



Sugar & Gur Weekly Research Report

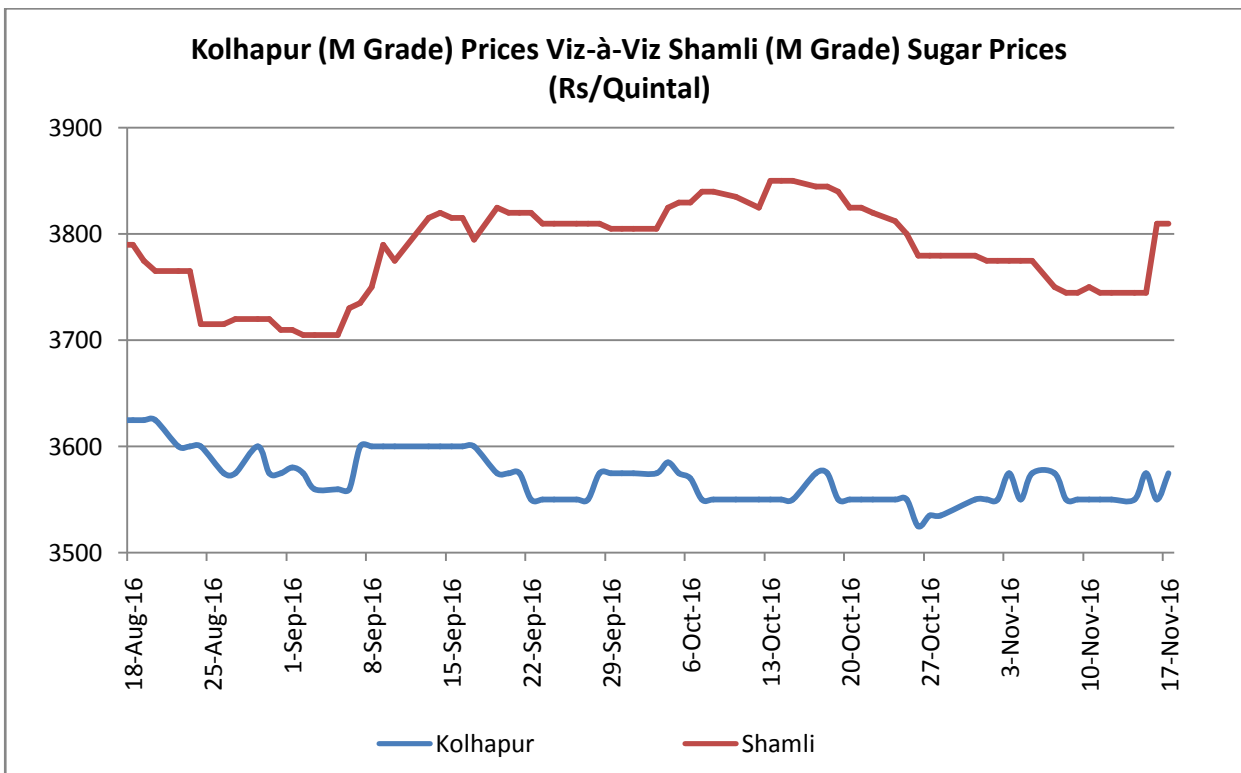
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Domestic Sugar Market Summary

Spot sugar prices at benchmark Kolhapur market traded steady to firm amidst routine demand from stockiest and bulk consumers.

Notably, the average price for sugar 'M' grade in key Kolhapur market remained unchanged at Rs 3558 per quintal this week. However, spot sugar prices for the same variety/grade in Shamli district rose by 0.27% from Rs 3757 per quintal last week to Rs 3767 per quintal this week.



Price Outlook:

Agriwatch predicts spot sugar prices to trade steady to firm in the weeks ahead with the possibility of a price fall when crushing operation will be in its full swing.

Price Projection for the Next Week

As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3500 - 3650 per quintal next week.

