
Sugar & Gur Weekly Research Report

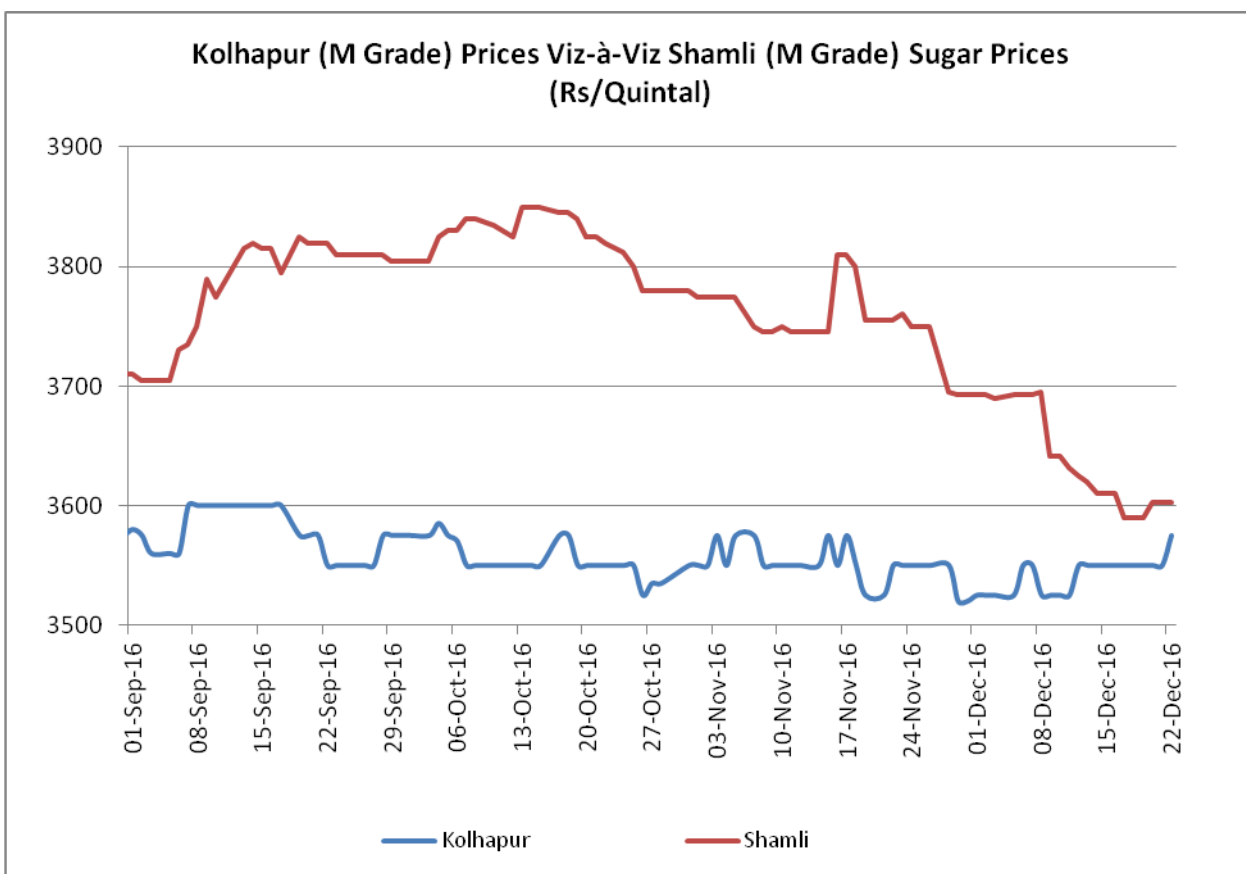
Contents

- ❖ Domestic Sugar Market Summary
- ❖ Price Projection
- ❖ Domestic Market Highlights
- ❖ Agriwatch Sweeteners Index
- ❖ Sugar Export/Import Scenario
- ❖ Sugar Export/Import Opportunity
- ❖ Domestic Sugar Market Technical Analysis (Future Market)
- ❖ Domestic Sugar Market Technical Analysis (Spot Market)
- ❖ International Sugar Market Summary
- ❖ International Market Highlight
- ❖ International Market Technical Analysis (Future Market)
- ❖ Gur Market Scenario/ Technical Analysis (Spot Market)
- ❖ Annexure

Domestic Sugar Market Summary

Spot sugar prices noticed range –bound to firm tone during the week following good demand in the domestic market.

