



Sugar & Gur Weekly Research Report

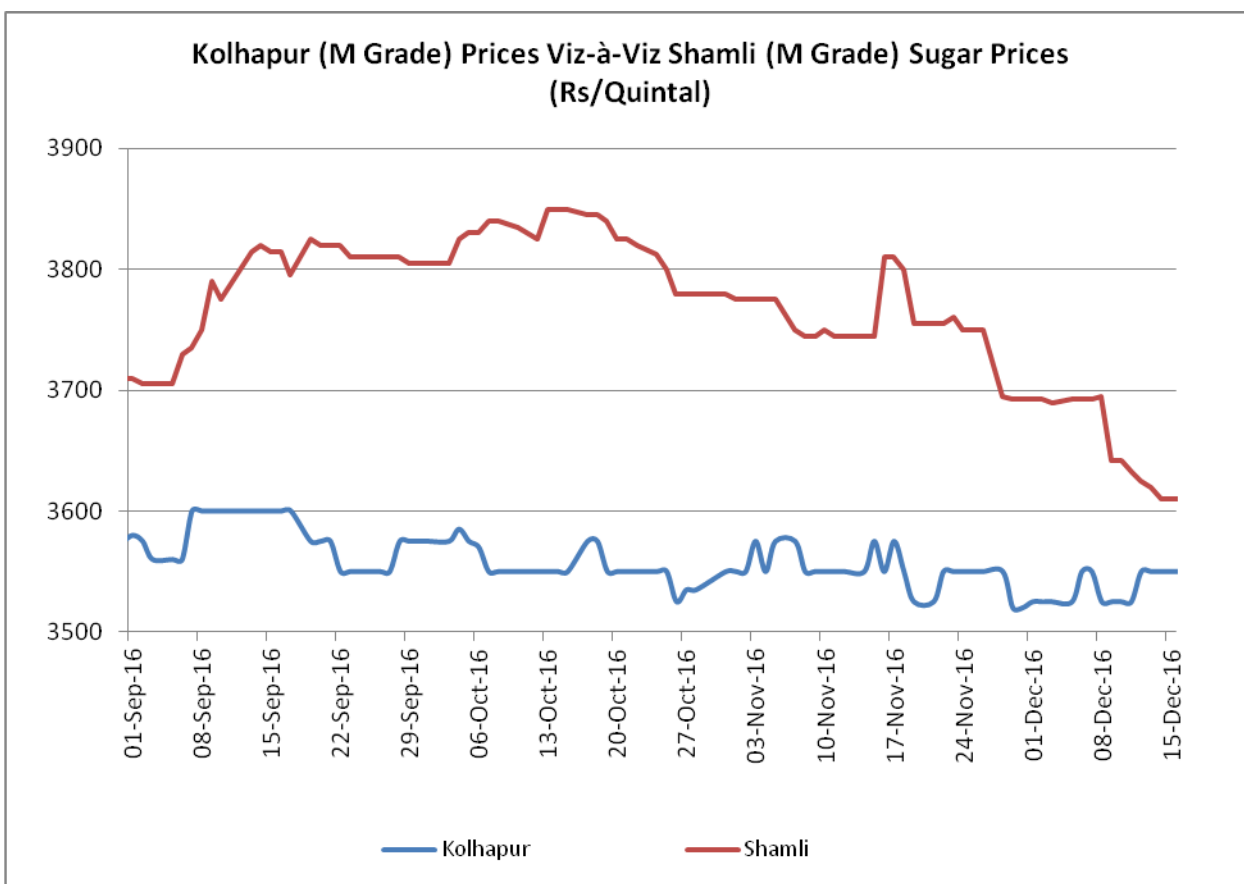
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Domestic Sugar Market Summary

Spot sugar prices noticed weak tone during the week following increase in supplies from mills (due to beginning of crushing operation) and lack of good domestic demand.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs3538 per quintal this week compared to Rs 3533 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district fell by 2.30% from Rs 3693 per quintal last week to Rs 3610 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 pick up in the coming 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.