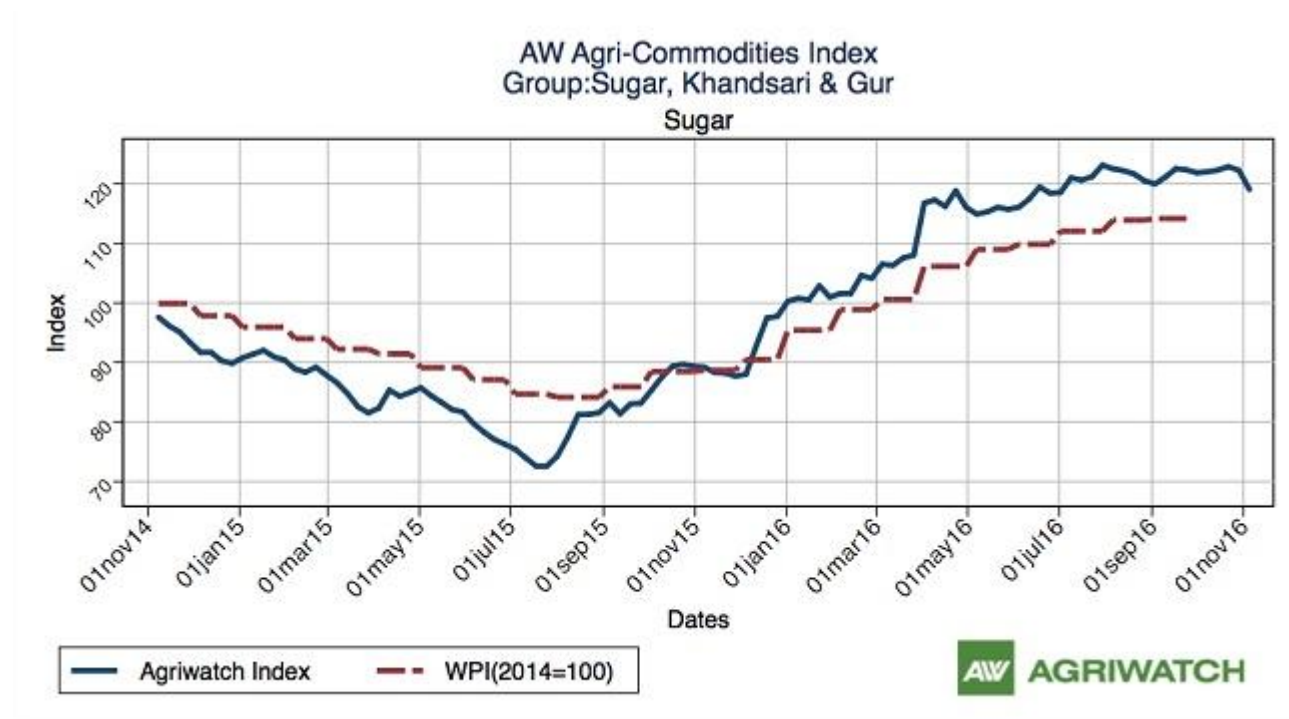
Domestic Market Highlights

Recent Updates

- The Karnataka govt. had fixed a cane SAP ranging from Rs 2,300 to Rs 3050 per ton for MY 2016-17 (01st October, 2016 – 30th September, 2017). Notably, the SAP has been fixed as Rs 2300/ton for 9.5% recovery, Rs 2550/ton for 10.5% recovery, Rs 2800/ton for 11.5% recovery and Rs 3050/ton for 12.5% recovery rate of cane.
- India exported 26.3 thousand tonnes of sugar for the week ending on 13th November, 2016 which was 20% higher than the sugar exported by the country the previous week. On the other hand, India imported 94.4 thousand tonnes of sugar during the same period compared to 18.9 thousand tonnes of imports a week before.
- The Indian govt. predicted a total sugar production of 22.52 million tonnes in 2016-17 (01st October, 2016 – 30th September, 2017); down from 25.1 million tonnes in 2015-16 (01st October, 2015 – 30th September, 2016).

