

Executive Summary

Domestic Sugar Market Summary

Spot sugar prices traded steady to weak on the back of higher arrivals and stocks pressure in the Indian domestic market.

Price Projection For The Next Week

Spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 2600 - 2680 per quintal next week.

International Sugar Market Summary

Global sugar prices traded steady to firm as the crushing operation halted in Brazil's main centre south region due to heavy rainfall in the area.

Domestic News Highlights

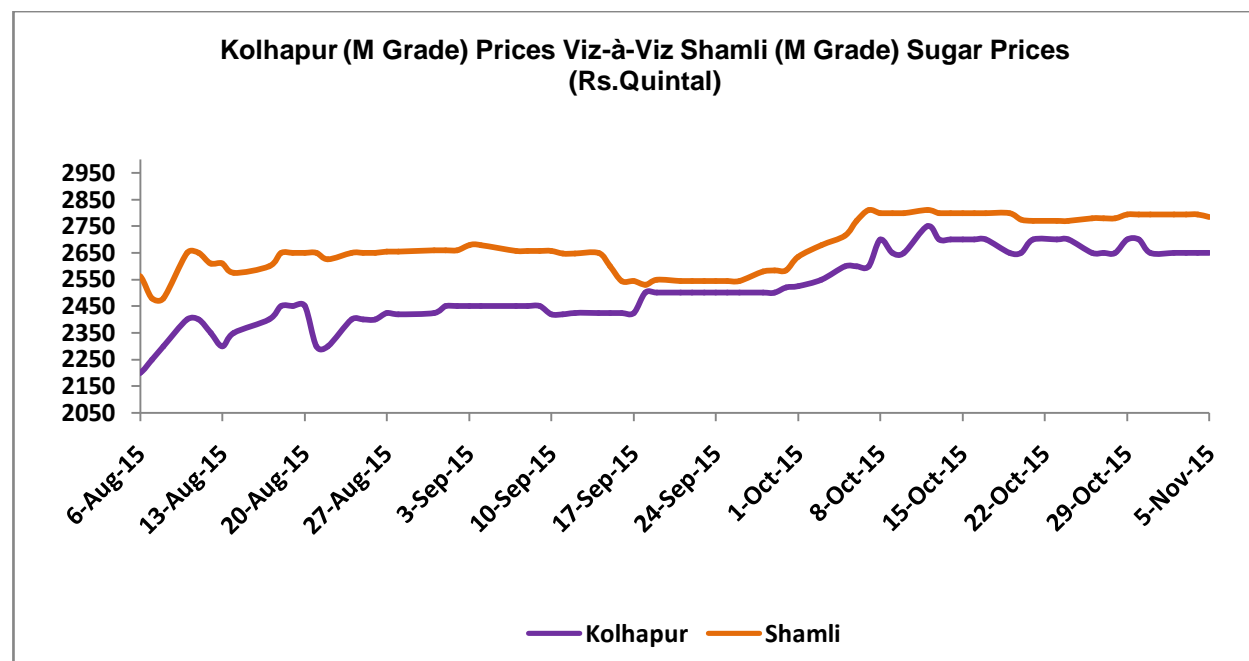
- 31sugar mills in Maharashtra had commenced crushing operation for the season 2015-16 by crushing around eight lakh tons of sugarcane till date, thereby producing 65 thousand quintals of sugar thereon.
- In the absence of any raw sugar export subsidy, the Indian sugar exporters are focusing more on sale of low quality white sugar export rather than raw sugar export this year.
- India exported 44.5 thousand tons of sugar in the week ending on 01st Nov, 2015 while imported 158.1 thousand tons of sugar during the same interval.
- State Cooperative Sugar Mills of Haryana are expected to crush 331 lakh quintals of sugarcane in 2015-16 (1st Oct, 2015 – 30th Sep, 2016) compared to 320.02 lakh quintal crushed in 2014 -15 (1st Oct, 2014 – 30th Sep, 2015)..

