



Sugar & Gur Weekly Research Report

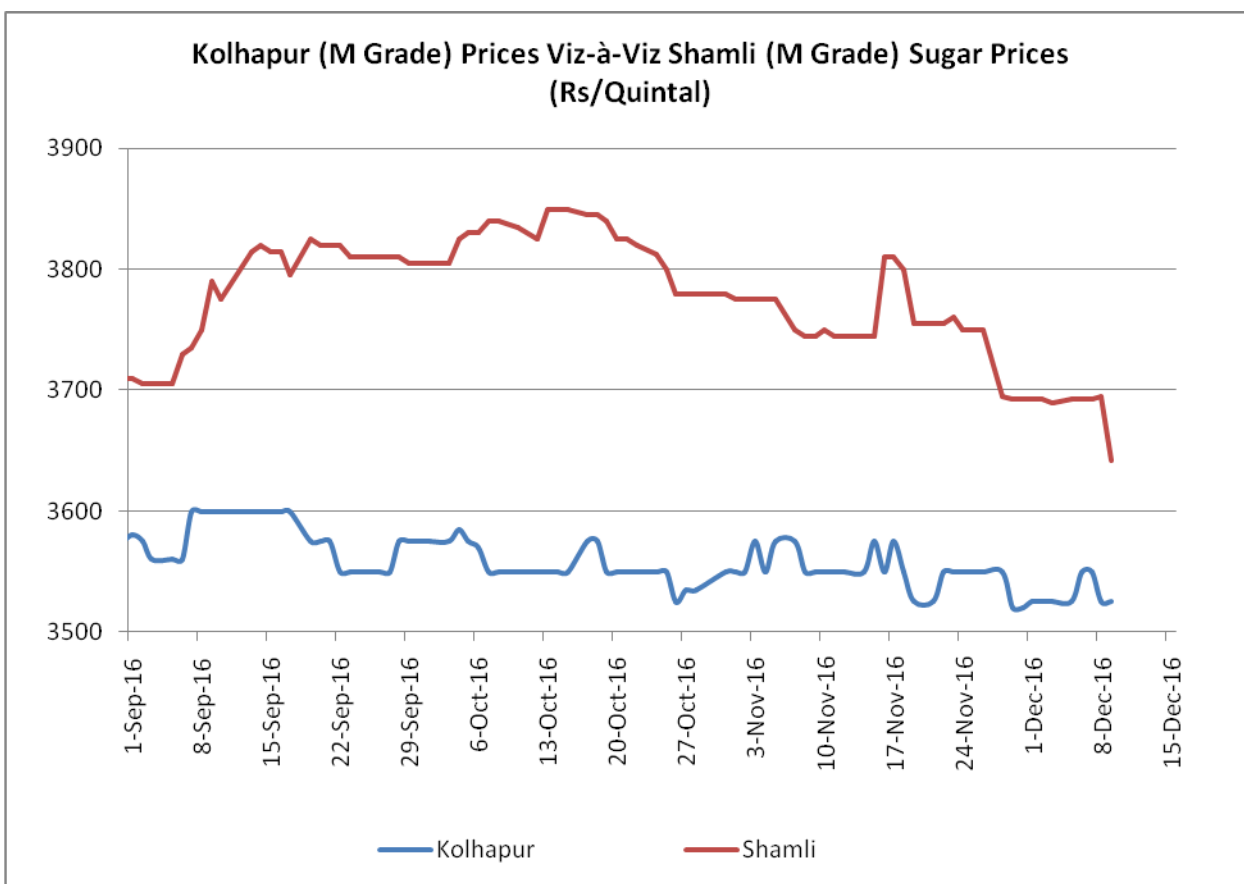
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Domestic Sugar Market Summary

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

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs3533 per quintal this week compared to Rs 3536 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district fell by 1.33% from Rs 3693 per quintal last week to Rs 3763 per quintal this week.



