

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

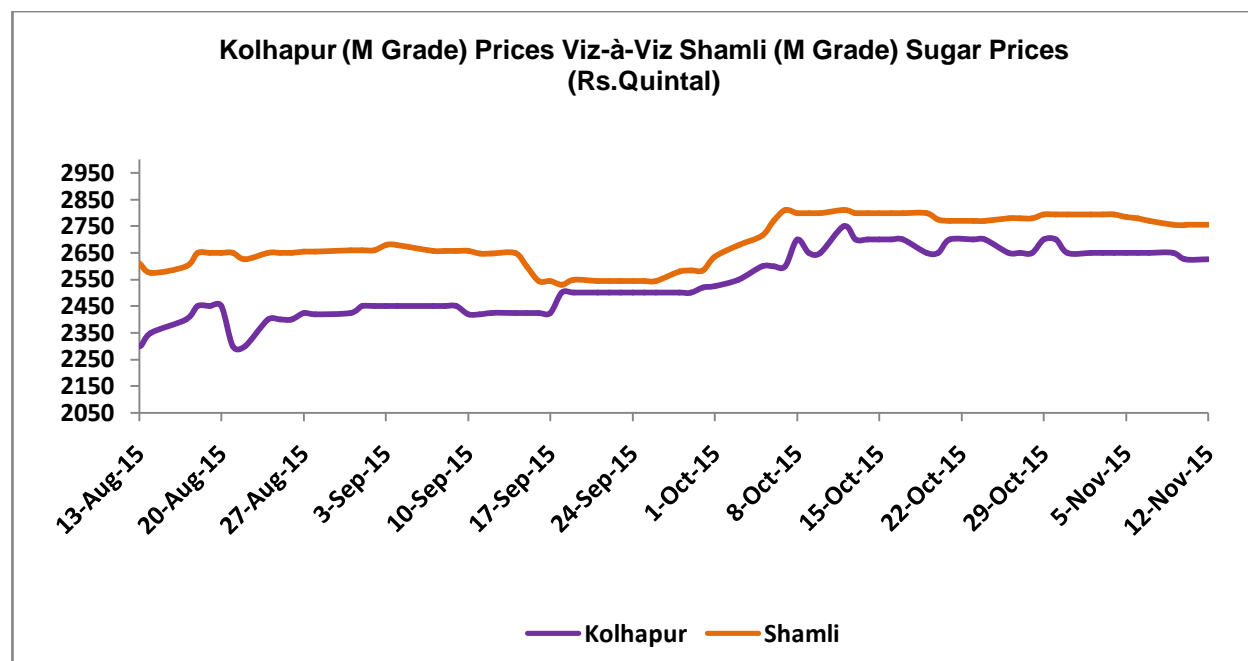
- India exported 59.3 thousand tons of sugar in the week ending on 08th November, 2015 which was 33% higher than the sugar exported the previous week.
- 31 sugar mills in Maharashtra had commenced crushing operation for the season 2015-16 by crushing around eight lakh tons of sugarcane till date, thereby 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.
- 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 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 2640 per quintal this week, which was only 0.69% less than the price reported last week. Similarly, sugar prices for the same variety/grade in Shamli district fell by 1.07% from Rs 2793 per quintal last week to Rs 2763 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 \$405.14 per ton.