Notably, the average price for sugar ‘M’ grade in key Kolhapur market settled at Rs3554 per quintal this week compared to Rs 3538 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district fell by 0.22% from Rs 3610 per quintal last week to Rs 3602 per quintal this week.



Price Outlook:

Agriwatch predicts spot sugar prices to trade steady to weak since crushing operations had have 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

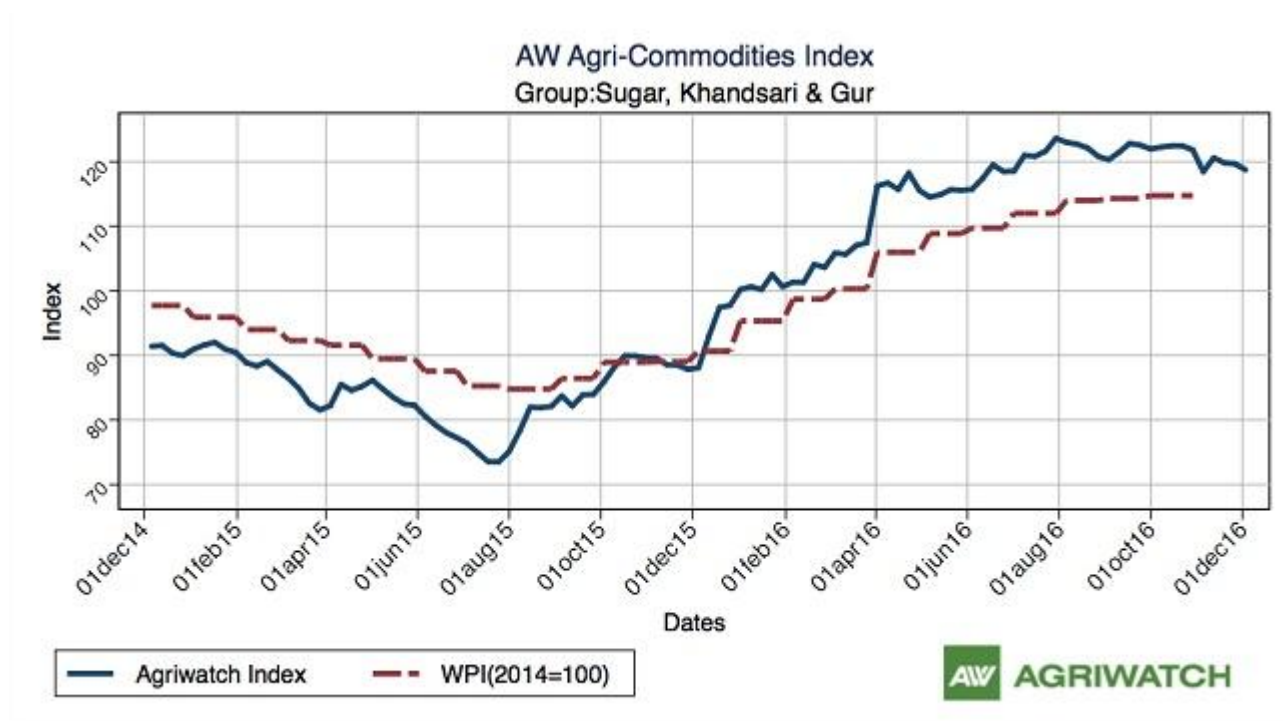
Recent Updates

- According to the data released by the Indian Sugar Mills Association (ISMA), sugar mills in India produced 2.588 million tonnes of sugar, white value, in the first half of December compared to 2.458 million tonnes during the same period previous year and 1.954 million tonnes during the previous fortnight.
- Hundreds of sugarcane farmers in Marathwada are waiting for the first installment of their produce sent to sugar mills. Following demonetization, the mills are finding it difficult to pay the first installment of Rs.2300 per quintal to the farmers.
- 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.