- The Indian government forecasted a total sugar production of 26 MT in India during marketing year 2015-16 (01st Oct, 2015 – 30th Sep, 2016), wherein Maharashtra, Uttar Pradesh and Karnataka are expected to produce 8.6 MT, 7.2 MT and 4.0 MT of sugar respectively.
- ISMA has revised its sugar production estimate from 280 lakh tons to 270 lakh tons in marketing year 2015-16 (1st Oct, 2015 – 30th Sep, 2016).
- For Maharashtra, ISMA is predicting that the state could produce 90 lakh tons of sugar in 2015-16, which was 14.33%, less than the actual sugar produced during marketing year 2014-15.
- Led by favorable weather condition, improved cane variety and surge in area under better cane variety ISMA revisited its sugar production estimate in Uttar Pradesh from 73.51 lakh tons to 75 lakh tons in 2015-16.
- ISMA also projected Karnataka and Tamil Nadu to produce 46 lakh and 13.5 lakh tons of sugar respectively in MY 2015-16
- With a view to reduce the expected sugar accumulation within the country, the Indian govt. had made it compulsory to export a minimum of four million tons of sugar in MY 2015-16 (1st Oct, 2015 – 30th Sep, 2016).
- Government Officials stated that 48.84 lakh hectares of sugarcane area in India had been sown for this marketing year, 2015-16 compared to 48.74 lakh hectares area in 2014-15.
- Cane sown area has increased by 0.29% in the highest producing state of Uttar Pradesh this year compared to 21 lakh hectare in 2014-15.
- About 10 lakh hectares of sugarcane area has been sown in Maharashtra this year, which is 11.82% less than the area sowed a year before.
- In Karnataka 3.96 lakh hectares of cane area had been sown in 2015-16 compared to 3.2 lakh hectares of area last year in 2014-15

Domestic Price Comparison

As shown in the chart below, the spread between the two-benchmarks widened this week indicating a relatively higher price differential between the two markets.

Notably, the average sugar price for 'M' grade in key Kolhapur market settled at Rs 2658 per quintal this week, which was only 0.62% less than the price reported last week. However, sugar prices for the same variety/grade in Shamli district rose by 0.51% from Rs 2779 per quintal last week to Rs 2793 per quintal this week.



Raw Sugar Import/Export Opportunity

Indian indicative raw sugar CIF prices from Brazil quoted at \$478.41 per ton (including 40% import duty) and Indian domestic Kolhapur based refined sugar FOB prices quoted at \$405.18 per ton.