Price Outlook:

Agriwatch predicts spot sugar prices to trade steady to weak since crushing operation had already started in the country and is expected to flow in full swing in few more weeks

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

- Sugar production was reported at 27.41 lakh tonnes till November 30, 2016 in the current sugar season 2016 - 17 compared to 23.35 lakh tonnes of sugar during the same period previous year. As on 30, November 2015, 340 sugar mills were crushing sugarcane and 365 sugar mills were crushing sugarcane as on November 30, 2016.
- Indian sugar exports rose by 66% as the country exported 0.99 lakh tonnes of sugar in November, 2016 compared to 0.60 lakh tonnes of exports made in October, 2016. On the other hand, the country imported 2.90 lakh tonnes of sugar (mainly raw) in November compared to 3.76 lakh tonnes of imports in October, 2016.

Previous Updates

- The Punjab govt. had fixed cane SAP (State Advisory Price) of Rs 2900/ton (mid season) for the marketing year 2016-17 (01st October, 2016 – 30th September, 2017). While SAP for the other varieties has been fixed at Rs 3000/ton and Rs 2850/ton for the early variety and late season variety respectively.
- Indian sugar exports rose by 25% as the country exported 29.11 thousand tonnes of sugar for the week ending 26th November, 2016 compared to 23.3 thousand tonnes of sugar exported a week before.
- 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)

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 domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$540.1 per ton.

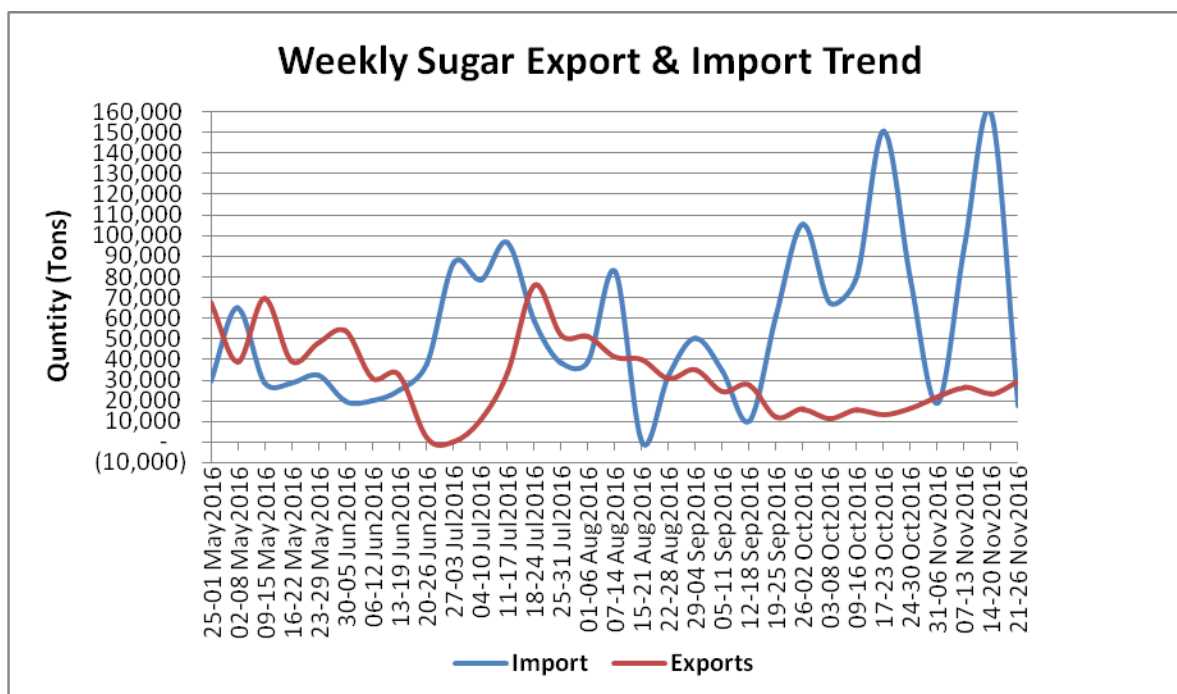
On International front, Brazil sugar FOB prices quoted at \$515.3/ Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs.67.58) as on 09 Dec, 2016			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$515.3	\$562/519.90	\$540.1

