



Sugar & Gur Weekly Research Report

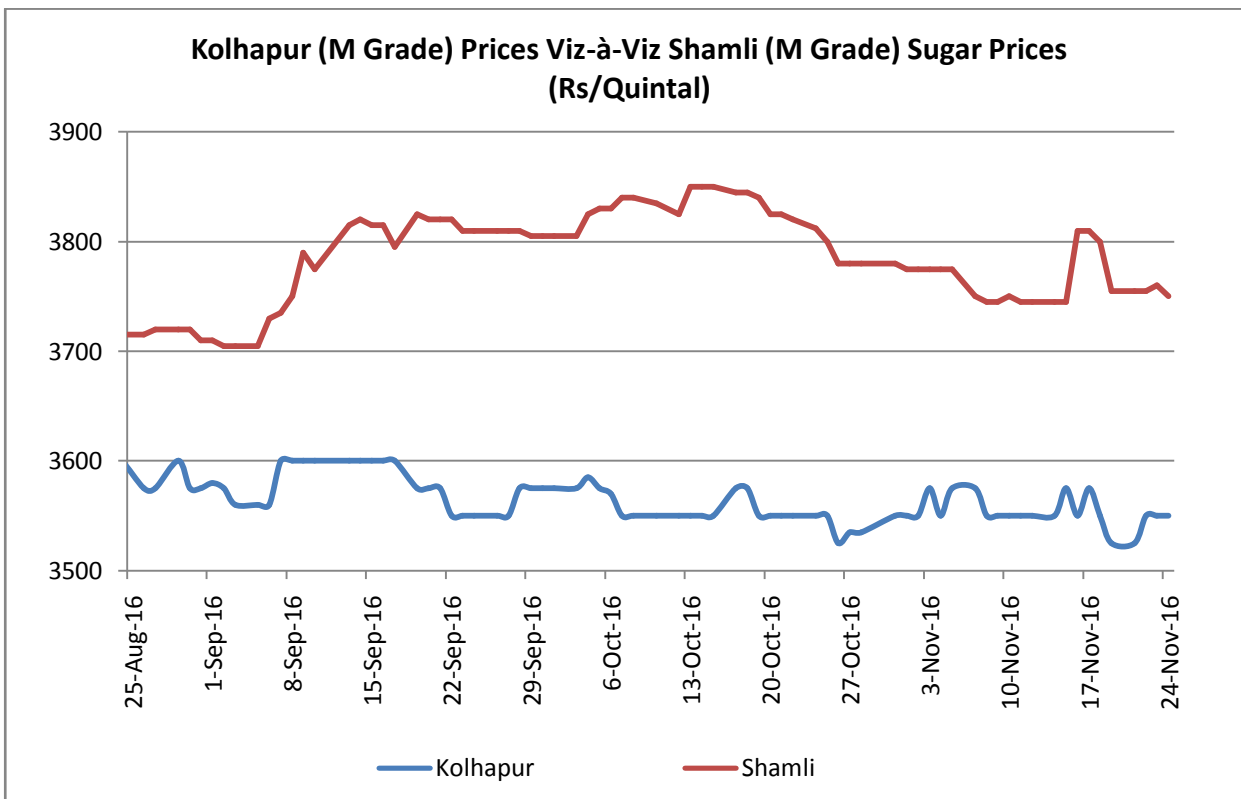
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Domestic Sugar Market Summary

Spot sugar prices declined during the week following persistent supplies from mills (due to beginning of crushing operation) and palling domestic demand within the country.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs3542 per quintal this week compared to Rs 3558 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district rose by 0.11% from Rs 3767 per quintal last week to Rs 3763 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 - 3600 per quintal next week.