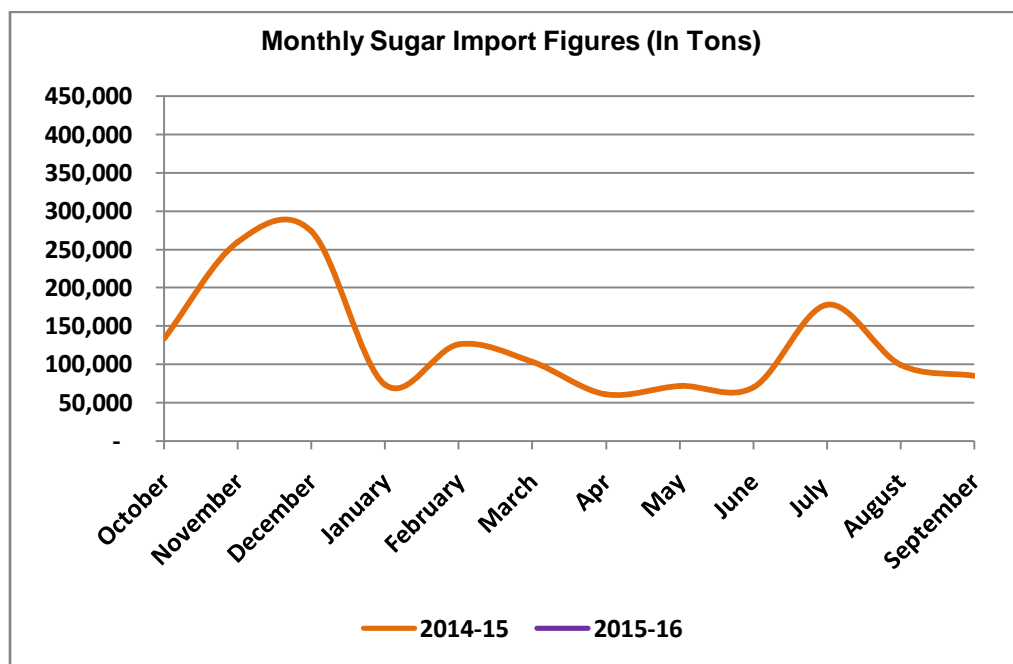
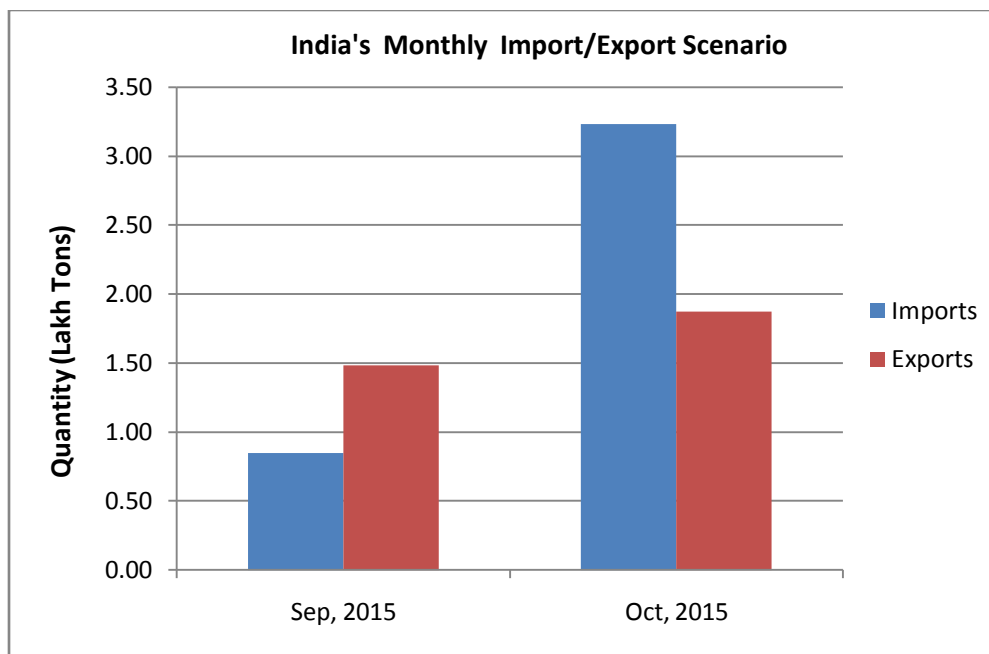
On International front, Brazil sugar FOB prices quoted at \$393.75/ Ton.

Comparative sugar FOB prices from various sugar sourcing countries to India are mentioned in the table below:

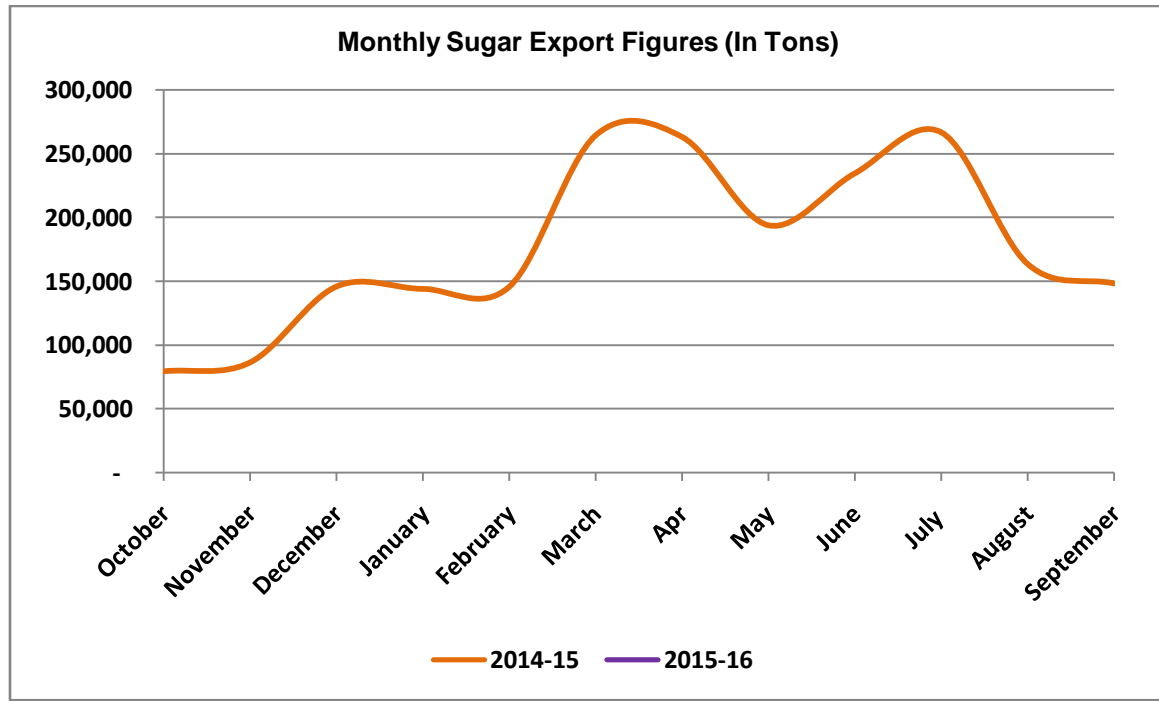
Indicative Sugar FOB Prices (USD/MT) (\$=Rs.66.39) till 06 th Nov, 2015			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$393.75	\$426.40/395.50	\$405.18

Sugar Import and Export Scenario

Indian sugar trade showed a drastic change this month with the country importing 3.23 lakh tons of sugar in October, 2015 compared to 0.85 lakh tons of sugar the previous month. Higher demand owing to festive season within the nation and a deficit prospect worldwide caused India to import a huge quantity of raw sugar particularly from Brazil, then refine, and resell it to the nearby countries.



On the other hand, an appreciated domestic currency caused India to export 1.87 lakh tons of sugar in October, 2015 which was 26.4% higher than the sugar exported last month in September, 2015.



Spot Sugar Prices Scenario (Weekly)
Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	30th Oct to 5th Nov 2015	22nd to 29th Oct 2015	Change
Sugar	Delhi - Grade M	2850	2868	-18
	Delhi - Grade S	2825	NA	-
	UP- Khatauli Grade M	2931	2991	-60
	UP- Ramala Grade M	NA	NA	-
	UP- Dhampur Grade M Ex-Mill	2731	2802	-71
	UP- Dhampur Grade S Ex-Mill	2711	2782	-71
	UP- Dhampur Grade L Ex-Mill	2781	2852	-71
	Mumbai –Grade M	2889	2902	-13
	Mumbai –Grade S	2756	2780	-24
	Kolhapur – Grade M	2658	2670	-12
	Kolhapur – Grade S	2558	2570	-12
	Guhawati – Grade S	2861	2872	-11
	Shillong – Grade S	2873	2890	-17
	Vijayawada – Grade M	3060	3060	Unch
	Vijayawada- Grade S	2900	2900	Unch
	Nagpur – Grade M	2900	2900	Unch
	Nagpur – Grade S	2800	2800	Unch
	Kolkata – Grade M	2980	2975	5
	Chennai - Grade S	2775	2775	Unch
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	2835	2835	Unch
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	2835	2835	Unch