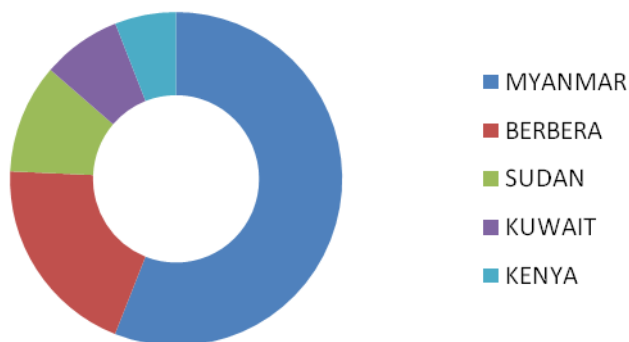
Sugar Import and Export Scenario

India exported 29.1 thousand tonnes of sugar last week (21 -26 November, 2016), which was 23.3 thousand tonnes during the week before (14 -20 November, 2016), as per the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood at 17.7 thousand tonnes last week, which was 159.2 thousand tonnes the week before.

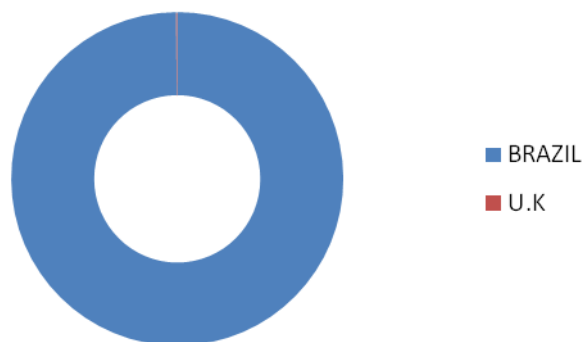


Major importer of Indian sugar during the week (21 -26 November, 2016) was Myanmar which imported 12.7 thousand tonnes of sugar from the country. Other major importers were Berbera, Sudan, Kuwait and Kenya which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes of sugar respectively during the week. On the other hand, India primarily imported around 17.7 thousand tonnes of

