

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

Mixed trend has been seen in Indian sugar market across India on Tuesday. The prices are expected to be bullish in May month as demand for the refined sugar from local markets is accelerating due to scorching summer prevailing in India. Prices might remain at higher side if government rises the minimum support price and creates export opportunities to relieve the sugar millers from clearing the increasing 2 years mounting arrears to be paid to cane farmers. In contrast, Kolhapur sugar market prices stood at Rs.3120 whereas in U.P's Khatauli market at Rs.3400INR.

The Maharashtra's cane dues now amount to Rs 3,595 crore, with the mills finally shutting down crushing operations on Monday. The total dues of Maharashtra's sugar mills to farmers were Rs 21,154 crore, of which Rs 16,545 crore have been paid. Outstanding dues as on May 6 are Rs 4,831crore.

Weather Forecast:

According to IMD, India is likely to receive a "near normal" South-West monsoon this year but its onset over Kerala could be delayed owing to the prevailing El Nino conditions in the Pacific Ocean. El Nino may impact the onset of the monsoon over Kerala. But it's a weak El Nino. Moreover, the temperature anomaly in the Pacific is expected to come down by July. Forecaster predicted that the chances of rainfall being either above normal or excess are remote. The national weather forecaster will issue its second stage forecast in the first week of June.

Previous Updates:

The sugar stocks at the end of the 2018-19 marketing year is expected to be higher level at around 14.7 million tonnes with the opening balance of 10.7 million tonnes as on October 1, 2018, and domestic demand of 26 million tonnes as well as export of 3 million tonnes according to ISMA.

Total sugar production is expected to surge upto 330 LT and about 5 LT higher than previous season's production. Maharashtra's sugar production rose to 107LT, whereas U.P and Karnataka has reached the sugar production at 112.65 and 43.2 LT till 30th April, data released by ISMA.

Sugar mills produced 9.36 LT higher sugar stood at 321.19 LT from 311.83 LT during the same time last year till 30th April. Till 30th April, only 100 mills are crushing sugarcane this year compared to 110 sugar mills last year.

The government has raised its sugar production estimate for 2018-19 (October-September) to a record 32.5 MT from 31.5 MT estimated in March, similar to what was achieved in the previous year. The production, however, is expected to be higher than the annual domestic requirement of 25-26 MT.

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The food ministry yesterday released the notification allocating 21 LMT monthly sugar quota to each of 534 mills in the country. Those sugar mills which have completed their 75% to 100% export targets under MIEQ (Minimum Indicative Export Quota) allotted to them for the sugar season 2018-19 have been given incentive in

the form of additional allocation @ 10% of their normal allocation for the month of May 2019. And those mills achieving 50 to 75% of their export targets under MIEQ quota for the season 2018-19 have been given @ 7.5% of their normal allocation for the month of May, 2019.

Government is likely to announce monthly sales quota for May month which is speculated to be around 21 to 22 lakh tonnes according to trade sources which is higher than previous month's quota of 18 lakh tonnes plus the centre also allowed mills to sell their unsold sugar stocks for March in April.

Weekly Outlook:

Indian Sugar markets remained firm during last week. We expect sugar prices may trade higher 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 3100–Rs 3250 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 Icmsa | 327.4 | Unch |

International Sugar Futures ICE (US Cent/lb)

| Daily Futures Price Listing Mon May 06, 2019 | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Sugar #11(ICE) | | | | | | | | | |
| 19-Jul | 190506 | 11.95 | 12.01 | 11.84 | 11.88 | -0.13 | 73,453 | 431,944 | 2,282 |
| 19-Oct | 190506 | 12.3 | 12.33 | 12.18 | 12.22 | -0.13 | 31,626 | 228,822 | 4,421 |
| 20-Mar | 190506 | 13.35 | 13.38 | 13.27 | 13.31 | -0.08 | 15,262 | 148,996 | 3,299 |

| | | | | | | | | | |
|--------------------------------|--------|-------|-------|-------|-------|-------|---------|---------|--------|
| 20-May | 190506 | 13.52 | 13.53 | 13.44 | 13.48 | -0.06 | 4,776 | 36,728 | 1,426 |
| 20-Jul | 190506 | 13.63 | 13.63 | 13.56 | 13.6 | -0.04 | 2,172 | 26,907 | 284 |
| 20-Oct | 190506 | 13.8 | 13.8 | 13.75 | 13.8 | -0.02 | 847 | 28,184 | 270 |
| 21-Mar | 190506 | 14.35 | 14.36 | 14.28 | 14.33 | -0.02 | 68 | 15,095 | -3 |
| 21-May | 190506 | 14.35 | 14.36 | 14.3 | 14.34 | -0.01 | 17 | 1,761 | 0 |
| Total Volume and Open Interest | | | | | | | 128,226 | 921,667 | 11,979 |