Previous Updates

- As per the ISMA report, India produced 1.04 lakh tonnes of sugar in the new marketing season of 2016 -17 (01st October, 2016 – 31st October, 2016) compared to 1.87 lakh tonnes of sugar produced during the corresponding period last year.
- 19 sugar mills in Karnataka had produced 0.69 lakh tonnes of sugar in 2016 -17 (01st October, 2016 – 31st October, 2016) compared to a production of 0.81 lakh tonnes of sugar last year during the same interval.
- Sugar mills in Uttar Pradesh produced 0.12 lakh tonnes of sugar in 2016 -17 (01st October, 2016 – 31st October, 2016); while the combined production of Andhra Pradesh and Madhya Pradesh stood at 0.03 lakh tonnes during the same period.
- Sugar production in Tamil Nadu fell by 35.48% as the state produced 0.2 lakh tonnes of sugar in 2016 -17 (01st October, 2016 – 31st October, 2016) compared to 0.31 lakh tonnes in 2015-16 (01st October, 2015 – 31st October, 2015).
- Indian sugar exports fell by 25.8% as the country exported 0.60 lakh tonnes of sugar in October, 2016 compared to 0.81 lakh tonnes of exports made in September, 2016. On the other hand, the country imported 3.77 lakh tonnes of sugar (mainly raw) in October compared to 2.37 lakh tonnes of imports in September, 2016.
- The govt. of India has decided to extend the present sugar stock holding limit of the Indian states, by another six months, which is likely to end on 28th April, 2017. Notably, in a meeting held in April, 2016, the centre had decided to impose a sugar stock holding limit (1,000 tonnes for West Bengal and 500 tonnes for others) on all the Indian states for a period of six months starting from April to October, 2016. The decision has been taken in a move to control sugar hoarding within the country and to keep sugar prices under check.
- The sugarcane grower association in Karnataka had asked the central govt. to increase the cess rate on sugar imported into the state, which could probably reduce excess dumping of the sweetener from the nearby states. Notably, at present, the cess rate on imported sugar has been charged at 40% which the association is asking to increase to 60%.
- The Cabinet Committee on Economic Affairs (CACP) approved the proposal for lowering prices of ethanol meant for purchase by Oil Marketing Companies (OMCs) under the Ethanol Blended Petrol (EBP) Programme. Notably, till now, OMCs purchase ethanol at a price of Rs 48.50 - 49.50 per litre for the EBP Programme which will now be available at a price of Rs 39 per litre for 2016 -17 (01st December, 2016 – 30th November, 2017).

Agriwatch Sweeteners (Sugar, Gur & Khandsari) Index– November 05, 2016


"Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details."

According to Agriwatch, Sweeteners (Sugar, Gur & Khandsari) Index fell by 2.77% to 118.44 during the week ending on November 05, 2016. Notably, the base for the Index is 2014 (= 100).

Sugar Import/Export Opportunity

Indian indicative raw sugar CIF prices sourced from Brazil to JNPT (India) was quoted at \$734.94 per ton (including 40% import duty) and Indian domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$527.88 per ton.