Spot Sugar Prices Scenario (Weekly)					
Commodity	Centre	Today	Week Ago	Month Ago	Year Ago
		5-Nov-15	29-Oct-15	5-Oct-15	5-Nov-14
Sugar	Delhi - Grade M	2840	2870	2750	3090
	Delhi - Grade S	NA	NA	NA	3000
	UP- Khatauli Grade M	2875	2980	2840	3150
	UP- Ramala Grade M	NA	NA	NA	3000
	UP- Dhampur Grade M Ex-Mill	2660	2800	2650	3050
	UP- Dhampur Grade S Ex-Mill	2640	2780	2630	3030
	UP- Dhampur Grade L Ex-Mill	2710	2850	2700	3100
	Mumbai –Grade M	2882	2902	2790	3196
	Mumbai –Grade S	2752	2786	2700	3036
	Kolhapur – Grade M	2650	2700	2600	2950
	Kolhapur – Grade S	2550	2600	2500	2850
	Guhawati – Grade S	2852	2903	2801	3157
	Shillong – Grade S	2870	2920	2820	3170
	Vijayawada – Grade M	3060	3060	2880	3450
	Vijayawada- Grade S	2900	2900	2720	3350
	Nagpur – Grade M	2900	2900	2850	3250
	Nagpur – Grade S	2800	2800	2750	3050
	Kolkata – Grade M	NA	2980	NA	3230
	Chennai - Grade S	2775	2775	2600	2925
	Ambikapur (Chattisgarh)- Grade M (Without Duty)	2835	2835	2835	NA
	Ambikapur (Chattisgarh)- Grade S (Without Duty)	2835	2835	2835	NA

Commodity: Sugar
Contract: Dec

Exchange: NCDEX
Expiry: Dec 18, 2015

SUGAR (December Weekly Chart)

SUGARM 1512(NCSMAZ5)2015/11/08 - Weekly B:2638.00 A:2640.00
O 2652.000 H 2652.000 L 2625.000 C 2640.000 ↑ V 3,240 I 59,790 -13 -0.49%



Technical Commentary:

- Sugar prices are falling while volume and O.I. surged up for the week.
- RSI is hovering into a neutral zone.
- Last candlestick depicts bearishness in the market.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Dec	2640	2670	2653	2840	2870
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Sell	Below 2660	2610	2585	2690

Gur Market Scenario and Outlook

Mixed sentiments were recorded in spot gur market this week with price rising in some markets while declining in others.

Price of Laddoo, Chaku and Rascut variety of gur from key Muzaffar Nagar market rose by Rs 137, Rs 111 and Rs 46 per quintal this week from Rs 2573, Rs 2685 and Rs 2328 per quintal the previous week. Similarly, price of Mudde variety of gur from Belgaum district rose by Rs 134/quintal from Rs 2033/quintal to Rs 2167/quintal this week.

On the other hand, prices of Other (Average) variety of gur from Gulbarga fell by Rs 50/quintal from Rs 2578/quintal last week to Rs 2528/quintal this week. Similarly, price of other (medium) variety from Mandya fell from Rs 2233/quintal to Rs 2200/quintal this week.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	30th Oct to 5th Nov 2015	22nd to 29th Oct 2015	Change
Muzaffar Nagar	Chaku	2796	2685	111
	Chaku (Arrival)	5917	4800	1117
	Khurpa	2422	2479	-57
	Laddoo	2710	2573	137
	Rascut	2374	2328	46
Hapur	Chaurasa	2300	2294	6
	Balti	NA	NA	-
Maharashtra	Latur(Lal Variety)	NA	NA	-
BANGALORE	Mudde	3600	3600	Unch
Belgaum	Mudde	2167	2033	134
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	2528	2578	-50
Mahalingapura	Penti (Average)	2478	2475	3
Mandya	Achhu (Medium)	2350	2333	17
	Kurikatu (Medium)	2200	2200	Unch
	Other (Medium)	2200	2233	-33
	Yellow (Medium)	2350	2333	17
Shimoga	Achhu (Average)	2850	2875	-25

