



Sugar & Gur Weekly Research Report

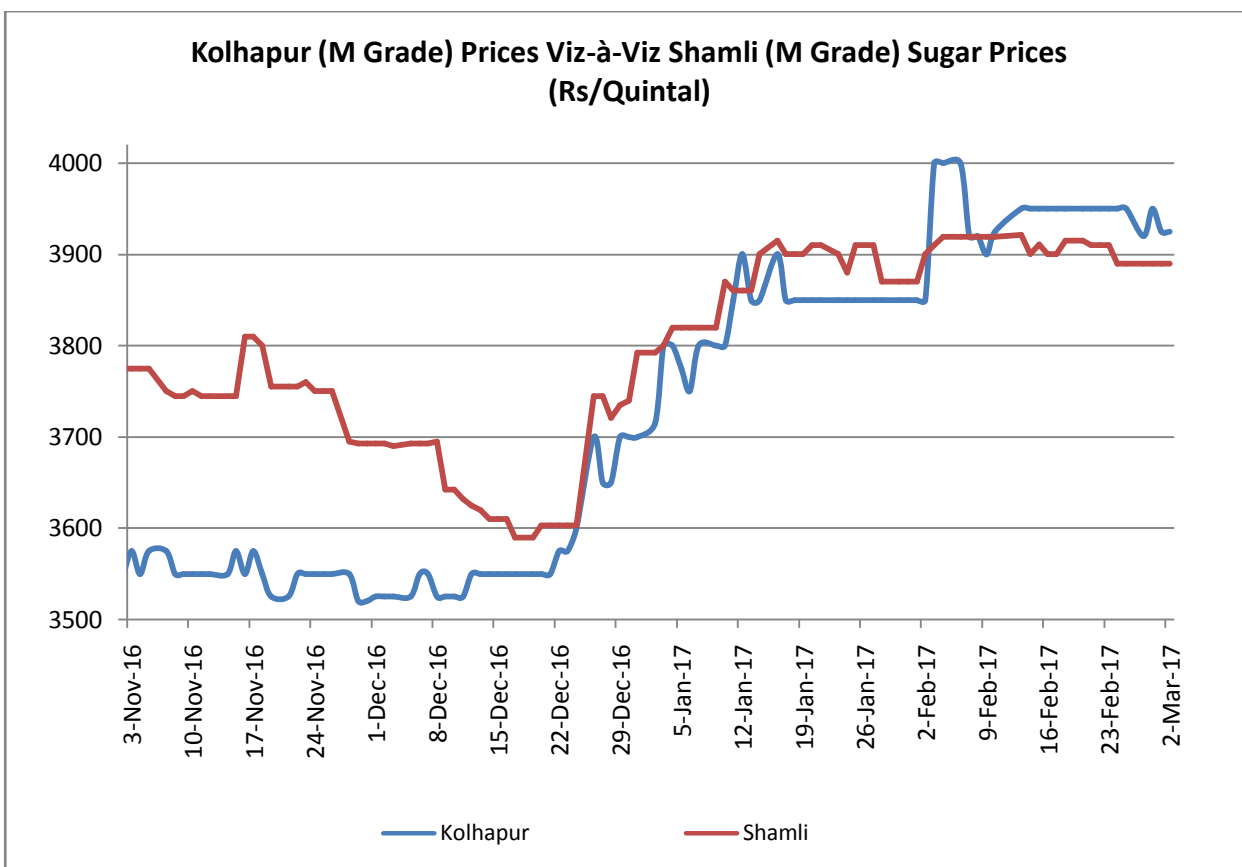
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Domestic Sugar Market Summary

Spot sugar prices fell down during the week amidst persistent supplies from millers on one hand and selective buying from stockiest and bulk consumers on the other.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 3937 per quintal this week compared to Rs 3950 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district fell by 0.51% to Rs 3890 per quintal this week.



Price Outlook:

Agriwatch predicts spot sugar prices to trade steady to weak as market is loaded with ample stock position during this time period.