Domestic Market Highlights

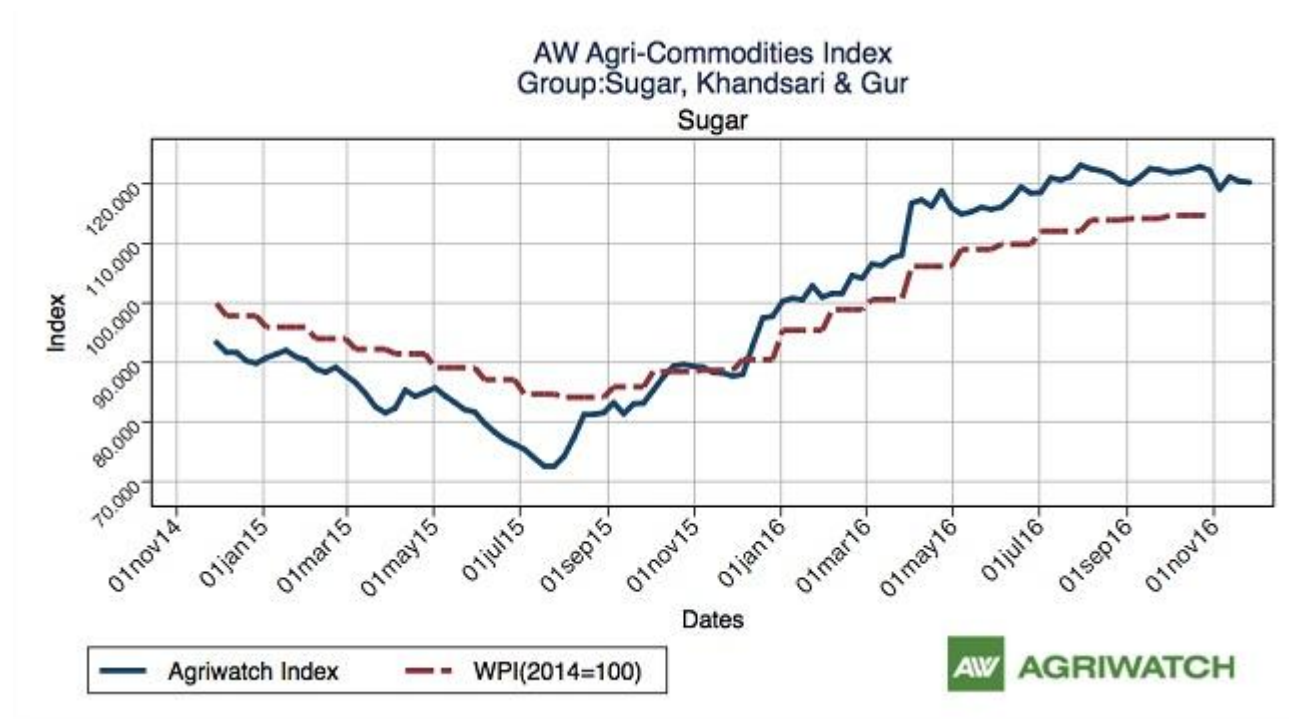
Recent Updates

- As per recent estimates by ISMA, Indian sugar output increased by 2% to 7.87 lakh metric tonnes compared to previous year, following early crushing in states like Uttar Pradesh and Karnataka. Sugar mills have produced 15,000 tonnes more till November 15 this year at 7.87 lakh tonnes compared to 7.72 lakh tonnes in the same period previous year according to Indian Sugar Mills Association (ISMA).
- Maharashtra sugar production fell by 74.01% as the state produced 1.12 lakh tonnes of sugar in 2016 – 17 (01st October, 2016 – 15th November, 2016) compared to 4.31 lakh tonnes of production during the corresponding period last year. Notably, lesser number of mills started their crushing operation till date resulting into the fall in production.
- 55 sugar mills in U.P produced 1.93 lakh tonnes of sugar in 2016 – 17 (01st October, 2016 – 15th November, 2016) compared to 0.15 lakh tonnes of production (made by 6 mills) last year during the same interval.
- An early commencement of crushing operation this season resulted into a sugar production of 3.76 lakh tonnes in Karnataka (till 15th November, 2016) compared to 1.6 lakh tonnes of production in 2015-16 (till 15th November, 2015). Notably, 38 sugar mills participated in the crushing operation so far compared to 30 sugar mills last year during the corresponding period.
- 4 sugar mills in Tamil Nadu produced 0.30 lakh tonnes of sugar 2016 – 17 (01st October, 2016 – 15th November, 2016) compared to 0.40 lakh tonnes of sugar production in 2015 – 16 (01st October, 2015 – 15th November, 2015).
- While, the combined sugar production in Andhra Pradesh & Telangana remained unchanged at 0.05 lakh tonnes in 2016 – 17 (01st October, 2016 – 15th November, 2016) which was the same in 2015 – 16 (01st October, 2015 – 15th November, 2015).
- Sugar production in Gujarat fell by 48.76% as the state produced 0.62 lakh tonnes of sugar in 2016 – 17 (01st October, 2016 – 15th November, 2016) compared to 1.21 lakh tonnes of production last year in 2015 – 16 (01st October, 2015 – 15th November, 2015).
- The U.P govt. announced a cane SAP (State Advisory Price) of Rs 3050/ton for the general variety of cane having an average recovery rate of 9.5 per cent. On the other hand, SAP for the early variety of cane has also been increased from Rs 2900/ton to Rs 3150/ton for 2016-17.