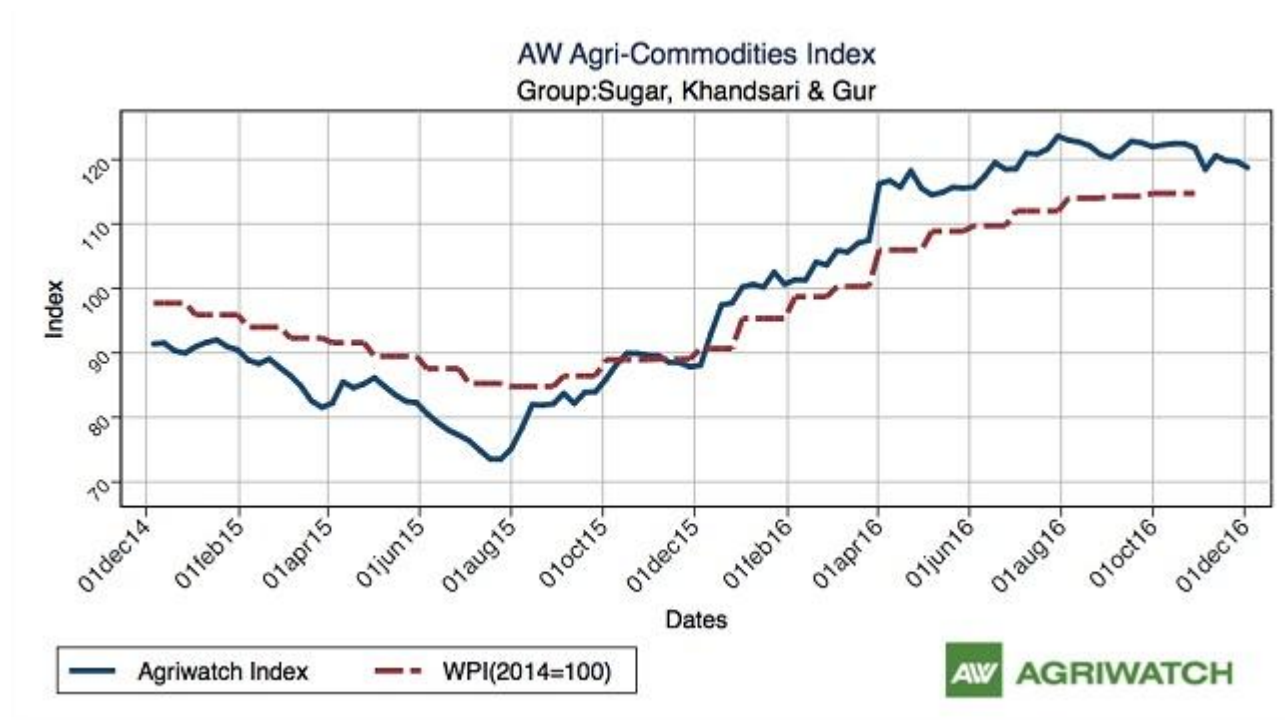
Domestic Market Highlights

Recent Updates

- India is likely to produce 23.4 million tonnes of sugar in 2016/17, down by around 7 per cent compared to previous year amid droughts in the top –producing western state of Maharashtra. However it is likely to have surplus sugar in 2017-18 as farmers have increased acreage under sugar.
- Sugar production was reported at 27.41 lakh tonnes til 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.

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).
- Sugar production was reported at 27.41 lakh tonnes til 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.

Agriwatch Sweeteners (Sugar, Gur & Khandsari) Index– December 04, 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 0.78% to 118.74 during the week ending on December 04, 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 \$529.58 per ton.