Previous 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 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.
- 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. As per Indian Sugar Mills Association (ISMA), 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 corresponding period of 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 operations till as on date, resulting into the fall in production.
- 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 \$532.87 per ton.

On International front, Brazil sugar FOB prices quoted at \$549.60/ Ton.

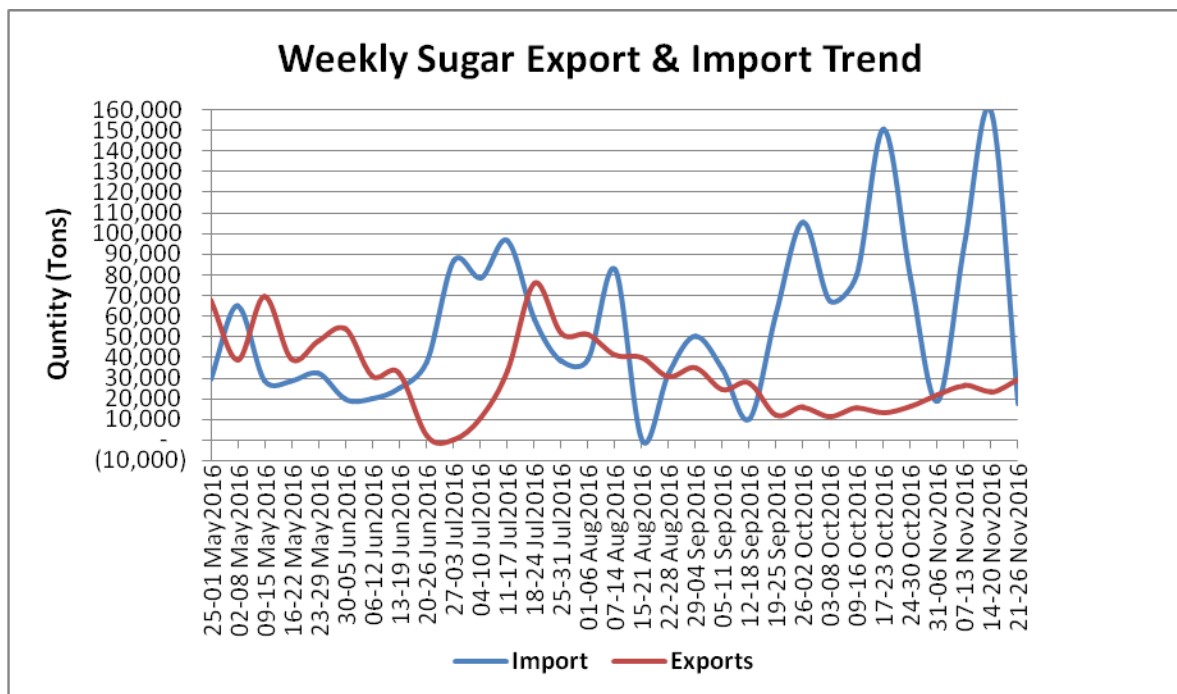
Comparative sugar FOB prices from various sugar sourcing countries to India are mentioned in the table below:

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	\$549.60	NA/491.80	\$532.87

Sugar Import and Export Scenario

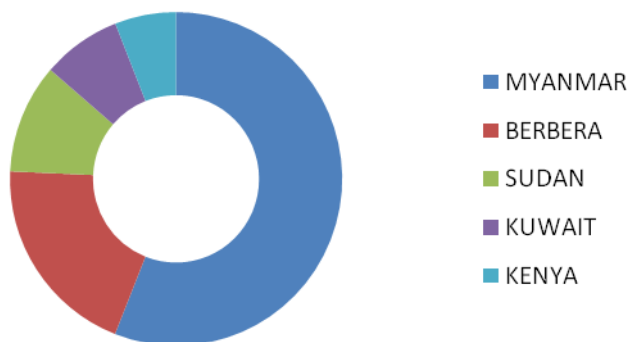
India exported 29.1 thousand tonnes of sugar during the week (21 -26 November, 2016), which was 23.3 thousand tonnes during the week before (14 -20 November, 2016), as per the data released by IBIS and compiled by Agriwatch. Imports on the other hand stood at 17.7 thousand tonnes last week, which was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