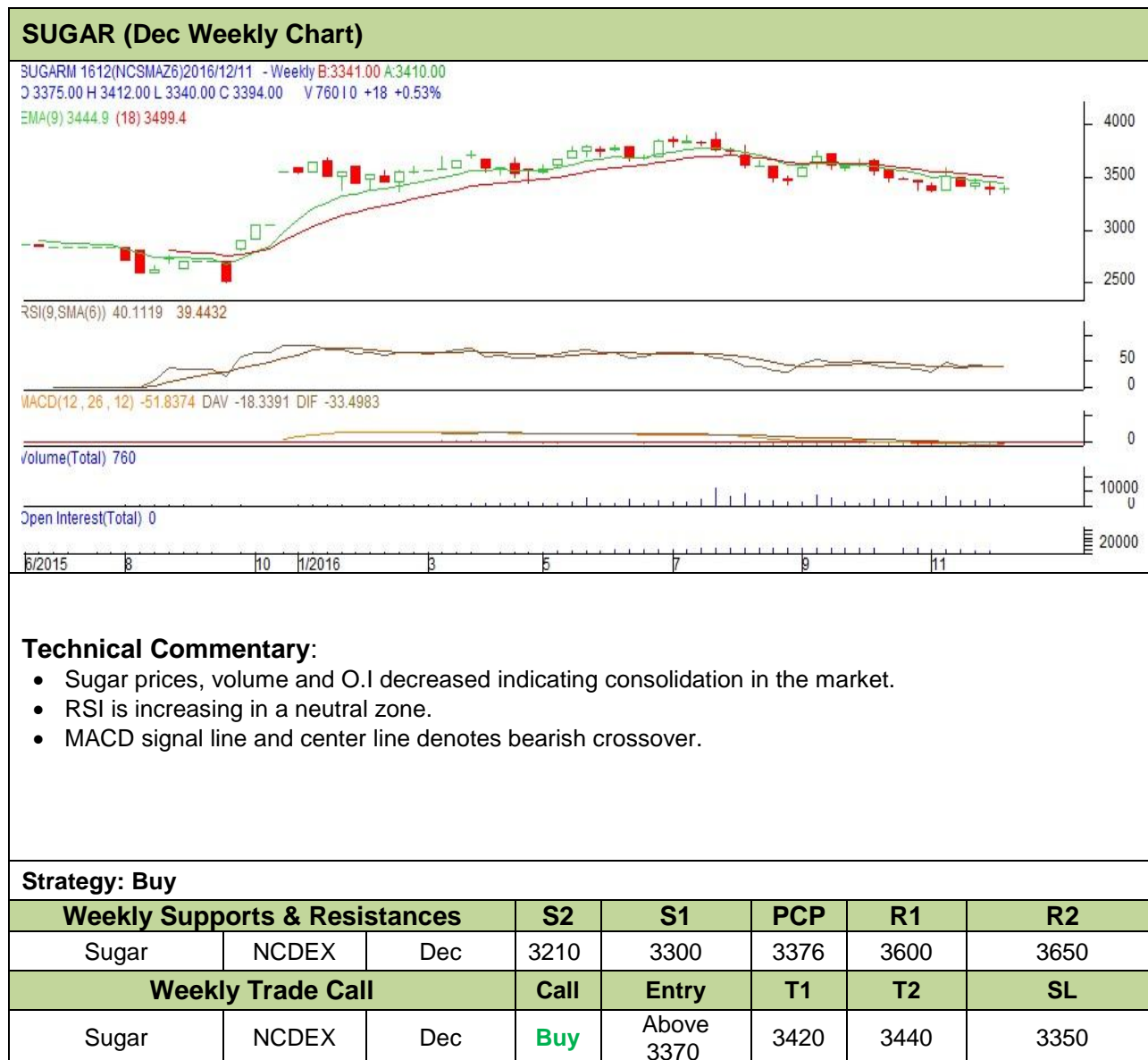
Weekly Sugar Exports



Weekly Sugar Imports



sugar (mostly raw) from Brazil during the same period.

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 3525/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 Brazil's main C.S (centre-south) region winded up early during the season.