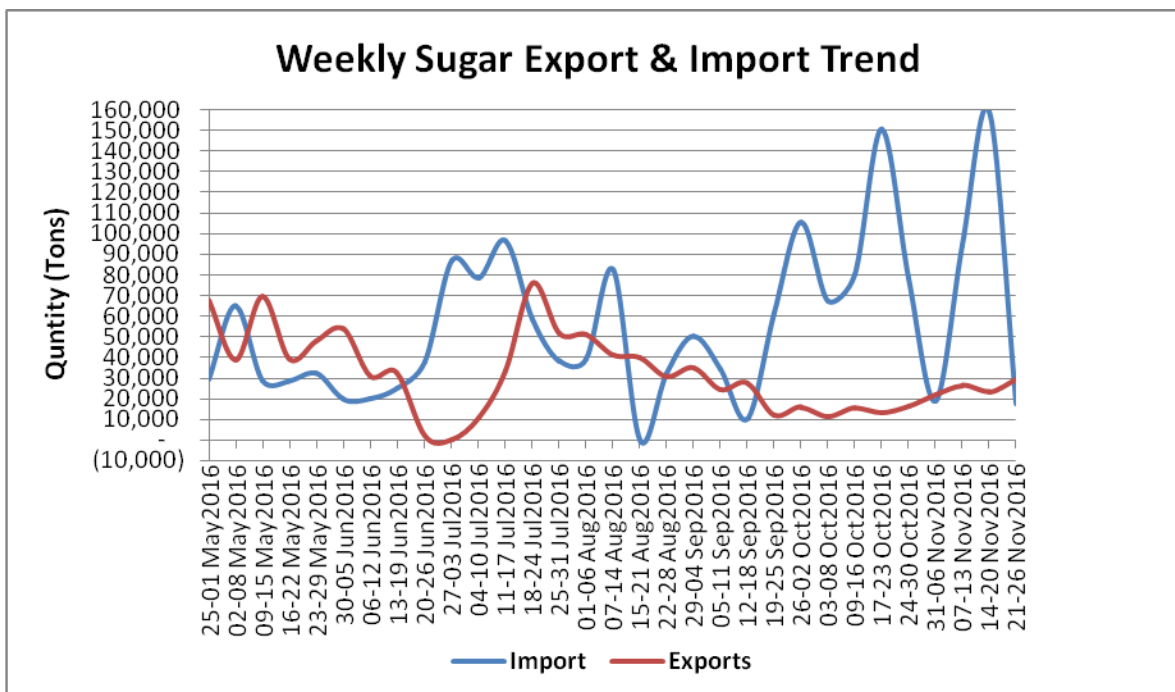
On International front, Brazil sugar FOB prices quoted at \$542.60/ Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs.67.79) as on 16 Dec, 2016			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$542.60	\$552/485.70	\$529.58

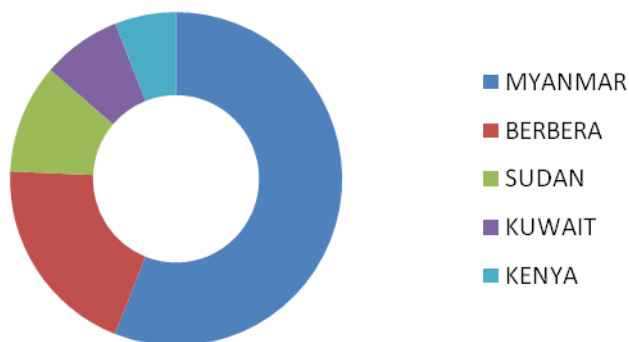
Sugar Import and Export Scenario

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.

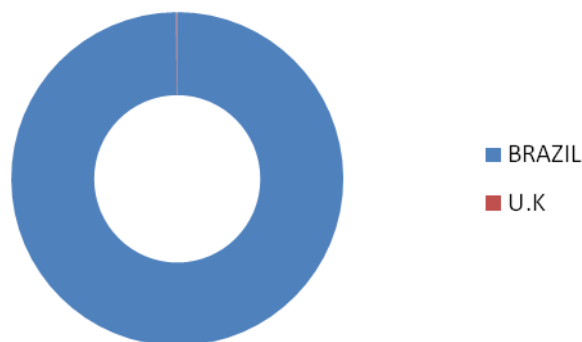


Major importer of Indian sugar during the week (21 -26 November, 2016) was Myanmar which imported 12.7 thousand tonnes of sugar from the country. Other major importers were Berbera, Sudan, Kuwait and Kenya which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes of sugar respectively during the week. On the other hand, India primarily imported around 17.7 thousand tonnes of 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 3550/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3595 and Rs 3500 per quintal.

