

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

The major sugar markets remained unchanged on Friday. 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 traded at Rs.3230/q.

Indian mills get contracts to export 2.7 mt sugar and another 4.3 lakh tonnes are in the export pipeline. Mills have already shipped out 1.7 million tonnes till April 6th as against 5 lakh tonnes shipped in the entire 2017-18 of the sweetener to the top destinations are Bangladesh, Sri Lanka, Somalia, Iran and Sudan.

Sugar prices moved lower Thursday with Aug London sugar falling to a 1-1/2 week low. Weakness in crude oil prices on Thursday undercut sugar prices. Lower crude oil prices are negative for sugar since the lower crude oil prices are negative for ethanol prices and may prompt Brazil's sugar mills to divert more cane crushing toward sugar production rather than ethanol production, thus boosting sugar supplies. Weakness in the Brazilian real against the dollar Thursday is another negative for sugar prices since the weaker real encourages export selling by Brazil's sugar producers.

Weather Forecast for tomorrow:

Day maximum temperatures are likely to rise by 2-3°C over East India during next 3 days. No significant change in day maximum temperatures likely over remaining parts of India during next 3 days. They are very likely to remain above normal by 2-3°C over parts of Telangana, Rayalaseema, interior Tamilnadu, Kerala, interior Maharashtra and northern parts of Gujarat state during next 3 days. 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:

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.

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 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.

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	323.0	-3.7

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu April 11, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-May	190411	12.77	12.81	12.65	12.66	-0.15	86,712	230,257	-18,276
19-Jul	190411	12.98	12.98	12.8	12.82	-0.16	67,150	299,402	16,590
19-Oct	190411	13.25	13.25	13.12	13.13	-0.14	20,559	182,716	1,670
20-Mar	190411	14.11	14.11	13.97	13.99	-0.14	5,253	116,611	1,423
20-May	190411	14.21	14.22	14.09	14.12	-0.13	1,399	29,631	430
20-Jul	190411	14.3	14.32	14.2	14.23	-0.12	829	20,964	32
20-Oct	190411	14.47	14.47	14.38	14.41	-0.11	568	24,896	352
21-Mar	190411	14.96	14.96	14.96	14.96	-0.1	15	6,951	-3
Total Volume and Open Interest							182,501	915,486	2,215

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Thu April 11, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-May	190411	325.5	326.8	322.7	323	-3.7	8,453	12,081	-3,621
19-Aug	190411	336.6	338	333.8	333.9	-4.5	8,229	47,532	1,669
19-Oct	190411	345.7	346.4	342.6	342.6	-4.2	1,647	18,529	-129
19-Dec	190411	356.8	358.2	354.6	354.6	-3.1	867	9,783	651
20-Mar	190411	368.5	370.7	366.5	367.3	-1.1	323	6,684	173
Total Volume and Open Interest							19,546	97,366	-1,246

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			12-Apr-19	11-Apr-19	
Delhi	Delhi	M-Grade	3110	3110	Unch
	Delhi	S-Grade	3090	3090	Unch
Uttar Pradesh	Khatauli	M-Grade	3230	Closed	-
	Ramala	M-Grade	NA	Closed	-
	Dhampur	M-Grade Ex-Mill	3000	Closed	-
	Dhampur	S-Grade Ex-Mill	2980	Closed	-
	Dhampur	L-Grade Ex-Mill	3050	Closed	-
Maharashtra	Mumbai	M-Grade	3320	3330	-10
	Mumbai	S-Grade	3212	3216	-4
	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	3520	Unch

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)			12-Apr-19	11-Apr-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2878	Closed	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	Closed	-
	Muzaffarnagar	Khurpa (Fresh)	2475	Closed	-
	Muzaffarnagar	Laddoo (Fresh)	2855	Closed	-
	Muzaffarnagar	Rascut (Fresh)	2263	Closed	-
	Hapur	Chaurasa	2400	2400	Unch
	Hapur	Balti	2400	2400	Unch
Andhra Pradesh	Chittur	Gold	4300	4200	100
		White	3700	3700	Unch
		Black	3300	3300	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4200	4200	Unch
	Belgaum	Mudde (Average)	2850	2850	Unch
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3050	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3800	3850	-50
	Mandya	Kurikatu (Medium)	3400	3300	100
	Mandya	Other (Medium)	3500	NA	-
	Mandya	Yellow (Medium)	3700	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.