



# Sugar & Gur Weekly Research Report

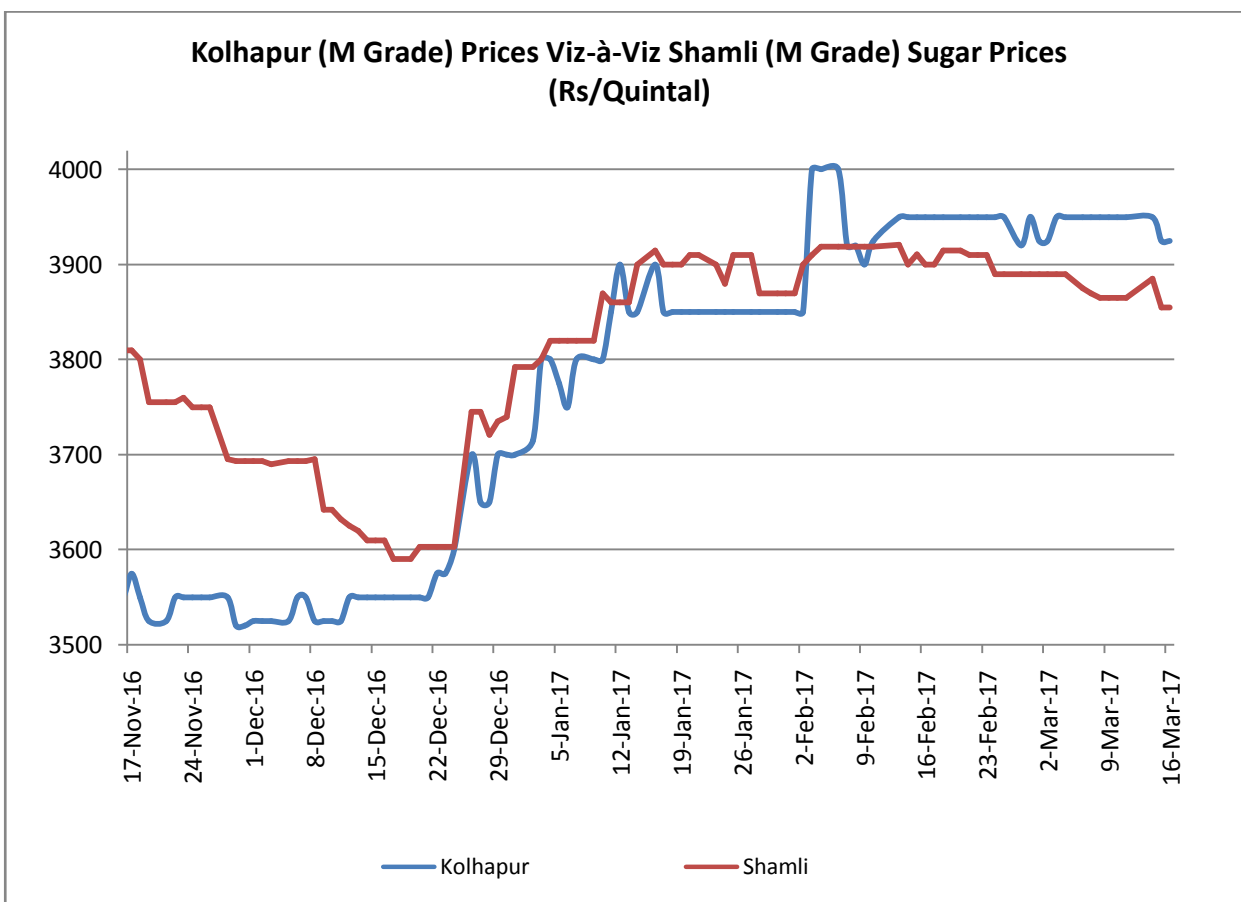
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### Domestic Sugar Market Summary

Spot sugar prices traded steady to weak amidst adequate supply position in the market.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 3940 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 0.28% to Rs 3865 per quintal this week.