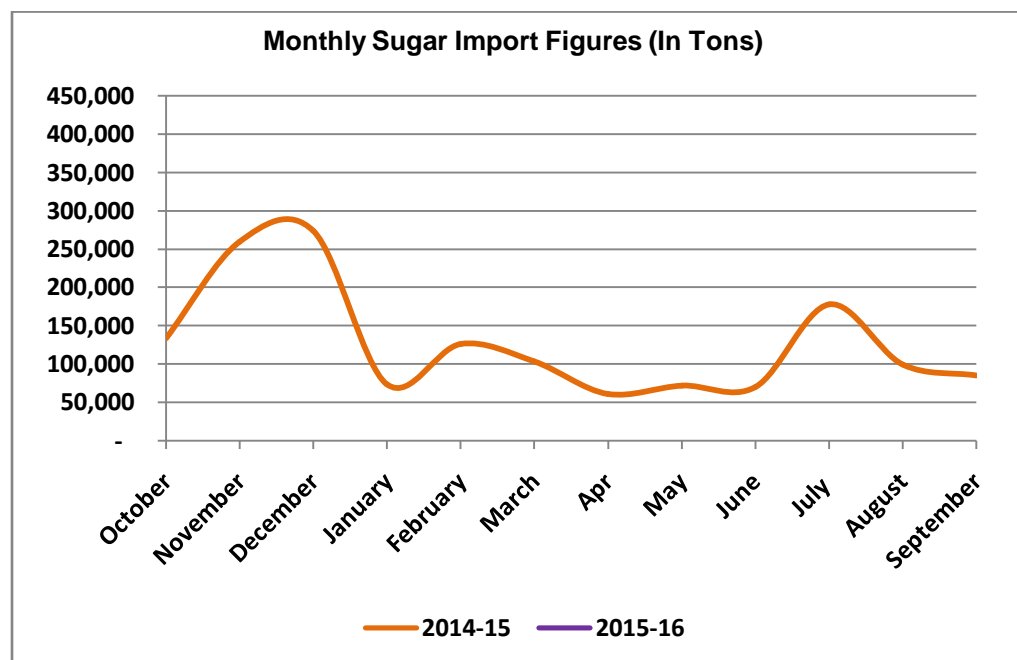
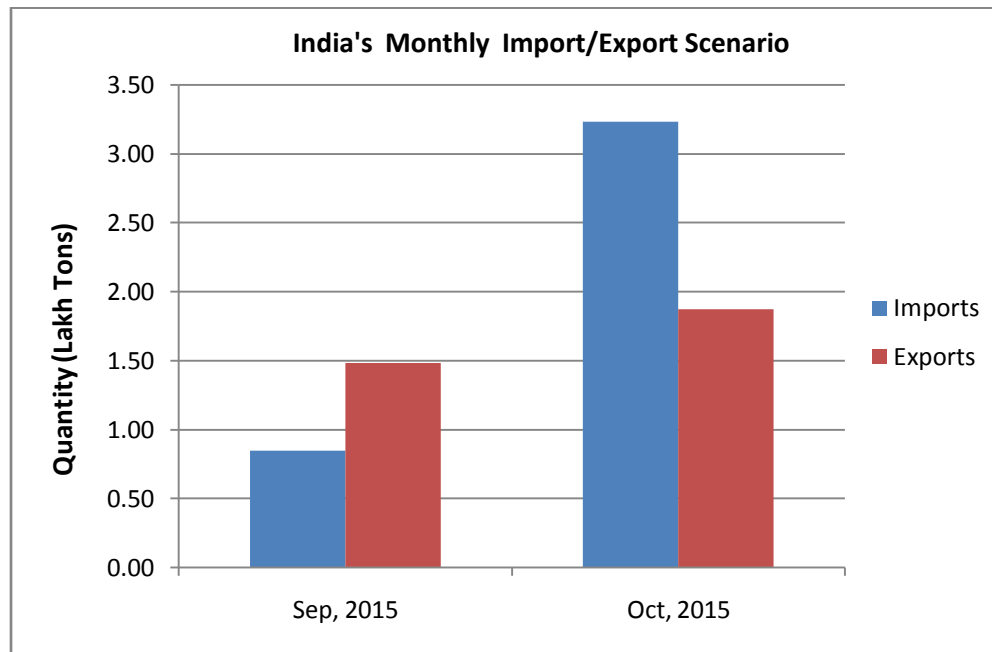
On International front, Brazil sugar FOB prices quoted at \$393.75/ Ton.