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 3850 - 3950 per quintal next week.

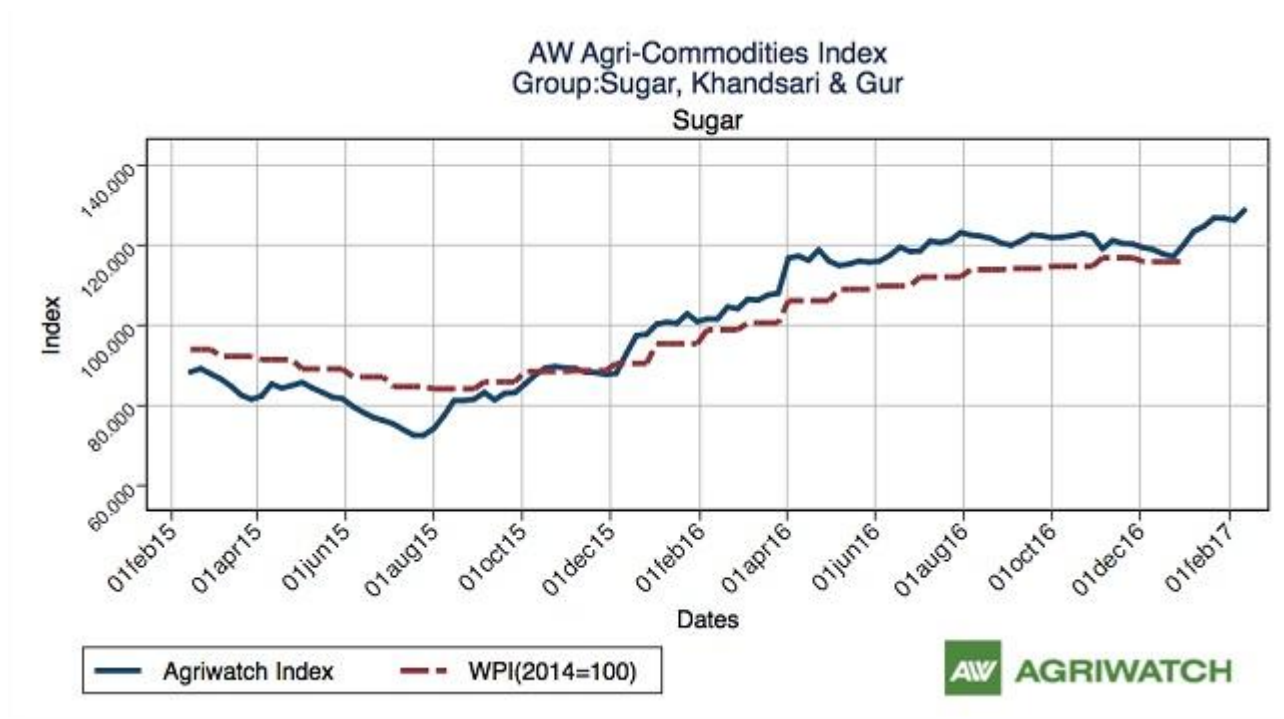
Domestic Market Highlights

Recent Updates

- India produced 162.45 LT of sugar in 2016-17 (01st October, 2016 – 28th February, 2017) which was 18.54% lower than the sugar produced last year during the corresponding period.
- Sugar production in Maharashtra fell down by 41.70% as the state produced 41.15 LT of sugar in 2016-17 (01st October, 2016 – 28th February, 2017) compared to 70.58 LT of production made in 2015-16 (01st October, 2015 – 28th February, 2016).
- 107 sugar mills in U.P had produced 62.46 LT of sugar in 2016-17 (01st October, 2016 – 28th February, 2017) which was 8.95 LT higher than the sugar produced last year in 2015-16 (01st October, 2015 – 28th February, 2016).
- Karnataka sugar production fell by 43.29% as the state produced 20.50 LT of sugar in 2016-17 (01st October, 2016 – 28th February, 2017) compared to 36.15 LT of production made last year during the corresponding period.
- 38 sugar mills in Tamil Nadu produced 6.90 LT of sugar in 2016-17 (01st October, 2016 – 28th February, 2017) which was 30.68% higher than the sugar produced by the same number of mills last year (till 28th February, 2016).
- The combined sugar production of Andhra Pradesh & Telangana fell by 2.21 LT as the states produced 4.30 LT of sugar in 2016-17 (till 28th February, 2017) compared to a sugar production of 6.51 LT made in 2015-16 (till 28th February, 2016).
- Sugar production in Gujarat fell by 12.95% as the state produced 8 LT of sugar in 2016-17 (01st October, 2016 – 28th February, 2017) compared to 9.19 LT of production made in 2015-16 (01st October, 2015 – 28th February, 2016).