International Sugar Market Summary

International sugar prices noticed mixed tone during the week as cane harvesting in Brazil's main C.S (centre-south) region winded up early during the season.

International Market Highlights

Recent Updates

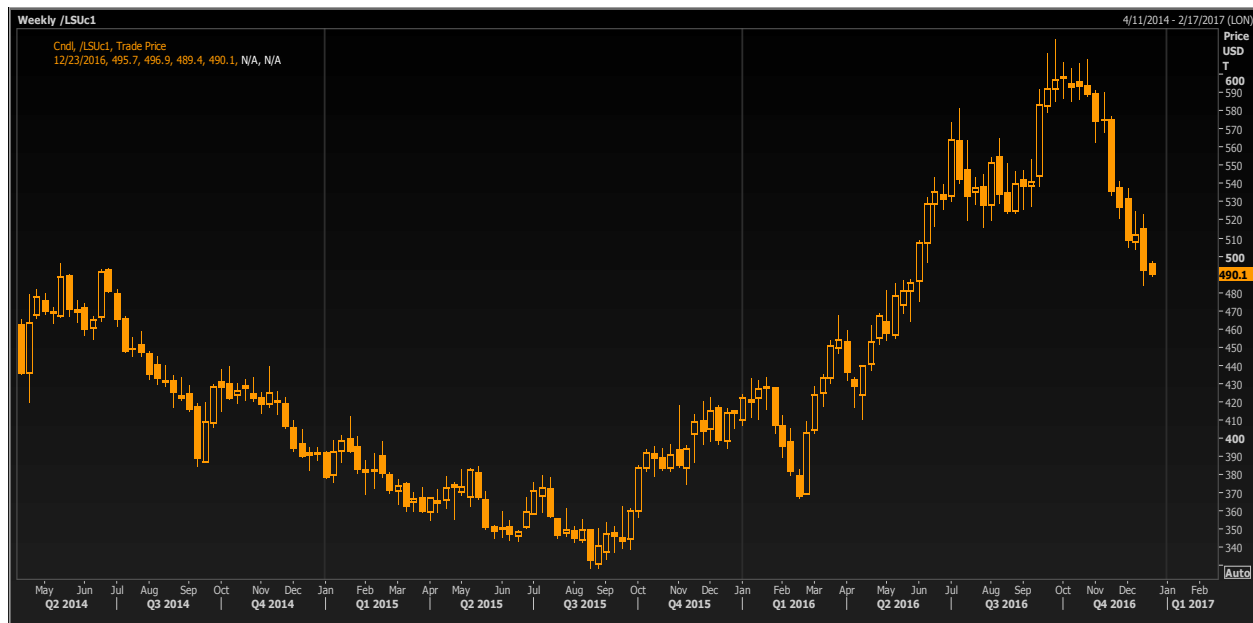
- According to the industry group Unica, Brazil center-south cane belt produced 1.13 million tonnes of sugar in the second half of November compared with 1.37 million tonnes in the previous two –week period.
- According to Sudden, global surplus of 1 MMT is expected in 2017/18 (Oct/Sep), backed by strong production in India. Sugar market will return to surplus after deficit of 5 MMT in 2015/16 and 2016/17. Global production is expected to rise to 134.5 MMM in 2017/18 from 125.3 MMT 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).
- 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.
- 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).