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

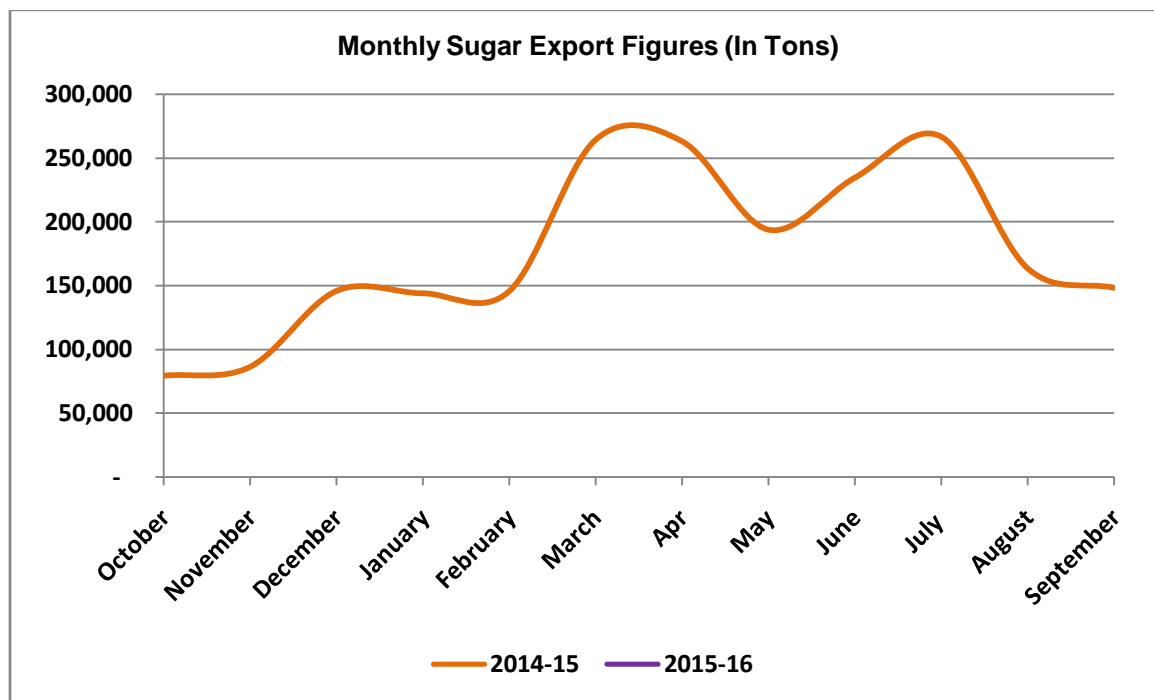
Indicative Sugar FOB Prices (USD/MT) (\$=Rs.66.15) till 13 th Nov, 2015			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$393.75	\$426.40/386.60	\$405.14