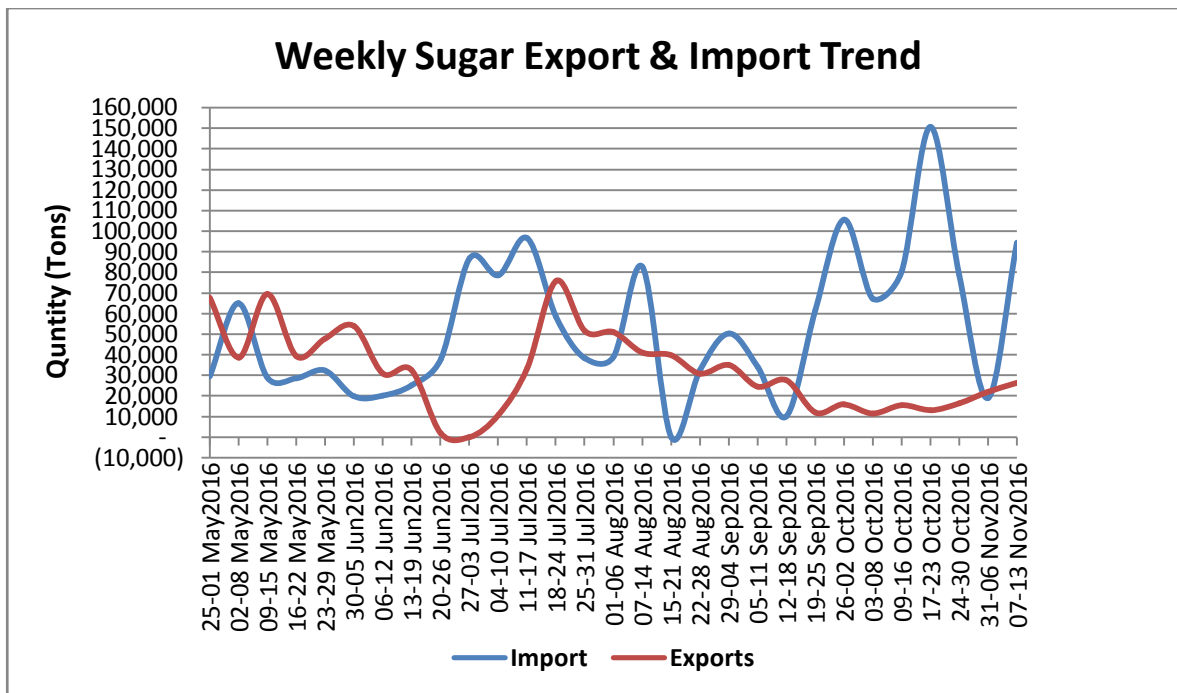
On International front, Brazil sugar FOB prices quoted at \$585.4/ Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs.68.16) as on 19 Nov, 2016			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$585.4	\$615.55/537.9	\$527.88

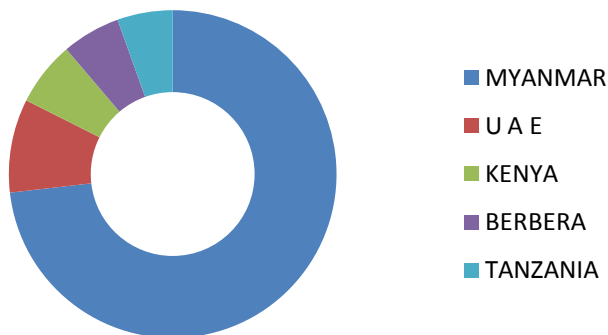
Sugar Import and Export Scenario

India exported 26.3 thousand tonnes of sugar last week (07 -13 November, 2016), which was 21.9 thousand tonnes during the week before (31 -06 November, 2016), as per the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood at 94.4 thousand tonnes last week, which was 18.9 thousand tonnes the week before.

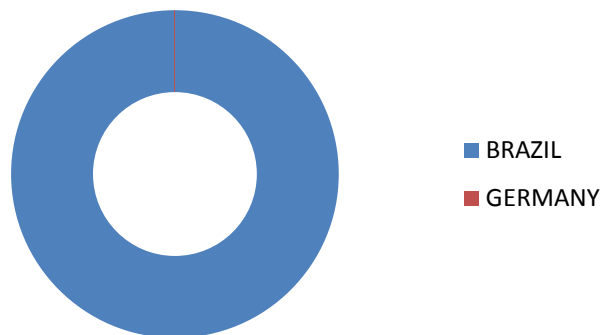


Major importer of Indian sugar during the week (07 -13 November, 2016) was Myanmar which imported 17.1 thousand tonnes of sugar from the country. Other major importers were UAE, Kenya, Berbera and Tanzania which imported 2.1 thousand tonnes, 1.4 thousand tonnes, 1.3 thousand tonnes and 1.2 thousand tonnes of sugar respectively during the week. On the other hand, India primarily imported around 94.4 thousand tonnes of sugar (mostly raw) from Brazil during the same period.