Previous 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.
- 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).
- 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.

Agriwatch Sweeteners (Sugar, Gur &Khandsari) Index– November 26, 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 0.11% to 119.67 during the week ending on November 26, 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 \$644.63 per ton (including 40% import duty) and Indian domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$523.23 per ton.

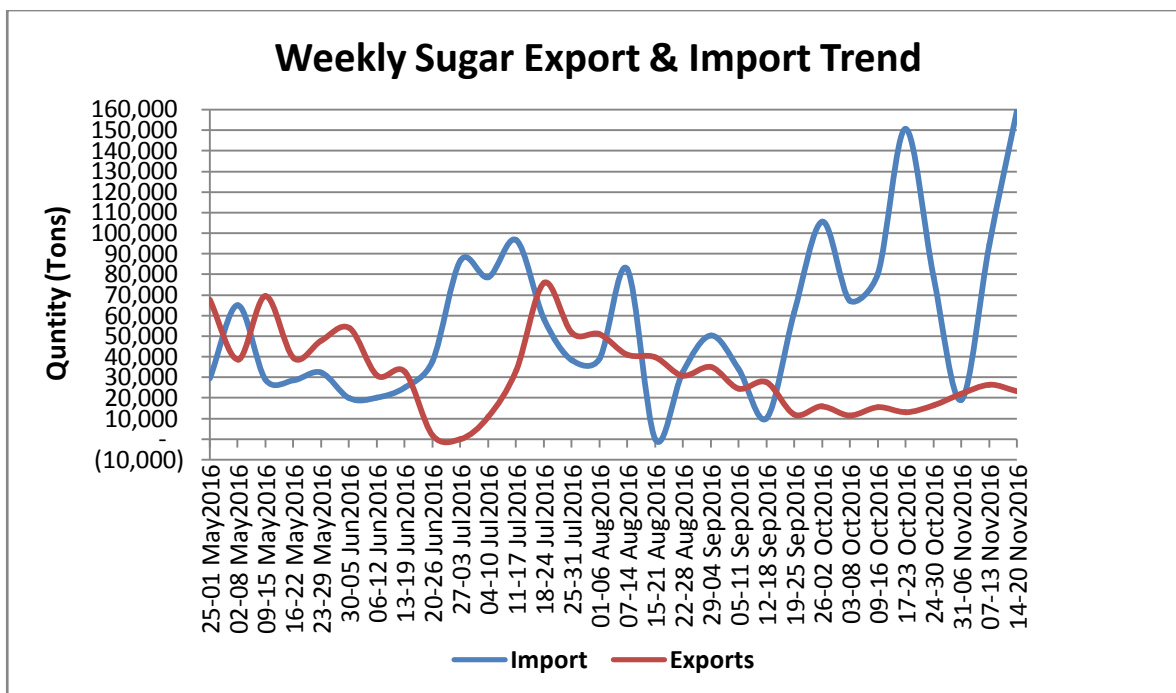
On International front, Brazil sugar FOB prices quoted at \$522.4/ Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs.68.46) as on 25 Nov, 2016			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$522.4	\$615.55/522.40	\$523.23

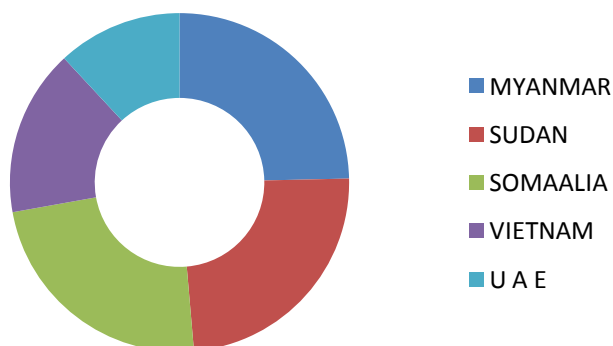
Sugar Import and Export Scenario

India exported 23.3 thousand tonnes of sugar last week (14 -20 November, 2016), which was 26.3 thousand tonnes during the week before (07 -13 November, 2016), as per the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood at 159.2 thousand tonnes last week, which was 94.4 thousand tonnes the week before.