International Sugar Futures LIFFE (US \$/MT)

| Daily Futures Price Listing Mon May 06, 2019 | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| London Sugar(LCE) | | | | | | | | | |
| 19-Aug | 190503 | 329.9 | 330.1 | 326.5 | 327.4 | -2.2 | 7,597 | 53,863 | 480 |
| 19-Oct | 190503 | 335.9 | 335.9 | 331.9 | 332.7 | -2.1 | 1,538 | 20,837 | 183 |
| 19-Dec | 190503 | 346 | 346.5 | 342.4 | 343 | -2.4 | 654 | 12,506 | 101 |
| 20-Mar | 190503 | 356 | 356.7 | 352.4 | 353.1 | -2.1 | 517 | 7,658 | 167 |
| 20-May | 190503 | 363.3 | 363.7 | 361 | 361.2 | -2.1 | 53 | 1,619 | 7 |
| Total Volume and Open Interest | | | | | | | 10,391 | 97,756 | 951 |

Sugar Prices at Key Spot Markets:

| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
|---------------|----------|-----------------|-----------------|----------|--------|
| Sugar | | | 7-May-19 | 6-May-19 | |
| Delhi | Delhi | M-Grade | 3135 | 3200 | -65 |
| | Delhi | S-Grade | 3115 | 3180 | -65 |
| Uttar Pradesh | Khatauli | M-Grade | 3400 | 3400 | Unch |
| | Ramala | M-Grade | NA | NA | - |
| | Dhampur | M-Grade Ex-Mill | 3240 | 3240 | Unch |
| | Dhampur | S-Grade Ex-Mill | 3220 | 3220 | Unch |
| | Dhampur | L-Grade Ex-Mill | 3290 | 3290 | Unch |
| Maharashtra | Mumbai | M-Grade | 3366 | 3366 | Unch |
| | Mumbai | S-Grade | 3240 | 3240 | Unch |
| | Nagpur | M-Grade | 3245 | 3225 | 20 |
| | Nagpur | S-Grade | 3225 | 3225 | Unch |

| | | | | | |
|---|------------|------------------------|------|------|------|
| | Kolhapur | M-Grade | 3120 | 3100 | 20 |
| | Kolhapur | S-Grade | 3100 | 3100 | Unch |
| Assam | Guhawati | S-Grade | 3410 | 3410 | Unch |
| Meghalaya | Shillong | S-Grade | 3420 | 3420 | Unch |
| Andhra Pradesh | Vijayawada | M-Grade | 3580 | 3580 | Unch |
| | Vijayawada | S-Grade | 3540 | 3540 | Unch |
| West Bengal | Kolkata | M-Grade | 3570 | 3570 | Unch |
| Tamil Nadu | Chennai | S-Grade | 3460 | 3460 | Unch |
| | Dindigul | M-Grade | 3620 | 3620 | 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) | | | 7-May-19 | 6-May-19 | |
| Uttar Pradesh | Muzaffarnagar | Chaku Fresh | 2750 | 2650 | 100 |
| | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | 4000 | 5000 | -1000 |
| | Muzaffarnagar | Khurpa (Fresh) | 2825 | 2778 | 48 |
| | Muzaffarnagar | Laddoo (Fresh) | 3163 | 3063 | 100 |
| | Muzaffarnagar | Rascut (Fresh) | 2500 | 2450 | 50 |
| | Hapur | Chaurasa | 2775 | Closed | - |
| | Hapur | Balti | 2750 | Closed | - |
| Andhra Pradesh | Chittur | Gold | 3900 | 4100 | -200 |
| | | White | 3800 | 3900 | -100 |
| | | Black | 3500 | 3300 | 200 |
| Maharashtra | Latur | Lal Variety | NR | NR | - |
| Karnataka | Bangalore | Mudde (Average) | NA | 4400 | - |
| | Belgaum | Mudde (Average) | NA | NA | - |
| | Belthangadi | Yellow (Average) | NA | NA | - |
| | Bijapur/Vijayapura | Achhu | NA | NA | - |
| | Gulbarga/Kalaburgi | Other (Average) | NA | 2800 | - |
| | Mahalingapura | Penti (Average) | NA | NA | - |
| | Mandya | Achhu (Medium) | NA | 3600 | - |
| | Mandya | Kurikatu (Medium) | NA | 3400 | - |
| | Mandya | Other (Medium) | NA | 3150 | - |

| | | | | | |
|--|--------------------|-----------------|----|------|---|
| | Mandya | Yellow (Medium) | NA | 3550 | - |
| | Shimoga/Shivamogga | Achhu (Average) | NA | 3800 | - |

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