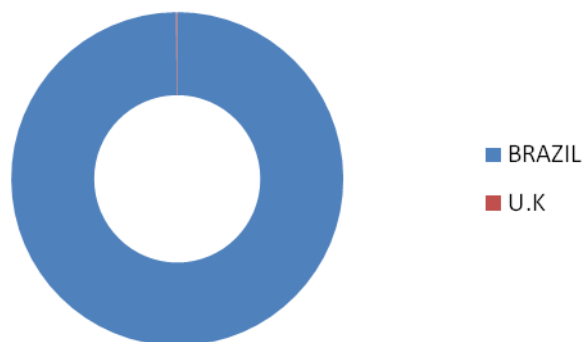


which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes of sugar respectively during the week. On the other hand, India primarily imported around 17.7 thousand tonnes of sugar (mostly raw) from Brazil during the same period.

Weekly Sugar Exports



Weekly Sugar Imports



Domestic Sugar Market Technical Analysis (Future Market)

SUGAR (Mar Weekly Chart)



Technical Commentary:

- Sugar prices increased, volume and O.I decreased indicating consolidation in the market.
- RSI is increasing in a neutral zone.
- MACD signal line and center line denotes bearish crossover.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Mar	3550	3500	3608	3650	3680
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Mar	Sell	Below 3630	3580	3560	3670

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



- Sugar spot prices at benchmark Kolhapur market closed at Rs 3575/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3650 and Rs 3500 per quintal.

International Sugar Market Summary

International sugar prices noticed firm 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 IKAR agriculture consultancy, Russia may produce 5.82 million tonnes of sugar in the 2016-17 marketing year which started on 1 August 2016. It produced 5.2 million tonnes of sugar during the previous season.
- 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.

Previous Updates

- According to Sucden, 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.
- 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 500.00 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	490.60	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 18.50 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	18.16	17.80

Gur Market Scenario

Spot gur market mainly remained weak with prices declining in majority of the markets. Prices of Mudde (Average) variety of gur from Bangalore declined to Rs.4317/quintal compared to Rs 4450/quintal this week. Similarly, prices of Chaku Khurpa(Fresh) variety of gur from key Muzaffarnagar market rose by Rs 93/quintal to Rs 2749/quintal on increase in arrivals. Prices of Chaursa and Balti variety of gur from Hapur declined by Rs 5 and Rs 79 per quintal to Rs 2688 and Rs 2758 per quintal respectively.

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



- Prices of chaku variety of gur in key Muzaffarnagar market closed at Rs 3000/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			16th Dec to 22th Dec 2016	9th Dec to 15th Dec 2016	
Delhi	Delhi	M-Grade	3672	3697	-25
	Delhi	S-Grade	3652	3677	-25
Uttar Pradesh	Khatauli	M-Grade	3667	3684	-17
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3603	3623	-21
	Dhampur	S-Grade Ex-Mill	3596	3603	-7
	Dhampur	L-Grade Ex-Mill	3653	3673	-21
Maharashtra	Mumbai	M-Grade	3832	3824	8
	Mumbai	S-Grade	3598	3600	-3
	Nagpur	M-Grade	3679	3663	17
	Nagpur	S-Grade	3579	3563	17
	Kolhapur	M-Grade	3554	3538	17
	Kolhapur	S-Grade	3454	3438	17
Assam	Guhawati	S-Grade	3770	3753	17
Meghalaya	Shillong	S-Grade	3774	3758	17
Andhra Pradesh	Vijayawada	M-Grade	3873	3863	10
	Vijayawada	S-Grade	3758	3763	-5
West Bengal	Kolkata	M-Grade	3848	3812	36
Tamil Nadu	Chennai	S-Grade	3433	3450	-17
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			22-Dec-16	15-Dec-16	22-Nov-16	22-Dec-15
Delhi	Delhi	M-Grade	3715	3690	3790	3090
	Delhi	S-Grade	3695	3670	3770	NA
Uttar Pradesh	Khatauli	M-Grade	3700	3652	3852	3218
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3600	3600	3710	3040
	Dhampur	S-Grade Ex-Mill	3600	3580	3690	3020
	Dhampur	L-Grade Ex-Mill	3650	3650	3760	3090
Maharashtra	Mumbai	M-Grade	3832	3832	3960	3036
	Mumbai	S-Grade	3590	3602	3630	2936