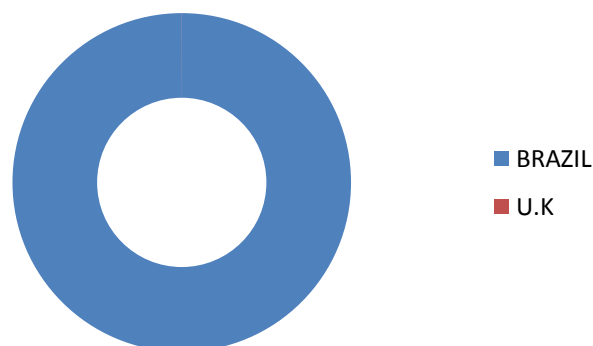


Major importer of Indian sugar during the week (14 -20 November, 2016) was Myanmar which imported 4.1 thousand tonnes of sugar from the country. Other major importers were Sudan, Somalia, Vietnam and UAE which imported 4.0 thousand tonnes, 3.9 thousand tonnes, 2.7 thousand tonnes and 2.0 thousand tonnes of sugar respectively during the week. On the other hand, India primarily imported around 159.2 thousand tonnes of sugar (mostly raw) from Brazil during the same period.

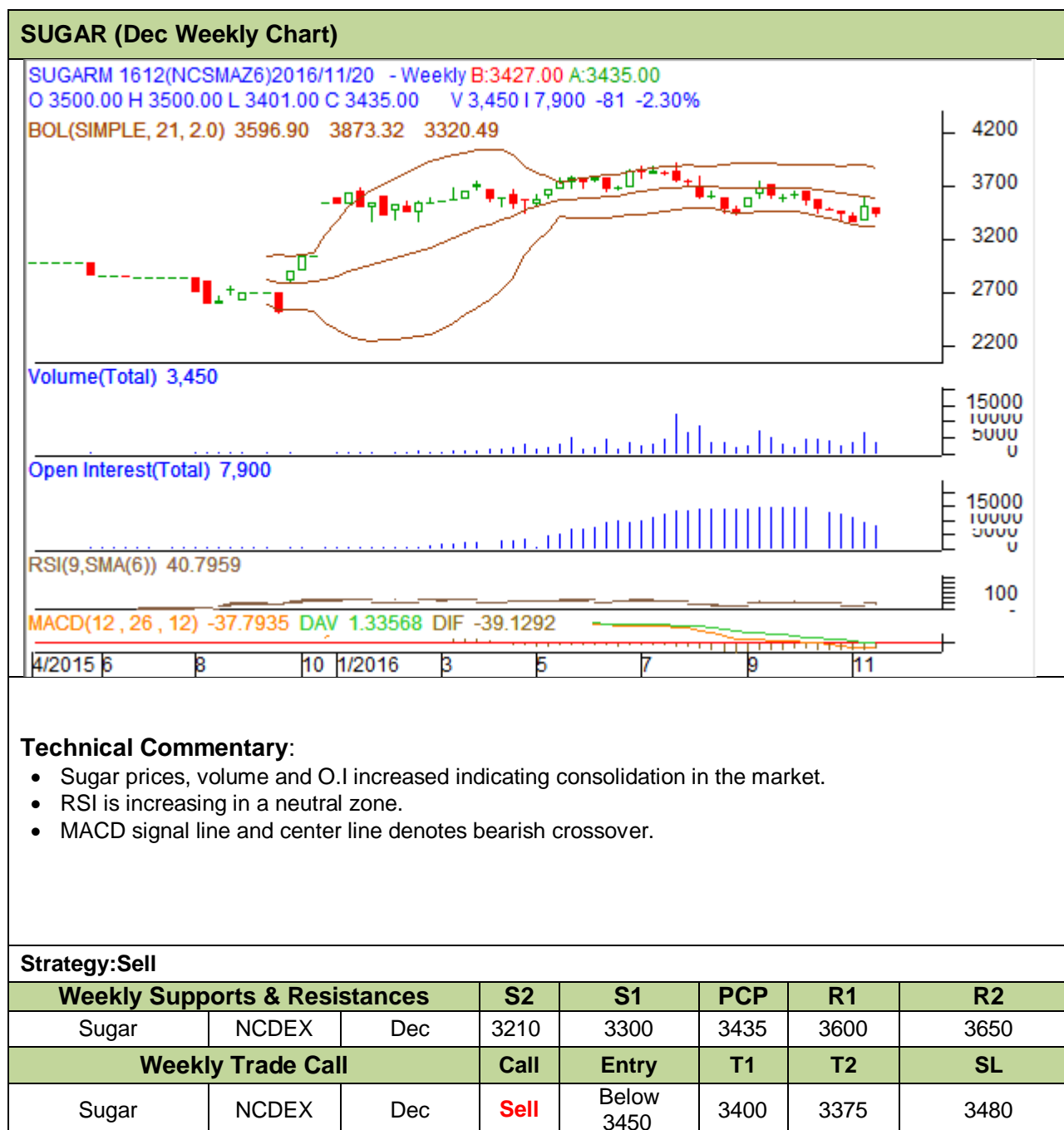
Weekly Sugar Exports



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 3542/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3583 and Rs 3500 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

- Job Economia raised its Brazil's C.S sugar production forecast from 35 million tonnes to 35.6 million tonnes for 2016-17. However, the cane production forecast is revisited downwards (from 632 million tonnes to 618 million tonnes) indicating a greater diversion of sugarcane towards sugar production during 2016-17.
- The International Sugar Organization (ISO) revised its global sugar deficit forecast from 7.05 million tonnes to 6.19 million tonnes for 2016-17 (01st October, 2016 – 30th September, 2017).

Previous 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.
- 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.

LIFFE Future Market Sugar Scenario (Mar'17 Contract)

Technical Commentary

- LIFE future market trends downward for the week.
 - The last candlestick depicts bearishness in the market.
- Strategy: Sell at 520.4 with a target of 507.4

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'17	520.4	507.4