International Market Highlights

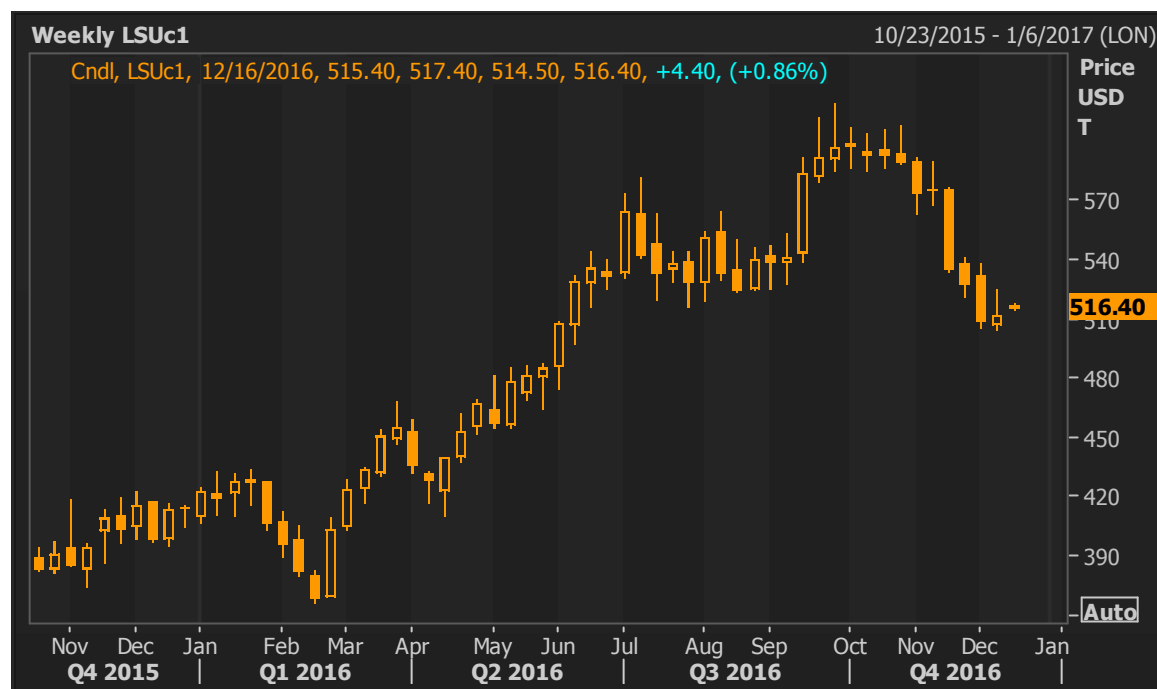
Recent Updates

- Brazil's raw sugar exports rose by 11.47% as the country exported 2.07 million tonnes of sugar (raw) in November, 2016 compared to 1.86 million tonnes of exports made in the month of October, 2016. An y-o-y comparison also show that the country's sugar exports rose by 3.53% from 2 million tonnes in November, 2015.
- As per the latest UNICA report, Brazil's main C.S region crushed 1.37 million tonnes of sugar in the first half of November, 2016 compared to 1.20 million tonnes of sugar crushed last year during the corresponding period.
- Markey player, Licht predicted a global sugar supply deficit of 6.2 million tonnes in 2016-17 (October – September) compared to a deficit of 9.9 million tonnes in 2015-16 (October – September).
- Sucden projected a global sugar supply surplus of 2 million tonnes in 2017-18 (October – September) following an expected production surge during the MY 2017-18. At the same time, the organization also projected a global sugar deficit of 5 million tonnes in 2016-17.

Previous 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).
- 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.

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Mar'17 Contract)