- Bihar produced 4.30 LT of sugar in 2016-17 (01st October, 2016 – 28th February, 2017) which was 4.23% lower than the sugar produced last year in 2015-16 (01st October, 2015 – 28th February, 2016).
- Uttarakhand, Punjab, Haryana and M.P & Chhattisgarh produced 2.45 LT, 4.50 LT, 3.75 LT and 3.70 LT of sugar in 2016-17 (01st October, 2016 – 28th February, 2017).

Previous Updates

- Out of the total cane dues of Rs 13,100 crore; sugar millers in U.P had already paid Rs 10,000 crore of pending cane dues for current crushing season 2016-17 (01st October, 2016 – 30th September, 2017).
- As per the second advance estimate of ISMA, India is projected to produce 213 LT of sugar in 2016-17 (01st October, 2016 – 30th September, 2017). The govt. of India also projected the country to produce 225 LT of sugar in 2016-17 (01st October, 2016 – 30th September, 2017). However, as per the latest advance estimate by AW, India is projected to produce 210 LT of sugar in 2016-17 (01st October, 2016 – 30th September, 2017) wherein U.P, Maharashtra and Karnataka are expected to produce 81.4 LT, 48.5 LT and 23.4 LT of sugar respectively.

Agriwatch Sweeteners (Sugar, Gur & Khandsari) Index– February 11, 2017


"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 rose by 1.85% to 127.89 during the week ending on February 11, 2017. 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 \$647.10 per ton (including 40% import duty) and Indian domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$595.89 per ton.

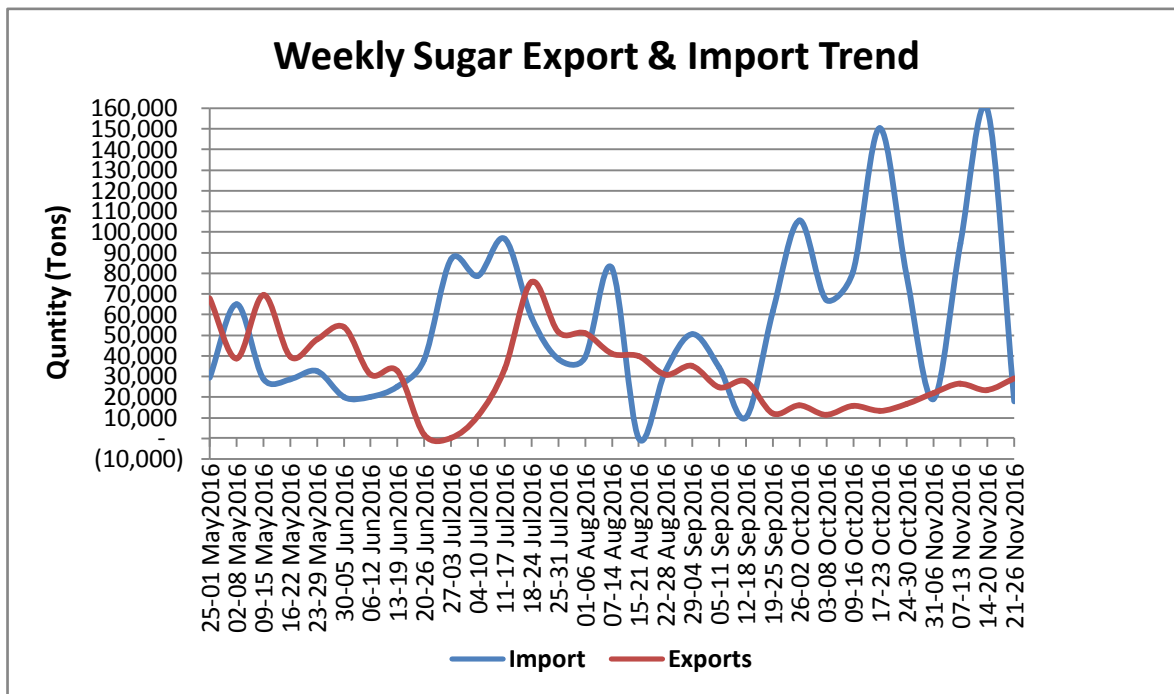
On International front, Brazil sugar FOB prices quoted at \$543.6/ Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs. 66.74) as on 03 Mar, 2017			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$543.6	NA/539.40	\$595.89