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



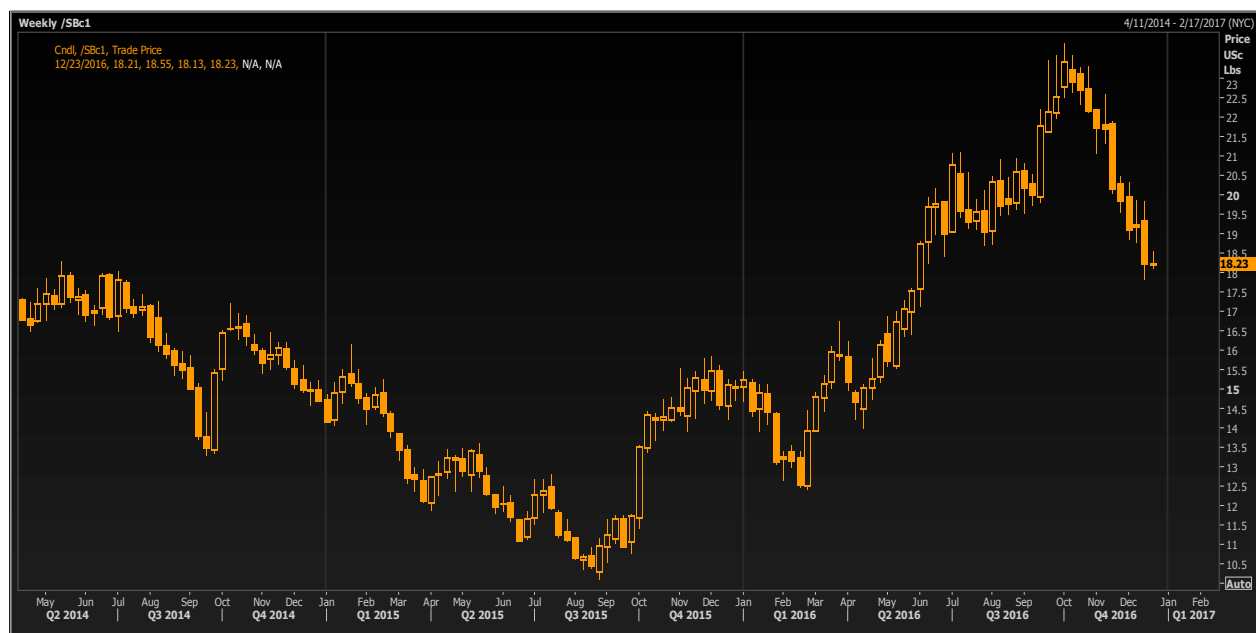
Technical Commentary

- LIFE future market trends downward for the week.
 - The last candlestick depicts bearishness in the market.
- Strategy: Sell at 497.00 with a target of 480.00

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'17	490.10	480.00



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 18.75 with a target of 18.00

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'17	18.23	17.80

Gur Market Scenario

Spot gur market mainly remained firmed with prices increasing 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 58/quintal to Rs 2849/quintal on fall in arrivals. Prices of Chaurasa and Balti variety of gur from Hapur increased by Rs 97 and Rs 247 per quintal to Rs 2693 and Rs 2838 per quintal respectively.

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



- Prices of chaku variety of gur in key Muzaffarnagar market closed at Rs 3013/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3065 and Rs 2920 per quintal.