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 19.50 with a target of 19.28

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'17	19.50	19.28

Gur Market Scenario

Mixed sentiments were observed in spot gur market with price rising in some markets while declining in others. Prices of Achhu (Average) variety of gur from Shimoga rose by Rs 100/quintal from Rs 3800/quintal to Rs 3900/quintal. Similarly, prices of ChakuSukha(Cold) and Laddoo (Fresh) variety of gur rose by Rs 67 and Rs 43 per quintal to Rs 2988 and Rs 2978 per quintal respectively. On the other hand, prices of Achhu (Medium) and Kurikatu (Medium) variety of gur from Mandya fell by Rs 117/quintal each to Rs 3283 and Rs 3183 per quintal respectively.

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



- Prices of chakuvvariety of gur in key Muzaffarnagar market closed at Rs 2988/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3065 and Rs 2920 per quintal.

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			18th Nov to 24th Nov 2016	11th Nov to 17th Nov 2016	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2988	2920	67
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	48000	34000	14000
	Muzaffarnagar	Khurpa (Fresh)	2745	2761	-16
	Muzaffarnagar	Laddoo (Fresh)	2978	2935	43
	Muzaffarnagar	Rascut (Fresh)	2516	2560	-44
	Hapur	Chaurasa	2539	2581	-43
	Hapur	Balti	2545	2585	-40
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	Unch
	Belgaum	Mudde (Average)	3433	3450	-17
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	3618	3600	18
	Mahalingapura	Penti (Average)	3538	3542	-4
	Mandya	Achhu (Medium)	3283	3400	-117
	Mandya	Kurikatu (Medium)	3183	3300	-117
	Mandya	Other (Medium)	3167	3238	-71
	Mandya	Yellow (Medium)	3242	3300	-58
	Shimoga	Achhu (Average)	3900	3800	100