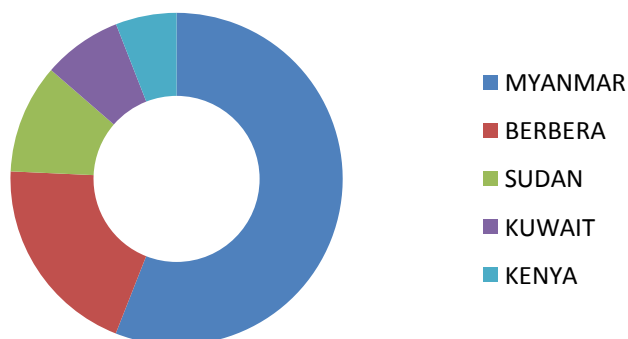
Sugar Import and Export Scenario

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.

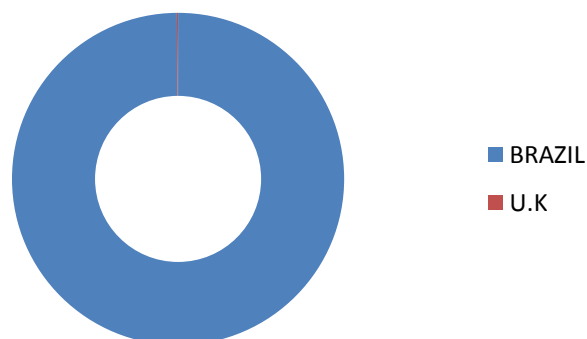


Major importer of Indian sugar during the week (21 -26 November, 2016) was Myanmar which imported 12.7 thousand tonnes of sugar from the country. Other major importers were Berbera, Sudan, Kuwait and Kenya which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes 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, volume and O.I decreased indicating consolidation during the week.
- RSI is hovering in a neutral zone.
- MACD signal line and center line denotes bullish crossover.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Mar	3600	3700	3811	3900	4070
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Mar	Sell	Below 3815	3795	3785	3827

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


- Sugar spot prices at benchmark Kolhapur market closed at Rs 3937/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3951 and Rs 3900 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

- As per the latest UNICA report, Brazil's main centre south region crushed 0.91 MT of sugarcane in the first half of February, 2017 to obtain 0.01 MT of sugar there on. While, the region in total produced 35.27 MT of sugar in 2016-17 (01st April, 2016 – 15th February, 2017) which was 15.26% higher than the sugar produced last year during the corresponding period.
- Market player FCStone, reduced it sugarcane production forecast for Brazil's main centre south region (from 590.8 MT to 588.8 MT) citing an expected lower yield from the old cane fields in MY 2017-18(April – March).
- The International Sugar Organization (ISO) predicted a global sugar deficit of 5.87 MT in 2016-17 (October – September).