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	6th Nov to 12th Nov 2015	30th Oct to 5th Nov 2015	Change
Sugar	Delhi - Grade M	2800	2850	-50
	Delhi - Grade S	2800	2825	-25
	UP- Khatauli Grade M	2954	2931	23
	UP- Ramala Grade M	NA	NA	-
	UP- Dhampur Grade M Ex-Mill	2753	2731	22
	UP- Dhampur Grade S Ex-Mill	2733	2711	22
	UP- Dhampur Grade L Ex-Mill	2803	2781	22
	Mumbai –Grade M	2878	2889	-11
	Mumbai –Grade S	2748	2756	-8
	Kolhapur – Grade M	2640	2658	-18
	Kolhapur – Grade S	2540	2558	-18
	Guhawati – Grade S	2842	2861	-19
	Shillong – Grade S	2860	2873	-13
	Vijayawada – Grade M	2996	3060	-64
	Vijayawada- Grade S	2836	2900	-64
	Nagpur – Grade M	2900	2900	Unch
	Nagpur – Grade S	2800	2800	Unch
	Kolkata – Grade M	2875	2980	-105
	Chennai - Grade S	2770	2775	-5
	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
		12-Nov-15	5-Nov-15	12-Oct-15	12-Nov-14
Sugar	Delhi - Grade M	2750	2840	2860	3000
	Delhi - Grade S	NA	NA	NA	2980
	UP- Khatauli Grade M	Closed	2875	2900	3125
	UP- Ramala Grade M	Closed	NA	NA	2940
	UP- Dhampur Grade M Ex-Mill	Closed	2660	2810	3000
	UP- Dhampur Grade S Ex-Mill	Closed	2640	2790	2980
	UP- Dhampur Grade L Ex-Mill	Closed	2710	2860	3050
	Mumbai –Grade M	NR	2882	2930	3166
	Mumbai –Grade S	NR	2752	2782	2952
	Kolhapur – Grade M	2625	2650	2750	2900
	Kolhapur – Grade S	2525	2550	2650	2800
	Guhawati – Grade S	2827	2852	2954	3106
	Shillong – Grade S	2845	2870	2970	3120
	Vijayawada – Grade M	2960	3060	3060	3450
	Vijayawada- Grade S	2800	2900	2900	3350
	Nagpur – Grade M	Closed	2900	2900	3150
	Nagpur – Grade S	Closed	2800	2800	2960
	Kolkata – Grade M	2850	NA	NA	NA
	Chennai - Grade S	2750	2775	2750	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:2628.00 A:2630.00

O 2652.000 H 2664.000 L 2571.000 C 2629.000 V 71,050 I 56,320 -24 -0.90%



Technical Commentary:

- Sugar prices, volume and O.I are falling indicating consolidation in the market
- 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	2560	2580	2631	2680	2740
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Sell	Below 2640	2600	2580	2664

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 ofPenti (Average) variety from Mahalingapura rose by Rs 100/quintal from Rs 2478/quintal to Rs 2578/quintal this week. Similarly prices of Achhu (Medium) and Other (Medium) variety from Mandya increased by Rs 25/quintal each to Rs 2375 and Rs 2225 per quintal this week.

On the other hand, prices of Chaku, Laddooand Rascut variety of gur from key Muzaffar Nagar market fell by Rs 49, Rs 9 and Rs 8 per quintal this week from Rs 2796, Rs 2710 and Rs 2374 per quintal the previous week. Similarly, price of Mudde variety of gur from Belgaum district fell by Rs 17/quintal from Rs 2167/quintal to Rs 2150/quintal this week.

Spot Jaggery (Gur) Prices Scenario (Weekly)

