

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

Mixed trend has been seen in Indian sugar market across India on Friday. 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.3110 whereas in U.P's Khatauli market at Rs.3400INR.

Maharashtra, the second largest producer of sugarcane in the country, has declared drought in 151 tehsils across 26 districts, covering almost half the state, as monsoon rains were 8% below normal and there were hardly any rains in the last two months of the monsoon season. Water is nearing its critical levels in Marathwada, Solapur, Satara and Latur, forcing authorities to restrict supplies only for drinking in some areas.

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:

Brazil is expected to produce a smaller cane crop in 2019-20 but sugar output is expected to be higher according to government agency Conab. They projected the main center-south cane crop at 566 million tonnes, versus 572 million tonnes in 2018/19, as planted area had fallen in the region and country because many farmers are switching to other crops such as soybeans.

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.

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.

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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 Icumsa	324.7	3.0

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu May 09, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-Jul	190509	11.66	11.91	11.65	11.78	0.13	79,727	440,475	-431
19-Oct	190509	12.01	12.27	12.01	12.12	0.1	46,982	241,139	3,388
20-Mar	190509	13.04	13.26	13.04	13.09	0.05	20,013	160,425	3,590
20-May	190509	13.21	13.42	13.21	13.24	0.03	7,166	40,181	-237
20-Jul	190509	13.37	13.5	13.35	13.39	0.02	4,715	28,258	1,472
20-Oct	190509	13.6	13.65	13.55	13.59	0.01	2,058	29,773	615
21-Mar	190509	14.18	14.18	14.08	14.13	0.02	503	15,088	-12
21-May	190509	14.13	14.15	14.11	14.15	0.01	146	1,885	110
Total Volume and Open Interest							161,388	960,539	8,552

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Thu May 09, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Aug	190509	321.6	326.6	321	324.7	3	9,702	54,706	204
19-Oct	190509	325.7	330.9	325.2	328.9	2.3	2,064	21,158	24
19-Dec	190509	335.5	339.8	334.6	337.2	1.9	1,421	12,820	251
20-Mar	190509	345.2	349.3	344.5	346.7	1.8	735	8,007	149
20-May	190509	354.3	356.7	353.8	355.7	1.6	152	1,655	-21
Total Volume and Open Interest							14,203	99,828	692

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-May-19	9-May-19	
Delhi	Delhi	M-Grade	3250	3200	50
	Delhi	S-Grade	3230	3180	50
Uttar Pradesh	Khatauli	M-Grade	3400	3395	5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3260	3250	10
	Dhampur	S-Grade Ex-Mill	3240	3230	10
	Dhampur	L-Grade Ex-Mill	3310	3300	10
Maharashtra	Mumbai	M-Grade	3366	3366	Unch
	Mumbai	S-Grade	3240	3240	Unch
	Nagpur	M-Grade	3235	3245	-10
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3110	3120	-10
	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	3580	3580	Unch
Tamil Nadu	Chennai	S-Grade	3580	3580	Unch
	Dindigul	M-Grade	3600	3600	Unch
	Coimbatore	M-Grade	3650	3650	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)			10-May-19	9-May-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3255	3128	128
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	3000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2953	2950	3
	Muzaffarnagar	Laddoo (Fresh)	3250	3208	43

	Muzaffarnagar	Rascut (Fresh)	2525	2513	13
	Hapur	Chaursa	2913	2875	38
	Hapur	Balti	2913	2875	38
Andhra Pradesh	Chittur	Gold	3800	3800	Unch
		White	3800	3800	Unch
		Black	3400	3400	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3000	3000	Unch
	Gulbarga/Kalaburgi	Other (Average)	2650	2725	-75
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3500	3500	Unch
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	3300	3300	Unch
	Mandya	Yellow (Medium)	3000	3300	-300
	Shimoga/Shivamogga	Achhu (Average)	3500	NA	-

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