Previous Updates

- Platts predicted Brazil's main centre south region to produce 597.3 MT of sugarcane in 2016-17 while the region is expected to produce 582 MT of cane in 2017-18.
- Agroconsult, Archer Consulting and FCStone projected Brazil's main centre south region to produce 595 MT, 586 MT and 597.4 MT of sugarcane respectively in 2017 -18 (01st April, 2017 – 31st March, 2018).
- Market player, Licht predicted a global sugar supply surplus of 2 MT in 2017-18 (October – September) following a bumper cane production in world's largest producer Brazil and favorable weather condition in other Asian countries.
- Datagro predicted Brazil's main C.S region to churn 612 MT of sugarcane in 2017-18 (01st April, 2017 – 31st March, 2018) to produce 36.8 MT of sugar there on. However, for 2016-17 (01st April, 2017 – 31st March, 2018) the organization predicted a cane crop and sugar production of 605.5 MT and 35.62 MT respectively.
- Brazil exported 1.78 million tonnes of raw sugar in January, 2017 which was 14.73% lower than the sugar exported the previous month in December, 2016.
- According to the Agriculture Ministry officials, sugar output in Iran is estimated to exceed 1.52 million tons by the end of the current fiscal year. Domestic demand for sugar is around 2.2 million tons and another 700,000 tons needs to be imported.
- The Indonesian govt. allowed import permit for 1.5 MT of raw sugar in the first half of MY 2017 i.e. 01st January, 2017- 30th June, 2017.
- 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 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 MMT in 2017/18 from 125.3 MMT in 2016/17.

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

Technical Commentary

- LIFE future market trends upward for the week.
 - The last candlestick depicts bullishness in the market.
- Strategy: Buy at 545.0 with a target of 564.3

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'17	545.0	564.3

ICE (Raw Sugar Exchange) Future Market Scenario (May'17 Contract)

Technical Commentary:

- ICE raw sugar futures trend downward for the week.
 - Last candlestick depicts bearishness in the market.
- Strategy: Buy at 19.70 with a target of 20.16

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'17	19.70	20.16

Gur Market Scenario

Mixed sentiments were recorded in spot gur market with prices rising in some market while declining in others. Prices of Achhu (Medium) variety of gur from Mandya rose by Rs 70/quintal from Rs 3580/quintal to Rs 3650/quintal this week. Similarly, prices of Yellow (Medium) variety of gur from Mandya rose by Rs 50/quintal to Rs 3600/quintal this week. On the other hand, prices of Khurpa (Fresh) and Rascut (Fresh) variety of gur from key Muzaffarnagar market fell by Rs 64 and Rs 61 per quintal to Rs 2701 and Rs 2510 per quintal respectively.

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



- Prices of Chaku variety of gur in key Muzaffarnagar market closed at Rs 2998/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3050 and Rs 2879 per quintal.

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			24th to 2nd Mar.2017	17th to 23th Feb.2017	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2998	3027	-28
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	55000	56000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2701	2765	-64
	Muzaffarnagar	Laddoo (Fresh)	2895	2915	-19
	Muzaffarnagar	Rascut (Fresh)	2510	2571	-61
	Hapur	Chaurasa	2635	2666	-31
	Hapur	Balti	2625	2685	-60
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4325	4300	25
	Belgaum	Mudde (Average)	3467	3440	27
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	3480	3496	-16
	Gulbarga	Other (Average)	3558	3483	74
	Mahalingapura	Penti (Average)	3755	3789	-35
	Mandya	Achhu (Medium)	3650	3580	70
	Mandya	Kurikatu (Medium)	3470	3430	40
	Mandya	Other (Medium)	3470	3430	40
	Mandya	Yellow (Medium)	3600	3550	50
	Shimoga	Achhu (Average)	3950	3933	17