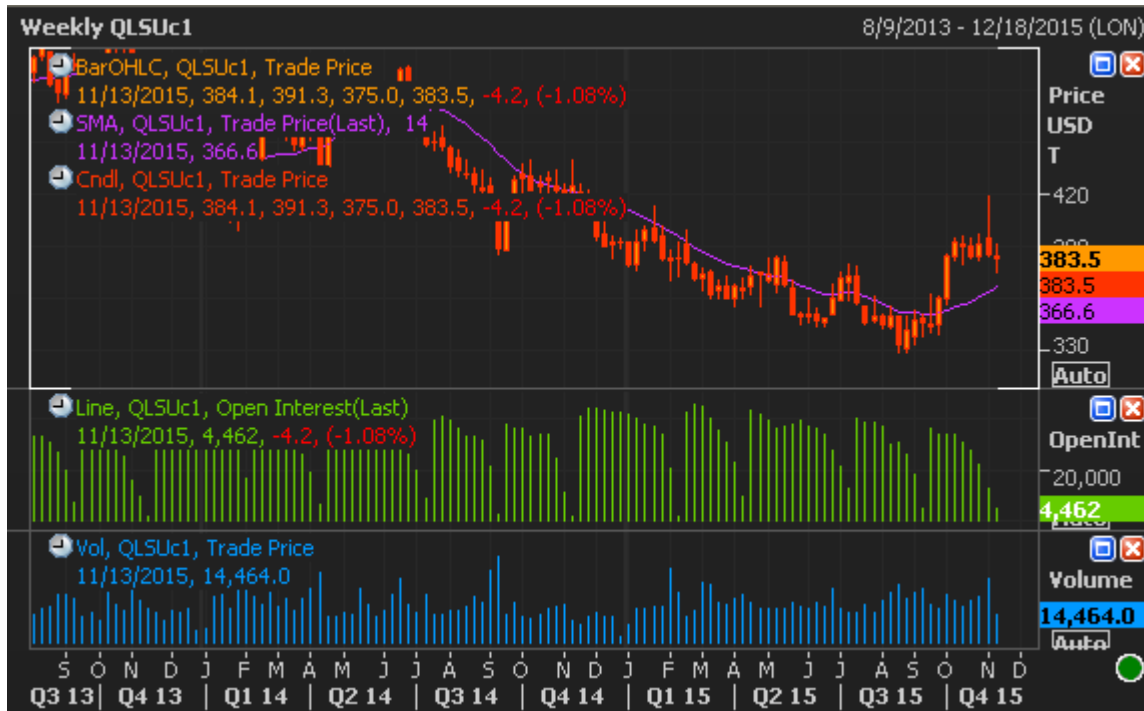
Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)				
Markets	Variety	6th Nov to 12th Nov 2015	30th Oct to 5th Nov 2015	Change
Muzaffar Nagar	Chaku	2747	2796	-49
	Chaku (Arrival)	5875	5917	-42
	Khurpa	2454	2422	32
	Laddoo	2701	2710	-9
	Rascut	2366	2374	-8
Hapur	Chaurasa	2358	2300	58
	Balti	NA	NA	-
Maharashtra	Latur(Lal Variety)	NA	NA	-
BANGALORE	Mudde	3600	3600	Unch
Belgaum	Mudde	2150	2167	-17
Belthangadi	Yellow (Average)	NA	NA	-
Bijapur	Achhu	NA	NA	-
Gulbarga	Other (Average)	NA	2528	-
Mahalingapura	Penti (Average)	2578	2478	100
Mandya	Achhu (Medium)	2375	2350	25
	Kurikatu (Medium)	2200	2200	Unch
	Other (Medium)	2225	2200	25
	Yellow (Medium)	2350	2350	Unch
Shimoga	Achhu (Average)	2850	2850	Unch

Spot Jaggery(Gur) Prices Scenario (Weekly)

Markets	Variety	Today	Week Ago	Month Ago	Year Ago
		12-Nov-15	5-Nov-15	12-Oct-15	12-Nov-14
Muzaffar Nagar	Chaku	NA	2838	2700	2553
	Khurpa	NA	2500	NA	2278
	Laddu	NA	2888	NA	2475
	Rascut	NA	2425	2638	NA
Hapur	Chaurasa	NA	2350	NA	2175
	Balti	NA	NA	NA	2088
Maharashtra	Latur(Lal Variety)	NA	NA	NA	2800
BANGALORE	Mudde	NA	3600	NA	4100
Belgaum	Mudde	NA	2200	NA	2700
Belthangadi	Yellow (Average)	NA	NA	NA	3250
Bijapur	Achhu	NA	NA	NA	NA
Gulbarga	Other (Average)	NA	2560	NA	3125
Mahalingapura	Penti (Average)	NA	2522	NA	2840
Mandya	Achhu (Medium)	NA	NA	NA	2800
	Kurikatu (Medium)	NA	NA	NA	2400
	Other (Medium)	NA	NA	NA	2400
	Yellow (Medium)	NA	NA	NA	2800
Shimoga	Achhu (Average)	NA	2850	NA	3200