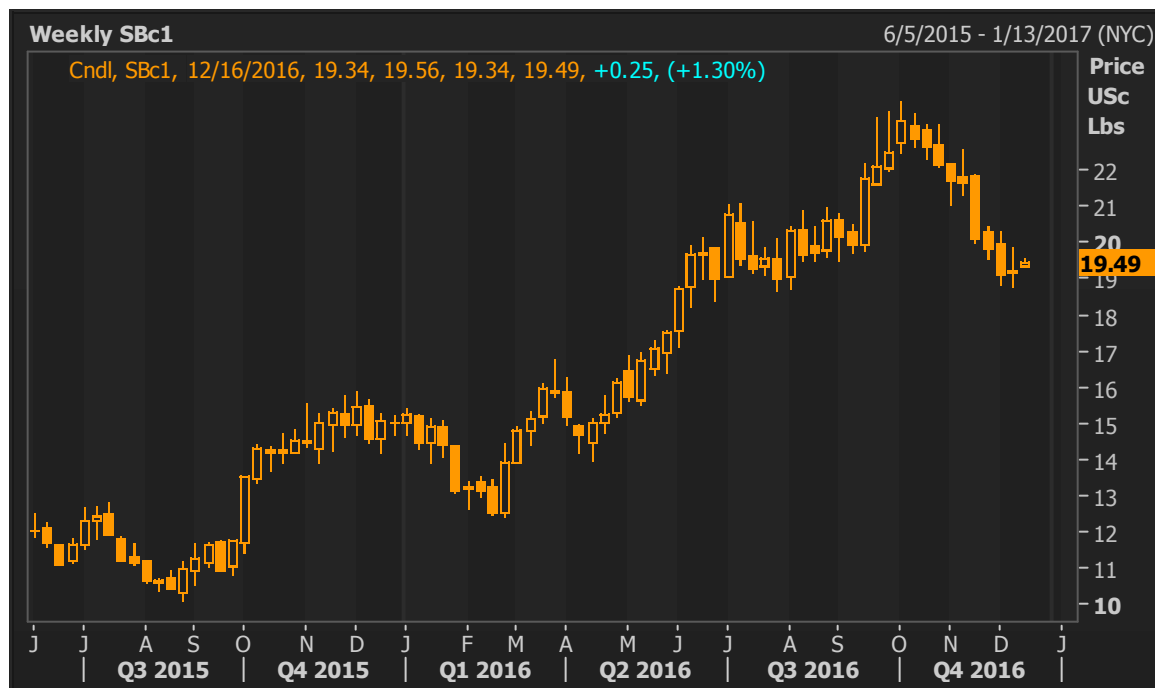
Technical Commentary

- LIFE future market trends downward for the week.
- The last candlestick depicts bearishness in the market.
Strategy: Sell at 518.0 with a target of 507.8

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'17	516.40	507.8



ICE (Raw Sugar Exchange) 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 19.60 with a target of 19.07

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'17	19.49	19.20

Gur Market Scenario

Spot gur market mainly remained firm with prices rising in majority of the markets. Prices of Mudde (Average) variety of gur from Bangalore was unchanged at Rs 4450/quintal this week. Similarly, prices of Chaku Khurpa(Fresh) variety of gur from key Muzaffarnagar market rose by Rs 37/quintal to Rs 2825/quintal on fall in arrivals. However, prices of Chaurasa and Balti variety of gur from Hapur rose by Rs 75 and Rs 63 per quintal to Rs 2625 and Rs 2613 per quintal respectively.

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



- Prices of chakuvvariety of gurin key Muzaffarnagar market closed at Rs 3025/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3065 and Rs2920 per quintal.

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			2nd Dec to 08th Dec 2016	25th Nov to 01st Dec 2016	
Delhi	Delhi	M-Grade	3750	3743	7
	Delhi	S-Grade	3730	3723	7
Uttar Pradesh	Khatauli	M-Grade	3748	3766	-18
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3678	3690	-13
	Dhampur	S-Grade Ex-Mill	3658	3670	-13
	Dhampur	L-Grade Ex-Mill	3728	3740	-13
Maharashtra	Mumbai	M-Grade	3835	3911	-76
	Mumbai	S-Grade	3612	3620	-8
	Nagpur	M-Grade	3658	3661	-3
	Nagpur	S-Grade	3558	3561	-3
	Kolhapur	M-Grade	3533	3536	-3
	Kolhapur	S-Grade	3433	3436	-3
Assam	Guhawati	S-Grade	3749	3751	-3
Meghalaya	Shillong	S-Grade	3753	3756	-3
Andhra Pradesh	Vijayawada	M-Grade	3880	3903	-23
	Vijayawada	S-Grade	3773	3803	-30
West Bengal	Kolkata	M-Grade	3830	3827	3
Tamil Nadu	Chennai	S-Grade	3450	3450	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	-
	Ambikapur	S-Grade (Without Duty)	NR	NR	-