Weekly Sugar Exports



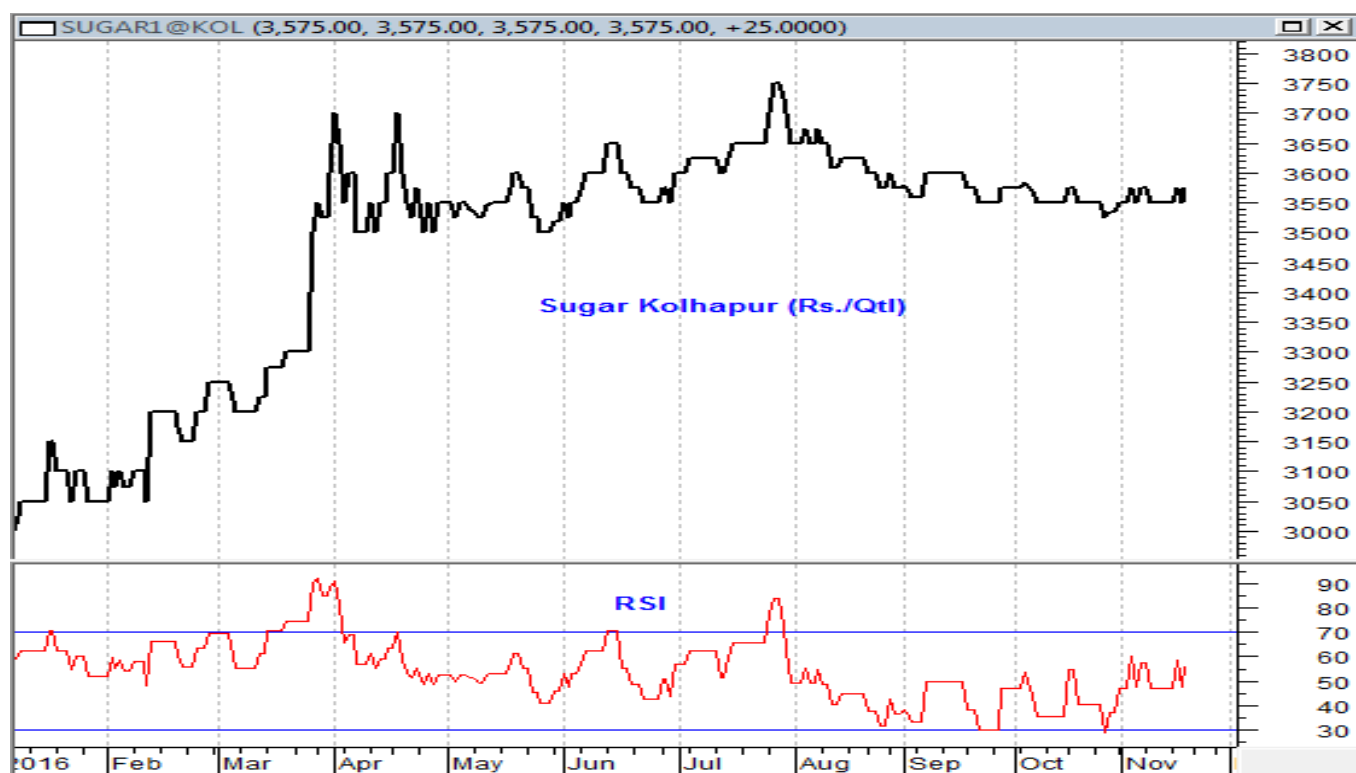
Weekly Sugar Imports



Domestic Sugar Market Technical Analysis (Future Market)



Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market



- Sugar spot prices at benchmark Kolhapur market closed at Rs 3558/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3628 and Rs 3506 per quintal.

International Sugar Market Summary

International sugar prices rose slightly this week as cane harvesting in top producer Brazil gets slower indicating closure of crushing season in the country.

International Market Highlights

Recent Updates

- Brazil's C.S region churned around 31.74 million tonnes of sugarcane in the second half of October, 2016 which was 0.76% lower than the cane crushed in the first half of the month.