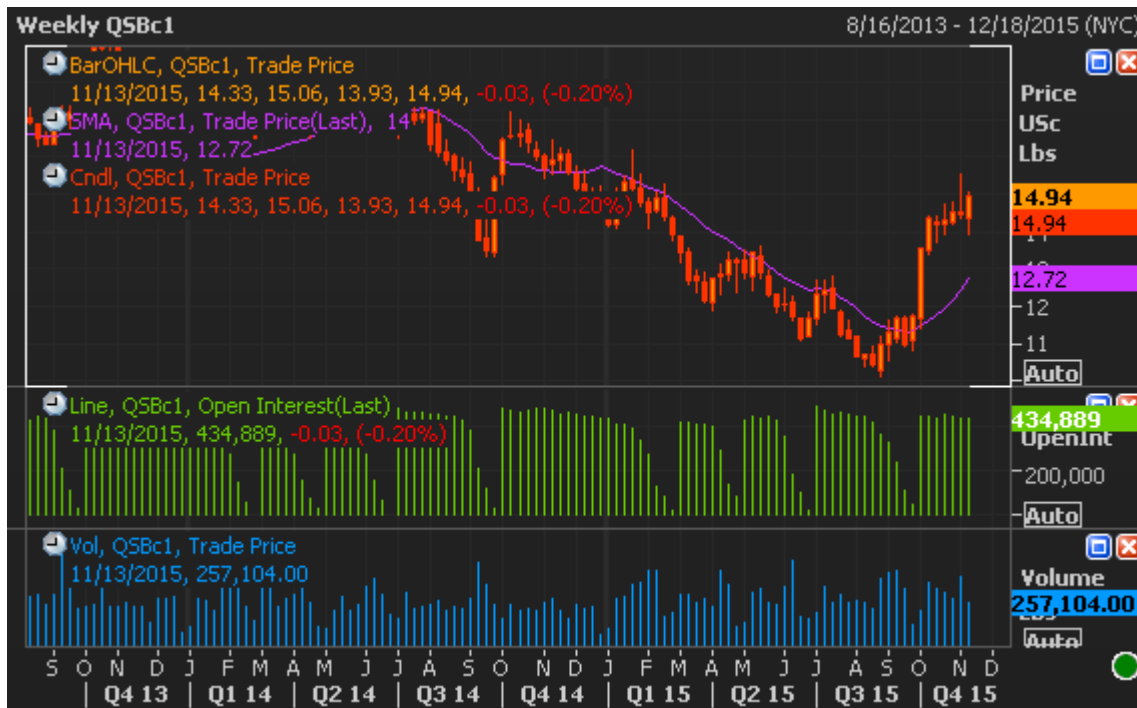
International Market News Highlights:

- Brazil's C.S region had crushed around 38.38 MT of sugarcane in the second half of October 2015 thereby yielding 2.17 MT of sugar during the period. Thus, cumulative sugar output for MY 2015-16 (01st April, 2015 – 31st October, 2015) stands at 27.50 MT till date.
- Broking firm, FCStone revisited its Brazilian northeast cane crush from 59.5 MT to 53.5 MT amid excessive dry weather condition prevailing in the region.
- Agroconsult predicted Brazil's C.S region to produce 615-630 MT of sugarcane in 2016-17, which could probably generate 32.9-33.7 MT of sugar thereon.
- A fall in ASIAN raw sugar import duty for 2015 and 2016 enabled the Thai raw sugar exporters to acquire a greater share in the Indonesian sugar market, which used to be earlier occupied by the Brazilian counterparts.
- 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.
- 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.
- 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.

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: Buy at 383.5 with a target of 394.6

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'15	383.5	394.6

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

Technical Commentary:

- ICE raw sugar futures are trending upwards for the week.
- Last candlestick depicts bullishness in the market.

Strategy: Buy at 14.95 with target of 15.20

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'16	14.95	15.20



International Sugar Prices (Weekly)				
Contract Month		11-Nov-15	4-Nov-15	Change
ICE Sugar #11 (US Cent/lb)	16-Mar	14.69	14.64	0.05
	16-May	14.34	14.31	0.03
	16-Jul	14.07	14.05	0.02
LIFFE Sugar (US \$/MT)	15-Dec	398.00	396.40	1.60
	16-Mar	400.00	399.40	0.60
	16-May	399.50	400.30	-0.80

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