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			8-Dec-16	1-Dec-16	8-Nov-16	8-Dec-15
Delhi	Delhi	M-Grade	3720	3750	3790	2900
	Delhi	S-Grade	3700	3730	3770	NA
Uttar Pradesh	Khatauli	M-Grade	3710	3755	3886	2958
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	NA	3670	3740	NA
	Dhampur	S-Grade Ex-Mill	NA	3650	3720	NA
	Dhampur	L-Grade Ex-Mill	NA	3720	3790	NA
Maharashtra	Mumbai	M-Grade	3822	3852	3896	2920
	Mumbai	S-Grade	3610	3616	3630	2810
	Nagpur	M-Grade	3650	3650	3675	2750
	Nagpur	S-Grade	3550	3550	3575	2680
	Kolhapur	M-Grade	3525	3525	3550	2750
	Kolhapur	S-Grade	3425	3425	3450	2650
Assam	Guhawati	S-Grade	3740	3740	3766	2954
Meghalaya	Shillong	S-Grade	3745	3745	3770	2970
Andhra Pradesh	Vijayawada	M-Grade	3880	3880	3980	3000
	Vijayawada	S-Grade	3780	3780	3860	2840
West Bengal	Kolkata	M-Grade	3860	3840	3880	NA
Tamil Nadu	Chennai	S-Grade	3450	3450	3500	2800
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	NR	NA
	Ambikapur	S-Grade (Without Duty)	NR	NR	NR	NA
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)						

Spot Jaggery (Gur) Prices Scenario (Weekly)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			2nd Dec to 08th Dec 2016	25th Nov to 01st Dec 2016	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2999	2960	39
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	25000	34000	-9000
	Muzaffarnagar	Khurpa (Fresh)	2791	2718	74
	Muzaffarnagar	Laddoo (Fresh)	3013	2933	81
	Muzaffarnagar	Rascut (Fresh)	2453	2462	-8
	Hapur	Chaurasa	2596	2550	46
	Hapur	Balti	2590	2556	34
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4450	4490	-40
	Belgaum	Mudde (Average)	3500	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	3567	3648	-81
	Mahalingapura	Penti (Average)	3543	3522	21
	Mandya	Achhu (Medium)	3290	3250	40
	Mandya	Kurikatu (Medium)	3150	3120	30
	Mandya	Other (Medium)	3160	3120	40
	Mandya	Yellow (Medium)	3290	3200	90
	Shimoga	Achhu (Average)	3880	3875	5

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			8-Dec-16	1-Dec-16	8-Nov-16	8-Dec-15
Uttar Pradesh	Muzaffarnagar	ChakuSukha	3025	3005	3028	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	5000	6000	NA
	Muzaffarnagar	Khurpa	2825	2788	2903	2313
	Muzaffarnagar	Laddoo	3075	2925	3103	2575
	Muzaffarnagar	Rascut	2450	2450	2538	2355
	Hapur	Chaurasa	2625	2563	2700	2275
	Hapur	Balti	2613	2563	2650	NA
Maharashtra	Latur	Lal Variety	NR	NR	NR	NA
Karnataka	Bangalore	Mudde (Average)	4450	4450	4650	3600
	Belgaum	Mudde (Average)	NA	3200	NA	NA
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	NA
	Gulbarga	Other (Average)	3525	3675	3680	2550
	Mahalingapura	Penti (Average)	NA	3549	3448	2378

	Mandya	Achhu (Medium)	NA	NA	3450	2400
	Mandya	Kurikatu (Medium)	NA	NA	3300	2200
	Mandya	Other (Medium)	NA	NA	3200	2200
	Mandya	Yellow (Medium)	NA	NA	3350	2400
	Shimoga	Achhu (Average)	3800	3900	3800	2800

International Sugar Prices (Weekly)				
	Contract Month	7-Dec-16	30-Nov-16	Change
ICE Sugar #11 (US Cent/lb)	Mar-17	19.63	19.81	-0.18
	May-17	19.12	19.27	-0.15
	Jul-17	18.55	18.66	-0.11
LIFFE Sugar (US \$/MT)	Mar-17	519.7	526.4	-6.70
	May-17	514.4	520.1	-5.70
	Aug-17	505.4	508.1	-2.70

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