

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

Mixed trend was seen Indian sugar market across India on Monday. The prices are expected to remain down for coming few days due to less demand and the prices in UP is likely to remain bearish due to incoming supply of sugar from Maharashtra. Prices might remain at higher side if government accepts the rise in 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. Kolhapur sugar market prices stood same at Rs.3140 whereas in U.P's Khatauli market at Rs.3380INR.

According to the Maharashtra sources, in 2019-20 season, over 300LT less cane is expected for the crush to 650LT from 8.5 lakh hectares available cane as against 952LT from the 11 lakh hectares reported for 2018-19.

Weather Forecast:

Thundersquall & lighting accompanied with hail and gusty winds (50-60 kmph) at isolated places very likely over Uttarakhand; Thunderstorm accompanied with lighting, hail & gusty winds (40-50 kmph) at isolated places over Himachal Pradesh. Thunderstorm accompanied with lighting and gusty winds (40-50 kmph) at isolated places very likely over Jammu & Kashmir and Madhya Pradesh, Madhya; gusty winds (30-40 kmph) at isolated places over Vidarbha, Chhattisgarh, Bihar, Odisha, Madhya Maharashtra, Marathwada, Coastal Andhra Pradesh, Telangana, Interior Karnataka and Tamilnadu & puducherry; with dust storm & gusty winds (30-40 kmph) at isolated places over Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh and Rajasthan.

Previous Updates:

Maharashtra is likely to divert 25% of cane to ethanol production due to low prices of sugar, surplus stocks and pilling cane arrears. Maharashtra sugar commissioner has made a proposal to Chief Minister for the assistance of promotion of ethanol production from sugarcane juice in the state.

Maharashtra sugar mills have, by the end of crushing season, paid 94 per cent Fair and Remunerative Price (FRP) to sugarcane farmers. According to industry experts, this is the first time that farmers have received almost all the payment without any delay. Of the total payable FRP of Rs.23,000 crore, mills have paid about Rs.21,604 crore to over 20 lakh cane growers in the State.

In Maharashtra, around 20,000 villages are facing severe drinking water crises with no water left in 35 major and medium dams. In about 1,000 small dams, the water level is less than 7.6%, according to the data released by Maharashtra water resources department. In first week of June in 2018, the average water level in these dams was 17.89 %.

Raw sugar futures on ICE climbed to a five-week high on Tuesday. Prices were supported by a firmer Brazilian real, dealers said. A stronger real can discourage producer selling of dollar-denominated commodity sugar. Also, Brazil's Trade Ministry showed that Brazil May sugar exports fell -15% y/y to 1.781 MMT.

Total sugarcane production in India during 2018-19 is estimated at a record of 400.37 million tonnes. The production of sugarcane during 2018-19 is higher by 50.59 million tonnes than the average sugarcane production of 349.78 million tonnes as per the data released by 3rd advance estimates of production by Department of Agriculture, Cooperation and Farmers Welfare.

Maharashtra sugar millers have opted to export sugar through third party quota at Rs. 28-28.5/kg selling 3-4 lakh tonnes sugar. Tepid demand of sugar in the domestic market, millers are not able to sell its sugar at MSP. This has forced them to store sugar stocks in open and as monsoon is arriving very soon according to IMD, therefore, selling sugar on third party export quota over and above their own export quota, helped the mills liquidate the excess sugar with them.

Government fixes June sales quota slightly higher at 21.5 LT to each of 534 mills in the country against 21LT for last month along with added incentivized quota to those mills who have completed their export targets under MIEQ Quota.

Weekly Outlook:

Indian Sugar markets remained firm during last week. We expect sugar prices may trade firm due to good demand in the 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 3120–Rs 3290 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	337.60	-1.7

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri June 07, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-Jul	190607	12.49	12.52	12.42	12.5	-0.01	109,183	383,868	-21,663
19-Oct	190607	12.69	12.8	12.65	12.78	0.06	70,795	303,142	7,995
20-Mar	190607	13.53	13.66	13.53	13.63	0.04	22,607	191,453	-1,040
20-May	190607	13.65	13.74	13.64	13.7	0.01	3,488	41,543	360
20-Jul	190607	13.77	13.84	13.74	13.78	-0.03	1,712	37,132	109
20-Oct	190607	13.94	14.01	13.9	13.95	-0.03	1,051	31,222	64
21-Mar	190607	14.54	14.54	14.41	14.45	-0.04	156	16,615	52
21-May	190607	14.43	14.44	14.43	14.44	-0.04	40	2,452	19
Total Volume and Open Interest							209,034	1,011,883	-14,102

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri June 07, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Aug	190607	338.6	339.3	337.3	337.6	-1.7	5,815	55,497	283
19-Oct	190607	343.6	345.1	343	344.1	unch	2,968	26,511	203
19-Dec	190607	352.7	353.8	351.7	352.8	0.2	921	15,013	137
20-Mar	190607	359.5	360.3	359.5	360.2	0.2	352	9,175	39
20-May	190607	365.7	366.5	365.7	366.5	0.2	10	2,207	-6
Total Volume and Open Interest							10,085	110,703	660

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Jun-19	8-Jun-19	
Delhi	Delhi	M-Grade	3300	3270	30
	Delhi	S-Grade	3280	3250	30
Uttar Pradesh	Khatauli	M-Grade	3380	3400	-20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3270	3280	-10
	Dhampur	S-Grade Ex-Mill	3250	3260	-10
	Dhampur	L-Grade Ex-Mill	3320	3330	-10
Maharashtra	Mumbai	M-Grade	3356	3346	10
	Mumbai	S-Grade	3236	3234	2
	Nagpur	M-Grade	3265	3275	-10
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3140	3150	-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	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3670	3680	-10
Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	Dindigul	M-Grade	3600	3560	40
	Coimbatore	M-Grade	3650	3650	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3350	3350	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-Jun-19	8-Jun-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	2950	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	500	-
	Muzaffarnagar	Khurpa (Fresh)	2938	2750	188

	Muzaffarnagar	Laddoo (Fresh)	3200	3250	-50
	Muzaffarnagar	Rascut (Fresh)	2813	2675	138
	Hapur	Chaurasa	Closed	2938	-
	Hapur	Balti	Closed	2813	-
Andhra Pradesh	Chittur	Gold	4200	4100	100
		White	3900	3900	Unch
		Black	3600	3300	300
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3001	NA	-
	Mandya	Achhu (Medium)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3700	NA	-

Disclaimer

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.