Previous Updates

- Brazil's raw sugar export fell by 31.06% as the country exported 1.86 million tonnes of raw sugar in October, 2016 compared to 2.70 million tonnes of exports last month. A y-o-y comparison also shows a decline of 10.2% where the country exported 2.07 million tonnes of raw sugar in October, 2015.
- Datagro predicted Brazil's C.S region to crush 597 million tonnes of cane this year in 2016 – 17 (01st October, 2016 – 30th September, 2017) to produce 34.1 million tonnes of sugar there on. However, the region's 2017 – 18 cane crop is expected to decline (580 -610 million tonnes) even under good weather condition due to the lower investment and upkeep done in field during the recent years. Meanwhile, sugar production in the region could rise to 36.1 - 36.4 million tonnes in 2017 – 18 owing to a greater diversion of cane towards sugar production during the period.
- Following the tender for shipment of high polarization sugar, the Thai Cane and Sugar Corp (TCSC) had sold approximately 1.08 lakh tonnes of sugar meant for delivery in 2017 and 2018.
- As per the USDA report, Australia, the third largest sugar exporter in the world, is projected to churn around 35 million tonnes of sugarcane in 2016-17 to produce 5.1 million tonnes of sugar thereon.
- As per the government officials of Thailand, sugarcane output in the country is expected to fall to 91 million tonnes in 2016 -17 compared to 94.05 million tonnes in 2015-16. At the same time, sugar production is also projected to fall during the year (from 9.7 million tonnes to 9.3 million tonnes) as the severe drought not only lowered the cane production in the country but also adversely affected the sugar recovery rate.
- Platts Kingsman predicted a global sugar supply deficit of 6.45 MT in 2016-17 (October, 2016 – September, 2017) amidst a lower cane production estimate in top producer, Brazil.
- The Indonesia Sugar Association projected Indonesia's white sugar production at 2.2 – 2.3 MT for 2016 (compared to 2.5 MT of production in 2015) amidst not so favorable rainy wet weather in 2016 which could affect the cane crop adversely.
- Rabobank projected a global sugar supply deficit of 5.5 MT in 2016-17 (01st October, 2016 – 30th September, 2017). However, the organization projected an Asian deficit of 2 MT for this marketing season, 2015-16.
- The International Sugar Organization (ISO) predicted a global sugar supply deficit of 7.05 MT in 2016-17 (01st October, 2016 – 30th September, 2017).
- China imported 4.2 lakh tons of sugar in the month of July, 2016 which was 13.6% lower than the imports made in July, 2015.
- Sucden predicted a global sugar supply deficit of 3 MT in 2016-17 compared to a deficit of 5 MT in 2015-16.
- Czarnikow predicted global sugar supply deficit of 12.5 MT in 2015-16 while a deficit of 9.8 MT in 2016-17.

LIFFE Future Market Sugar Scenario (Dec'16 Contract)



Technical Commentary

- LIFE future market trends downward for the week.
 - The last candlestick depicts bearishness in the market.
- Strategy: Sell at 535.40 with a target of 528.82

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'16	535.40	528.82

ICE Raw Sugar Future Market Scenario (Mar'17 Contract)

Technical Commentary:

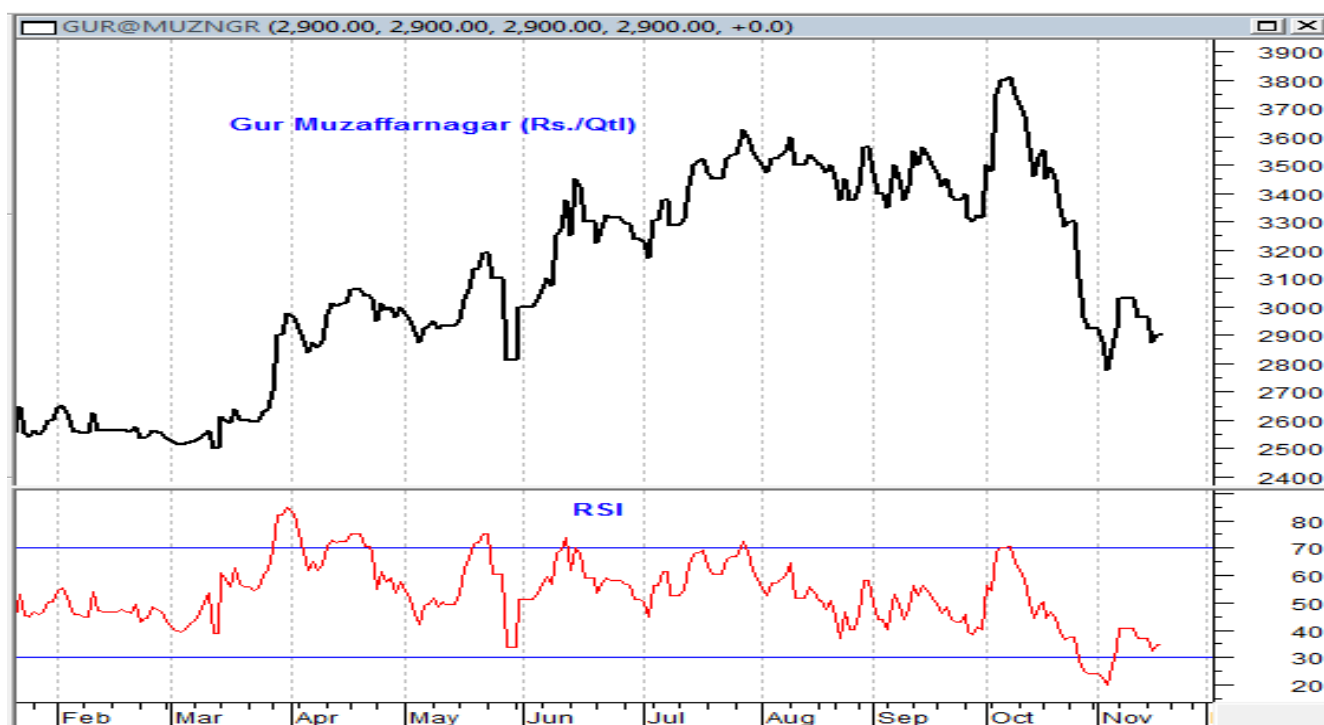
- ICE raw sugar futures trend downward for the week.
 - Last candlestick depicts bearishness in the market.
- Strategy: Sell at 20.10 with a target of 19.74

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'17	20.10	19.74

Gur Market Scenario

Mixed sentiments were observed in spot gur market with price rising in some markets while declining in others. Prices of Khurpa (Fresh) and ChakuSukha(Cold) variety of gur from key Muzaffarnagar market declined by Rs 52 and Rs 60 per quintal to Rs 2920 and Rs 2761 per quintal this week. However, prices of Achhu (Average) variety of gur from Shimoga fell by Rs 70/quintal from Rs 3870/quintal to Rs 3800/quintal this week.

Technical Analysis - Gur (Chaku) at Spot (Muzaffarnagar) market



- Prices of chaku variety of gur in key Muzaffarnagar market closed at Rs 2920/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3298 and Rs 2708 per quintal.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			11th Nov to 17th Nov 2016	04th Nov to 10th Nov 2016	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2920	2972	-52
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	34000	41000	-7000
	Muzaffarnagar	Khurpa (Fresh)	2761	2821	-60
	Muzaffarnagar	Laddoo (Fresh)	2935	3084	-149
	Muzaffarnagar	Rascut (Fresh)	2560	2521	40
	Hapur	Chaurasa	2581	2605	-24
	Hapur	Balti	2585	2600	-15
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	Unch
	Belgaum	Mudde (Average)	3450	3400	50
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	3600	3677	-77
	Mahalingapura	Penti (Average)	3542	3489	53
	Mandya	Achhu (Medium)	3400	3467	-67
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	3238	3233	4
	Mandya	Yellow (Medium)	3300	3317	-17
	Shimoga	Achhu (Average)	3800	3870	-70