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			2-Mar-17	23-Feb-17	2-Feb-17	2-Mar-16
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2950	3003	3038	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	8000	6000	NA
	Muzaffarnagar	Khurpa	2688	2700	2893	2313
	Muzaffarnagar	Laddoo	2880	2888	3038	2425
	Muzaffarnagar	Rascut	2450	2625	2590	2388
	Hapur	Chaurasa	2613	2625	2788	2263
	Hapur	Balti	2600	2650	2800	2225
Maharashtra	Latur	Lal Variety	NR	NR	NA	NA
Karnataka	Bangalore	Mudde (Average)	4300	4300	4400	2950
	Belgaum	Mudde (Average)	NA	3400	3400	NA
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	3600	3435	NA
	Gulbarga	Other (Average)	3640	3450	3450	NA
	Mahalingapura	Penti (Average)	3777	NA	3792	2922
	Mandya	Achhu (Medium)	3850	NA	3350	2450
	Mandya	Kurikatu (Medium)	3500	NA	3200	2200
	Mandya	Other (Medium)	3500	NA	3200	2250
	Mandya	Yellow (Medium)	3650	NA	3350	2450
	Shimoga	Achhu (Average)	NA	NA	NA	NA

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			24th to 2nd Mar.2017	17th to 23th Feb.2017	
Delhi	Delhi	M-Grade	3943	3938	5
	Delhi	S-Grade	3923	3918	5
Uttar Pradesh	Khatauli	M-Grade	3962	3976	-14
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3873	3898	-25
	Dhampur	S-Grade Ex-Mill	3853	3878	-25
	Dhampur	L-Grade Ex-Mill	3923	3948	-25
Maharashtra	Mumbai	M-Grade	4276	4269	7
	Mumbai	S-Grade	4018	3993	25
	Nagpur	M-Grade	4055	4075	-20
	Nagpur	S-Grade	3955	3975	-20
	Kolhapur	M-Grade	3930	3950	-20
	Kolhapur	S-Grade	3830	3850	-20
Assam	Guhawati	S-Grade	4151	4172	-20
Meghalaya	Shillong	S-Grade	4150	4170	-20
Andhra Pradesh	Vijayawada	M-Grade	4200	4200	Unch
	Vijayawada	S-Grade	4100	4100	Unch
West Bengal	Kolkata	M-Grade	4057	4103	-47
Tamil Nadu	Chennai	S-Grade	3867	3846	21
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			2-Mar-17	23-Feb-17	2-Feb-17	2-Mar-16
Delhi	Delhi	M-Grade	3935	3940	3925	3335
	Delhi	S-Grade	3915	3920	3905	3310
Uttar Pradesh	Khatauli	M-Grade	3965	3970	3965	3325
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3875	3900	3875	3270
	Dhampur	S-Grade Ex-Mill	3855	3880	3855	3250
	Dhampur	L-Grade Ex-Mill	3925	3950	3925	3320
Maharashtra	Mumbai	M-Grade	4276	4276	4158	3390
	Mumbai	S-Grade	4016	4006	3942	3282
	Nagpur	M-Grade	4050	4075	3975	NA
	Nagpur	S-Grade	3950	3975	3875	NA
	Kolhapur	M-Grade	3925	3950	3850	3250
	Kolhapur	S-Grade	3825	3850	3750	3150
Assam	Guhawati	S-Grade	4146	4172	4070	3461
Meghalaya	Shillong	S-Grade	4145	4170	4070	3470
Andhra Pradesh	Vijayawada	M-Grade	4200	4200	4100	3450
	Vijayawada	S-Grade	4100	4100	3910	3290
West Bengal	Kolkata	M-Grade	4065	4060	4050	3440
Tamil Nadu	Chennai	S-Grade	3875	3850	3750	3100
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	NA	3025
	Ambikapur	S-Grade (Without Duty)	NR	NR	NA	3025

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



International Sugar Prices (Weekly)				
	Contract Month	1-Mar-17	22-Feb-17	Change
ICE Sugar #11 (US Cent/lb)	May-17	19.52	20.71	-1.19
	Jul-17	19.48	20.68	-1.20
	Oct-17	19.34	20.41	-1.07
LIFFE Sugar (US \$/MT)	May-17	539.40	560.50	-21.10
	Aug-17	529.30	551.60	-22.30
	Oct-17	513.90	533.50	-19.60

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