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			24-Nov-16	17-Nov-16	24-Oct-16	24-Nov-15
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2975	2900	3300	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	5000	7000	NA
	Muzaffarnagar	Khurpa	2725	2763	2925	2313
	Muzaffarnagar	Laddoo	3053	2875	3175	2500
	Muzaffarnagar	Rascut	2475	2600	2515	2325
	Hapur	Chaurasa	2538	2555	Closed	2150
	Hapur	Balti	2550	2575	Closed	NA
Maharashtra	Latur	Lal Variety	NR	NR	NR	NR
Karnataka	Bangalore	Mudde (Average)	4650	NA	4650	3600
	Belgaum	Mudde (Average)	3400	NA	3400	2400
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	NA
	Gulbarga	Other (Average)	3620	NA	3725	2640
	Mahalingapura	Penti (Average)	NA	3547	3596	2415
	Mandya	Achhu (Medium)	3300	NA	3600	2550
	Mandya	Kurikatu (Medium)	3150	NA	3400	2200
	Mandya	Other (Medium)	3200	NA	3300	2300
	Mandya	Yellow (Medium)	3250	NA	3600	2550
	Shimoga	Achhu (Average)	NA	NA	4100	2800

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			18th Nov to 24th Nov 2016	11th Nov to 17th Nov 2016	
Delhi	Delhi	M-Grade	3779	3767	13
	Delhi	S-Grade	3759	3747	13
Uttar Pradesh	Khatauli	M-Grade	3845	3873	-29
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3712	3727	-15
	Dhampur	S-Grade Ex-Mill	3692	3707	-15
	Dhampur	L-Grade Ex-Mill	3762	3777	-15
Maharashtra	Mumbai	M-Grade	3960	3942	18
	Mumbai	S-Grade	3630	3624	6
	Nagpur	M-Grade	3667	3683	-17
	Nagpur	S-Grade	3567	3583	-17
	Kolhapur	M-Grade	3542	3558	-17
	Kolhapur	S-Grade	3442	3458	-17
Assam	Guhawati	S-Grade	3757	3774	-17
Meghalaya	Shillong	S-Grade	3762	3778	-17
Andhra Pradesh	Vijayawada	M-Grade	3920	3920	Unch
	Vijayawada	S-Grade	3820	3820	Unch
West Bengal	Kolkata	M-Grade	3917	3869	48
Tamil Nadu	Chennai	S-Grade	3454	3492	-38
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			24-Nov-16	17-Nov-16	24-Oct-16	24-Nov-15
Delhi	Delhi	M-Grade	3750	3775	3860	2810
	Delhi	S-Grade	3730	3755	3840	NA
Uttar Pradesh	Khatauli	M-Grade	3800	3880	3972	2923
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3710	3718	3797	2750
	Dhampur	S-Grade Ex-Mill	3690	3698	3777	2730
	Dhampur	L-Grade Ex-Mill	3760	3768	3847	2800
Maharashtra	Mumbai	M-Grade	3960	3960	3910	2863
	Mumbai	S-Grade	3626	3640	3660	2740
	Nagpur	M-Grade	3675	3700	3675	NA
	Nagpur	S-Grade	3575	3600	3575	NA
	Kolhapur	M-Grade	3550	3575	3550	2625
	Kolhapur	S-Grade	3450	3475	3450	2550
Assam	Guhawati	S-Grade	3766	3791	3766	2852
Meghalaya	Shillong	S-Grade	3770	3795	3770	2870
Andhra Pradesh	Vijayawada	M-Grade	3920	3920	3980	2960
	Vijayawada	S-Grade	3820	3820	3860	2800
West Bengal	Kolkata	M-Grade	NA	3875	NA	2960
Tamil Nadu	Chennai	S-Grade	3450	3475	3500	2750
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	NR	NR
	Ambikapur	S-Grade (Without Duty)	NR	NR	NR	NR

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

International Sugar Prices (Weekly)				
	Contract Month	23-Nov-16	16-Nov-16	Change
ICE Sugar #11 (US Cent/lb)	Mar-17	19.58	20.36	-0.78
	May-17	19.08	19.87	-0.79
	Jul-17	18.55	19.24	-0.69
LIFFE Sugar (US \$/MT)	Mar-17	522.40	541.20	-18.80
	May-17	516.70	535.80	-19.10
	Aug-17	505.90	522.70	-16.80

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