.*

**Ethanol manufacturers have successfully supplied 75 crore litres in the first four months of the contracted supply period started from 1<sup>st</sup> 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.**

**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).

## 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	325.1	-3.1

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

Daily Futures Price Listing Wed April 10, 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>	190410	12.78	12.83	12.7	12.81	0.03	78,399	248,533	-16,337
<a href="#">19-Jul</a>	190410	12.9	12.99	12.84	12.98	0.08	57,002	282,812	13,344
<a href="#">19-Oct</a>	190410	13.2	13.27	13.14	13.27	0.08	18,161	181,046	1,454
<a href="#">20-Mar</a>	190410	14.08	14.13	14.01	14.13	0.06	5,519	115,188	1,554
<a href="#">20-May</a>	190410	14.18	14.25	14.11	14.25	0.08	2,541	29,201	-301
<a href="#">20-Jul</a>	190410	14.2	14.35	14.2	14.35	0.09	1,519	20,932	250
<a href="#">20-Oct</a>	190410	14.44	14.53	14.42	14.52	0.09	665	24,544	276
<a href="#">21-Mar</a>	190410	15	15.06	14.96	15.06	0.08	10	6,954	-10
Total Volume and Open Interest							163,816	913,271	230

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

Daily Futures Price Listing Wed April 10, 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>	190410	329.2	329.2	325.6	326.7	-1.5	7,910	15,702	-3,128
<a href="#">19-Aug</a>	190410	339.8	339.8	336.7	338.4	-0.7	7,453	45,863	2,048
<a href="#">19-Oct</a>	190410	346.9	347.6	345.1	346.8	unch	1,819	18,658	83
<a href="#">19-Dec</a>	190410	356.9	358.6	356	357.7	0.5	693	9,132	213
<a href="#">20-Mar</a>	190410	366.7	369.5	366.2	368.4	0.8	166	6,511	15
Total Volume and Open Interest							18,071	98,612	-771

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			11-Apr-19	10-Apr-19	
Delhi	Delhi	M-Grade	3110	3110	Unch
	Delhi	S-Grade	3090	3090	Unch
Uttar Pradesh	Khatauli	M-Grade	Closed	Closed	-
	Ramala	M-Grade	Closed	Closed	-
	Dhampur	M-Grade Ex-Mill	Closed	Closed	-
	Dhampur	S-Grade Ex-Mill	Closed	Closed	-
	Dhampur	L-Grade Ex-Mill	Closed	Closed	-
Maharashtra	Mumbai	M-Grade	3330	3330	Unch
	Mumbai	S-Grade	3216	3216	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3125	3125	Unch
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3000	3000	Unch
Assam	Guhawati	S-Grade	3309	3309	Unch
Meghalaya	Shillong	S-Grade	3320	3320	Unch
Andhra Pradesh	Vijayawada	M-Grade	3540	3540	Unch
	Vijayawada	S-Grade	3480	3480	Unch
West Bengal	Kolkata	M-Grade	3520	3500	20
Tamil Nadu	Chennai	S-Grade	3460	3460	Unch
	Dindigul	M-Grade	3600	3600	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)			11-Apr-19	10-Apr-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	Closed	Closed	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	Closed	-
	Muzaffarnagar	Khurpa (Fresh)	Closed	Closed	-
	Muzaffarnagar	Laddoo (Fresh)	Closed	Closed	-
	Muzaffarnagar	Rascut (Fresh)	Closed	Closed	-

	Hapur	Chaurasa	2400	2350	50
	Hapur	Balti	2400	2350	50
Andhra Pradesh	Chittur	Gold	4200	4200	Unch
		White	3700	3700	Unch
		Black	3300	3300	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4200	4200	Unch
	Belgaum	Mudde (Average)	NA	2850	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2960	-
	Mahalingapura	Penti (Average)	NA	3085	-
	Mandya	Achhu (Medium)	3850	3650	200
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3950	-

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