Spot Jaggery(Gur) Prices Scenario (Weekly)					
Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		5-Nov-15	29-Oct-15	5-Oct-15	5-Nov-14
Muzaffar Nagar	Chaku	2838	2790	2500	2375
	Khurpa	2500	2450	NA	2313
	Laddu	2888	2600	NA	2425
	Rascut	2425	2325	2575	NA
Hapur	Chaurasa	2350	2275	NA	2163
	Balti	NA	NA	NA	2125
Maharashtra	Latur(Lal Variety)	NA	NA	NA	2900
BANGALORE	Mudde	3600	3600	3500	4225
Belgaum	Mudde	2200	2000	2200	2700
Belthangadi	Yellow (Average)	NA	NA	NA	3250
Bijapur	Achhu	NA	NA	NA	NA
Gulbarga	Other (Average)	2560	2545	2640	3125
Mahalingapura	Penti (Average)	2522	NA	2381	2910
Mandya	Achhu (Medium)	NA	2350	2300	3200
	Kurikatu (Medium)	NA	2200	2100	2550
	Other (Medium)	NA	2250	2100	2750
	Yellow (Medium)	NA	2350	2300	3100
Shimoga	Achhu (Average)	2850	NA	NA	NA

International Market News Highlights:

- International Sugar Organization (ISO) increased the global sugar deficit to 3.5 MMT from 2.5 MMT primarily on lower production India, EU and Ukraine.
- Brazil exported 2.07 MT of raw sugar in October 2015 compared to 1.41 MT of sugar (raw) in September 2015. However, a y-o-y comparison shows that the country's sugar export has declined by 1.7% this year compared to the exports made last year in October 2014.
- Brazil's CS region had churned around 2.09 MT of sugar in the first half of October 2015 compared to 2.39 MT of sugar in the second half of September 2015.
- As per the Indonesian Sugar Association, the country is expected to import 100,000 tons of white sugar in 2015 due to the negative El-Nino effect on their cane crop.
- USDA made a downward revision of Thailand sugar production forecast for MY 2014/15 and MY 2015/16 to 10.8 MMT. Higher amount of sugarcane and sugar is to be used for ethanol due to lower world sugar prices.
- Australia sugar production is expected to rise to 5.0 MT in 2015-16, which was earlier estimated at 4.8 MT in April this year.
- Rabobank had predicted a global sugar supply deficit of 4.8 MT in 2015-16 compared to 3.7 MT of surplus in 2014-15.
- Czarnikow and Platts Kingsman projected a global sugar deficit of 4.1 MT and 3.2 MT in 2015-16 as against a surplus of 3.8 MT and 3.7 MT in 2014-15.
- Green Pool widened 2015/16 sugar deficit forecast to 5.6 MMT from 4.6 MMT in previous estimate. It made a downward revision of output forecast for India and China and raised centre-south Brazil.

LIFFE Future Market Sugar Scenario (Dec'15 Contract)

Technical Commentary

- LIFE future market trends downward for the week.
 - The last candlestick depicts bearishness in the market.
- Strategy: Sell at 383.25 with a target of 375.3

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'15	383.25	375.3

ICE Raw Sugar Future Market Scenario (Mar'16 Contract)

Technical Commentary:

- ICE raw sugar futures are trending downwards for the week.
 - Last candlestick depicts bearishness in the market.
- Strategy: Sell at 14.40 with target of 13.88

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'16	14.40	13.88



International Sugar Prices (Weekly)				
Contract Month		4-Nov-15	28-Oct-15	Change
ICE Sugar #11 (US Cent/lb)	16-Mar	14.64	14.65	-0.01
	16-May	14.31	14.27	0.04
	16-Jul	14.05	14.06	-0.01
LIFFE Sugar (US \$/MT)	15-Dec	396.40	393.60	2.80
	16-Mar	399.40	397.20	2.20
	16-May	400.30	398.30	2.00

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