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			17-Nov-16	10-Nov-16	17-Oct-16	17-Nov-15
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2900	3028	3553	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	10000	7000	NA
	Muzaffarnagar	Khurpa	2763	2850	2813	2420
	Muzaffarnagar	Laddoo	2875	3078	3063	2605
	Muzaffarnagar	Rascut	2600	2528	2575	2350
	Hapur	Chaurasa	2555	2575	Closed	2138
	Hapur	Balti	2575	2600	Closed	NA
Maharashtra	Latur	Lal Variety	NR	NR	NR	NA
Karnataka	Bangalore	Mudde (Average)	NA	4650	4650	3600
	Belgaum	Mudde (Average)	NA	3500	3600	NA
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	NA
	Gulbarga	Other (Average)	NA	3680	3825	2640
	Mahalingapura	Penti (Average)	NA	3552	3673	2378
	Mandya	Achhu (Medium)	NA	3450	3600	2500
	Mandya	Kurikatu (Medium)	NA	3300	3400	2200
	Mandya	Other (Medium)	NA	3300	3300	2300
	Mandya	Yellow (Medium)	NA	3300	3600	2500
	Shimoga	Achhu (Average)	NA	3800	4100	3000

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			11th Nov to 17th Nov 2016	04th Nov to 10th Nov 2016	
Delhi	Delhi	M-Grade	3767	3790	-23
	Delhi	S-Grade	3747	3770	-23
Uttar Pradesh	Khatauli	M-Grade	3873	3886	-13
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3727	3745	-19
	Dhampur	S-Grade Ex-Mill	3707	3725	-19
	Dhampur	L-Grade Ex-Mill	3777	3795	-19
Maharashtra	Mumbai	M-Grade	3942	3896	46
	Mumbai	S-Grade	3624	3629	-5
	Nagpur	M-Grade	3683	3685	-2
	Nagpur	S-Grade	3583	3585	-2
	Kolhapur	M-Grade	3558	3560	-2
	Kolhapur	S-Grade	3458	3460	-2
Assam	Guhawati	S-Grade	3774	3776	-2
Meghalaya	Shillong	S-Grade	3778	3780	-2
Andhra Pradesh	Vijayawada	M-Grade	3920	3960	-40
	Vijayawada	S-Grade	3820	3847	-27
West Bengal	Kolkata	M-Grade	3869	3873	-5
Tamil Nadu	Chennai	S-Grade	3492	3500	-8
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-
	Ambikapur	S-Grade (Without Duty)	NA	NA	-

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			17-Nov-16	10-Nov-16	17-Oct-16	17-Nov-15
Delhi	Delhi	M-Grade	3775	3780	3890	2790
	Delhi	S-Grade	3755	3760	3870	NA
Uttar Pradesh	Khatauli	M-Grade	3880	3882	4000	2941
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3718	3740	3840	2735
	Dhampur	S-Grade Ex-Mill	3698	3720	3820	2715
	Dhampur	L-Grade Ex-Mill	3768	3790	3890	2785
Maharashtra	Mumbai	M-Grade	3960	3896	3916	2850
	Mumbai	S-Grade	3640	3630	3656	2746
	Nagpur	M-Grade	3700	3675	3700	2850
	Nagpur	S-Grade	3600	3575	3600	2750
	Kolhapur	M-Grade	3575	3550	3575	2650
	Kolhapur	S-Grade	3475	3450	3475	2550
Assam	Guhawati	S-Grade	3791	3766	3791	2852
Meghalaya	Shillong	S-Grade	3795	3770	3795	2870
Andhra Pradesh	Vijayawada	M-Grade	3920	3920	3980	2960
	Vijayawada	S-Grade	3820	3820	3860	2800
West Bengal	Kolkata	M-Grade	3875	3860	3940	2850
Tamil Nadu	Chennai	S-Grade	3475	3500	3475	2750
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	NR	2835
	Ambikapur	S-Grade (Without Duty)	NR	NR	NR	2835

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

International Sugar Prices (Weekly)				
	Contract Month	16-Nov-16	9-Nov-16	Change
ICE Sugar #11 (US Cent/lb)	Mar-17	20.36	22.11	-1.75
	May-17	19.87	21.55	-1.68
	Jul-17	19.24	20.85	-1.61
LIFFE Sugar (US \$/MT)	Mar-17	541.20	582.30	-41.10
	May-17	535.80	577.70	-41.90
	Aug-17	522.70	570.50	-47.80

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