	Nagpur	M-Grade	3700	3675	3675	2850
	Nagpur	S-Grade	3600	3575	3575	2750
	Kolhapur	M-Grade	3575	3550	3550	2900
	Kolhapur	S-Grade	3475	3450	3450	2800
Assam	Guhawati	S-Grade	3791	3766	3766	3106
Meghalaya	Shillong	S-Grade	3795	3770	3770	3120
Andhra Pradesh	Vijayawada	M-Grade	3890	3860	3920	3200
	Vijayawada	S-Grade	3760	3760	3820	3040
West Bengal	Kolkata	M-Grade	3855	NA	3910	3090
Tamil Nadu	Chennai	S-Grade	3400	3450	3450	2875
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)						

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			16th Dec to 22th Dec 2016	9th Dec to 15th Dec 2016	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2996	3072	-76
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	43000	36000	7000
	Muzaffarnagar	Khurpa (Fresh)	2756	2849	-93
	Muzaffarnagar	Laddoo (Fresh)	3039	3091	-53
	Muzaffarnagar	Rascut (Fresh)	2521	2475	46
	Hapur	Chaurasa	2688	2693	-5
	Hapur	Balti	2758	2838	-79
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4317	4450	-133
	Belgaum	Mudde (Average)	3367	3400	-33
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	3378	3532	-155
	Mahalingapura	Penti (Average)	3633	3622	11
	Mandya	Achhu (Medium)	3508	3375	133
	Mandya	Kurikatu (Medium)	3400	3213	188
	Mandya	Other (Medium)	3333	3225	108
	Mandya	Yellow (Medium)	3483	3350	133
	Shimoga	Achhu (Average)	3767	3833	-67

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			22-Dec-16	15-Dec-16	22-Nov-16	22-Dec-15
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2938	3013	2950	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	7000	8000	NA
	Muzaffarnagar	Khurpa	2750	2808	2725	2413
	Muzaffarnagar	Laddoo	3000	3063	2975	2705
	Muzaffarnagar	Rascut	2483	2515	2515	2438
	Hapur	Chaurasa	2813	2625	2538	2325
	Hapur	Balti	2850	NA	2525	NA
Maharashtra	Latur	Lal Variety	NR	NR	NR	NA
Karnataka	Bangalore	Mudde (Average)	4450	4450	4650	3550
	Belgaum	Mudde (Average)	3400	3300	NA	2300
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	NA
	Gulbarga	Other (Average)	2700	3650	3675	2545
	Mahalingapura	Penti (Average)	3655	3649	3492	2536
	Mandya	Achhu (Medium)	3500	3450	3250	2300
	Mandya	Kurikatu (Medium)	3400	3400	3100	2200
	Mandya	Other (Medium)	3300	3300	3100	2150
	Mandya	Yellow (Medium)	3500	3400	3250	2300
	Shimoga	Achhu (Average)	4100	NA	3900	2700

International Sugar Prices (Weekly)				
	Contract Month	20-Dec-16	14-Dec-16	Change
ICE Sugar #11 (US Cent/lb)	Mar-17	18.25	18.03	0.22
	May-17	18.06	17.82	0.24
	Jul-17	17.84	17.55	0.29
LIFFE Sugar (US \$/MT)	Mar-17	492.6	485.7	6.90
	May-17	489.9	483.4	6.50
	Aug-17	484.6	477.8	6.80

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