

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

**Mixed trend was seen Indian sugar market across India on Tuesday.** 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.3120 whereas in U.P's Khatauli market at Rs.3385INR.

**ISO's latest forecast depicted increase in global sugar surplus in 2018-19 to 1.83 million tonnes** up from a previous estimate of 6,41,000 tonnes. This increase in surplus is majorly due to robust production India followed by Thailand along with fall off sugar consumption to 176.91 million tonnes from the previous forecast of 178.04 million tonnes in 2018-20.

**Weather Forecast:**

Moderate to heavy rains are expected in Kerala, Coastal Karnataka, Andaman and Nicobar Islands. Light to moderate rains with few heavy spells may occur over Nagaland, Manipur, Mizoram, Tripura, Konkan & Goa, Madhya Maharashtra, Andhra Pradesh, Marathwada, Vidarbha, Telangana, Jammu and Kashmir. Himachal Pradesh, Uttarakhand and East Bihar will witness isolated rains. Heat wave conditions will prevail over parts of Rajasthan, Madhya Pradesh, Vidarbha, Gujarat and Uttar Pradesh.

**Previous Updates:**

**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.

**Maharashtra is likely to divert 25% of cane to ethanol production due to low prices of sugar, surplus stocks and piling 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 3<sup>rd</sup> 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 Icmsa	333.70	-3.9



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

Daily Futures Price Listing Mon June 10, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">19-Jul</a>	190610	12.49	12.49	12.35	12.4	-0.1	87,756	363,319	-20,549
<a href="#">19-Oct</a>	190610	12.77	12.77	12.64	12.7	-0.08	63,796	310,797	7,655
<a href="#">20-Mar</a>	190610	13.6	13.6	13.51	13.54	-0.09	15,194	191,002	-451
<a href="#">20-May</a>	190610	13.68	13.68	13.57	13.61	-0.09	3,144	42,039	496
<a href="#">20-Jul</a>	190610	13.75	13.75	13.65	13.67	-0.11	1,202	36,907	-225
<a href="#">20-Oct</a>	190610	13.88	13.92	13.81	13.81	-0.14	815	31,472	250
<a href="#">21-Mar</a>	190610	14.33	14.33	14.31	14.31	-0.14	48	16,610	-5
<a href="#">21-May</a>	190610	14.33	14.33	14.31	14.31	-0.13	6	2,448	-4
Total Volume and Open Interest							171,961	999,050	-12,833

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

Daily Futures Price Listing Mon June 10, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">19-Aug</a>	190610	336.2	336.9	333.2	333.7	-3.9	6,754	54,326	-1,171
<a href="#">19-Oct</a>	190610	343.7	343.7	340.5	341	-3.1	2,967	26,613	102
<a href="#">19-Dec</a>	190610	352.4	352.4	349.5	350.1	-2.7	1,299	14,865	-148
<a href="#">20-Mar</a>	190610	358.3	358.3	356.8	357.7	-2.5	707	9,259	84
<a href="#">20-May</a>	190610	364	364.4	363.7	364.3	-2.2	205	2,231	24
Total Volume and Open Interest							11,939	109,597	-1,106

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			11-Jun-19	10-Jun-19	
Delhi	Delhi	M-Grade	3300	3300	Unch
	Delhi	S-Grade	3280	3280	Unch
Uttar Pradesh	Khatauli	M-Grade	3385	3380	5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3270	3270	Unch
	Dhampur	S-Grade Ex-Mill	3250	3250	Unch
	Dhampur	L-Grade Ex-Mill	3320	3320	Unch
Maharashtra	Mumbai	M-Grade	3346	3356	-10
	Mumbai	S-Grade	3250	3236	14
	Nagpur	M-Grade	3245	3265	-20
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3120	3140	-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	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3670	3670	Unch
Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	Dindigul	M-Grade	3600	3600	Unch
	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)			11-Jun-19	10-Jun-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	2938	2938	Unch

	Muzaffarnagar	Laddoo (Fresh)	3200	3200	Unch
	Muzaffarnagar	Rascut (Fresh)	2813	2813	Unch
	Hapur	Chaurasa	2950	Closed	-
	Hapur	Balti	NA	Closed	-
Andhra Pradesh	Chittur	Gold	4200	4200	Unch
		White	3700	3900	-200
		Black	3500	3600	-100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3200	3200	Unch
	Mahalingapura	Penti (Average)	3036	3001	35
	Mandya	Achhu (Medium)	3100	3100	Unch
	Mandya	Kurikatu (Medium)	2900	2900	Unch
	Mandya	Other (Medium)	2900	3000	-100
	Mandya	Yellow (Medium)	3150	3100	50
	Shimoga/Shivamogga	Achhu (Average)	3800	3700	100

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