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			9th Dec to 15th Dec 2016	2nd Dec to 08th Dec 2016	
Delhi	Delhi	M-Grade	3697	3750	-53
	Delhi	S-Grade	3677	3730	-53
Uttar Pradesh	Khatauli	M-Grade	3684	3748	-64
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3623	3678	-54
	Dhampur	S-Grade Ex-Mill	3603	3658	-54
	Dhampur	L-Grade Ex-Mill	3673	3728	-54
Maharashtra	Mumbai	M-Grade	3824	3835	-11
	Mumbai	S-Grade	3600	3612	-11
	Nagpur	M-Grade	3663	3658	4
	Nagpur	S-Grade	3563	3558	4
	Kolhapur	M-Grade	3538	3533	4
	Kolhapur	S-Grade	3438	3433	4
Assam	Guhawati	S-Grade	3753	3749	4
Meghalaya	Shillong	S-Grade	3758	3753	4
Andhra Pradesh	Vijayawada	M-Grade	3863	3880	-17
	Vijayawada	S-Grade	3763	3773	-10
West Bengal	Kolkata	M-Grade	3812	3830	-18
Tamil Nadu	Chennai	S-Grade	3450	3450	Unch
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			15-Dec-16	9-Dec-16	15-Nov-16	15-Dec-15
Delhi	Delhi	M-Grade	3690	3710	3750	3150
	Delhi	S-Grade	3670	3690	3730	3110
Uttar Pradesh	Khatauli	M-Grade	3652	3700	3850	3190
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3600	3640	NA	3100
	Dhampur	S-Grade Ex-Mill	3580	3620	NA	3080
	Dhampur	L-Grade Ex-Mill	3650	3690	NA	3150
Maharashtra	Mumbai	M-Grade	3832	3822	3960	2996
	Mumbai	S-Grade	3602	3602	3626	2906
	Nagpur	M-Grade	3675	3650	3700	2880
	Nagpur	S-Grade	3575	3550	3600	2860
	Kolhapur	M-Grade	3550	3525	3575	2950
	Kolhapur	S-Grade	3450	3425	3475	2850
Assam	Guhawati	S-Grade	3766	3740	3791	3157
Meghalaya	Shillong	S-Grade	3770	3745	3795	3170
Andhra Pradesh	Vijayawada	M-Grade	3860	3880	3920	3140
	Vijayawada	S-Grade	3760	3780	3820	2980
West Bengal	Kolkata	M-Grade	NA	3830	NA	NA
Tamil Nadu	Chennai	S-Grade	3450	3450	3500	2850
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)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			9th Dec to 15th Dec 2016	2nd Dec to 08th Dec 2016	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	3072	2999	73
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	36000	25000	11000
	Muzaffarnagar	Khurpa (Fresh)	2849	2791	58
	Muzaffarnagar	Laddoo (Fresh)	3091	3013	78
	Muzaffarnagar	Rascut (Fresh)	2475	2453	22
	Hapur	Chaurasa	2693	2596	97
	Hapur	Balti	2838	2590	247
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4450	4450	Unch
	Belgaum	Mudde (Average)	3400	3500	-100

	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	3532	3567	-35
	Mahalingapura	Penti (Average)	3622	3543	79
	Mandya	Achhu (Medium)	3375	3290	85
	Mandya	Kurikatu (Medium)	3213	3150	63
	Mandya	Other (Medium)	3225	3160	65
	Mandya	Yellow (Medium)	3350	3290	60
	Shimoga	Achhu (Average)	3833	3880	-47

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			15-Dec-16	9-Dec-16	15-Nov-16	15-Dec-15
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3013	3075	2875	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	4000	8000	NA
	Muzaffarnagar	Khurpa	2808	2875	2788	2388
	Muzaffarnagar	Laddoo	3063	3128	2975	2725
	Muzaffarnagar	Rascut	2515	2455	2575	2388
	Hapur	Chaurasa	2625	2675	2575	2325
	Hapur	Balti	NA	2600	2575	NA
Maharashtra	Latur	Lal Variety	NR	NR	NR	NA
Karnataka	Bangalore	Mudde (Average)	4450	4450	4650	3550
	Belgaum	Mudde (Average)	3300	3600	NA	NA
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	NA
	Gulbarga	Other (Average)	3650	3475	3675	2585
	Mahalingapura	Penti (Average)	3649	3599	NA	2367
	Mandya	Achhu (Medium)	3450	3300	3400	2350
	Mandya	Kurikatu (Medium)	3400	3150	3300	2200
	Mandya	Other (Medium)	3300	3200	3200	2150
	Mandya	Yellow (Medium)	3400	3300	3300	2350
	Shimoga	Achhu (Average)	NA	3900	3900	2700

International Sugar Prices (Weekly)				
	Contract Month	14-Dec-16	7-Dec-16	Change
ICE Sugar #11 (US Cent/lb)	Mar-17	18.03	19.63	-1.60
	May-17	17.82	19.12	-1.30



	Jul-17	17.55	18.55	-1.00
LIFFE Sugar (US \$/MT)	Mar-17	485.7	519.7	-34.00
	May-17	483.4	514.4	-31.00
	Aug-17	477.8	505.4	-27.60

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