### Price Outlook:

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

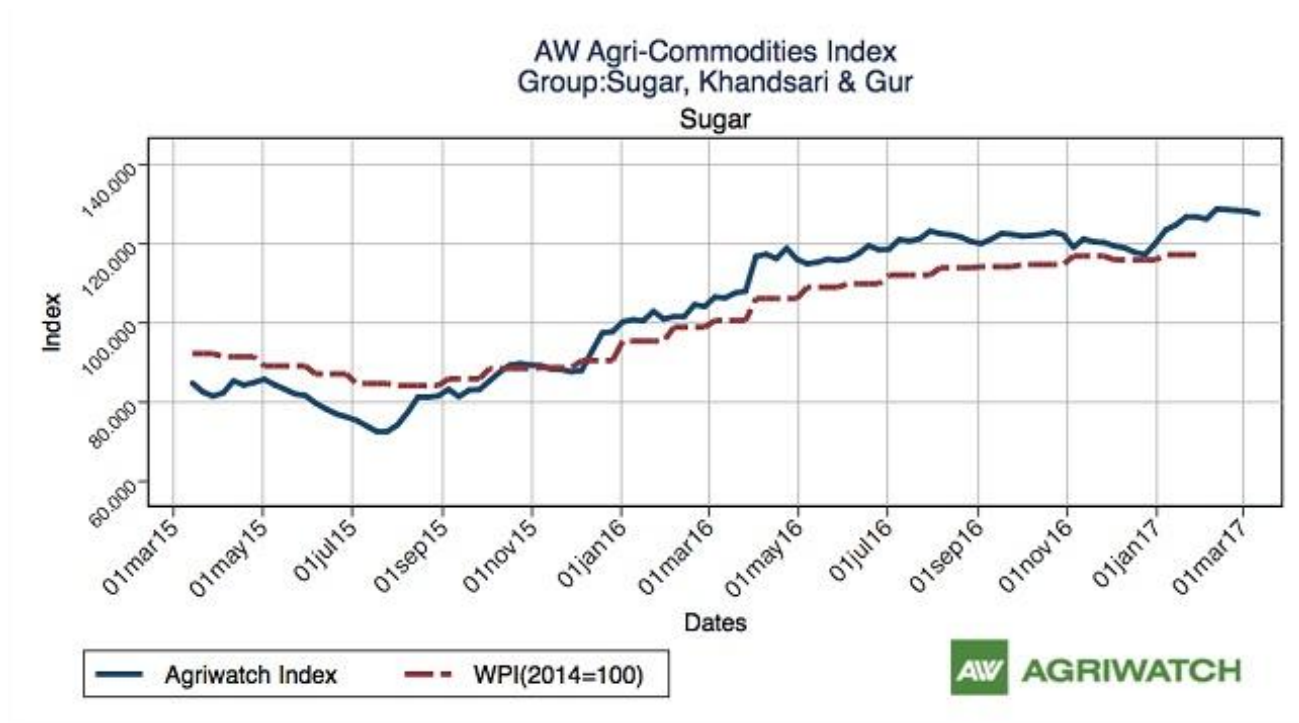
### Price Projection for the Next Week

As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3825 - 3970 per quintal next week.

## Domestic Market Highlights

### Previous Updates

- Agriwatch predicts India to produce 19.5 MT of sugar in 2016-17 (01<sup>st</sup> October, 2016 – 30<sup>th</sup> September, 2017) due to a lower cane output in drought hit areas of Maharashtra & Karnataka along with a greater diversion of cane for 2017/18 planting in these areas. AW projects Maharashtra, U.P and Karnataka to produce 43 LT, 85 LT and 22 LT of sugar in 2016-17 (01<sup>st</sup> October, 2016 – 30<sup>th</sup> September, 2017)
- However, as per the latest ISMA estimate, India is expected to produce 20.3 MT of sugar in MY 2016-17 (01<sup>st</sup> October, 2016 – 30<sup>th</sup> September, 2017).
- India produced 162.45 LT of sugar in 2016-17 (01<sup>st</sup> October, 2016 – 28<sup>th</sup> 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 (01<sup>st</sup> October, 2016 – 28<sup>th</sup> February, 2017) compared to 70.58 LT of production made in 2015-16 (01<sup>st</sup> October, 2015 – 28<sup>th</sup> February, 2016).
- 107 sugar mills in U.P had produced 62.46 LT of sugar in 2016-17 (01<sup>st</sup> October, 2016 – 28<sup>th</sup> February, 2017) which was 8.95 LT higher than the sugar produced last year in 2015-16 (01<sup>st</sup> October, 2015 – 28<sup>th</sup> February, 2016).
- Karnataka sugar production fell by 43.29% as the state produced 20.50 LT of sugar in 2016-17 (01<sup>st</sup> October, 2016 – 28<sup>th</sup> 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 (01<sup>st</sup> October, 2016 – 28<sup>th</sup> February, 2017) which was 30.68% higher than the sugar produced by the same number of mills last year (till 28<sup>th</sup> 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 28<sup>th</sup> February, 2017) compared to a sugar production of 6.51 LT made in 2015-16 (till 28<sup>th</sup> February, 2016).
- Sugar production in Gujarat fell by 12.95% as the state produced 8 LT of sugar in 2016-17 (01<sup>st</sup> October, 2016 – 28<sup>th</sup> February, 2017) compared to 9.19 LT of production made in 2015-16 (01<sup>st</sup> October, 2015 – 28<sup>th</sup> February, 2016).
- Bihar produced 4.30 LT of sugar in 2016-17 (01<sup>st</sup> October, 2016 – 28<sup>th</sup> February, 2017) which was 4.23% lower than the sugar produced last year in 2015-16 (01<sup>st</sup> October, 2015 – 28<sup>th</sup> 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 (01<sup>st</sup> October, 2016 – 28<sup>th</sup> February, 2017).

**Agriwatch Sweeteners (Sugar, Gur & Khandsari) Index– March 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](http://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 0.48% to 126.48 during the week ending on March 11, 2017. Notably, the base for the Index is 2014 (= 100).

**Sugar Import/Export Opportunity**

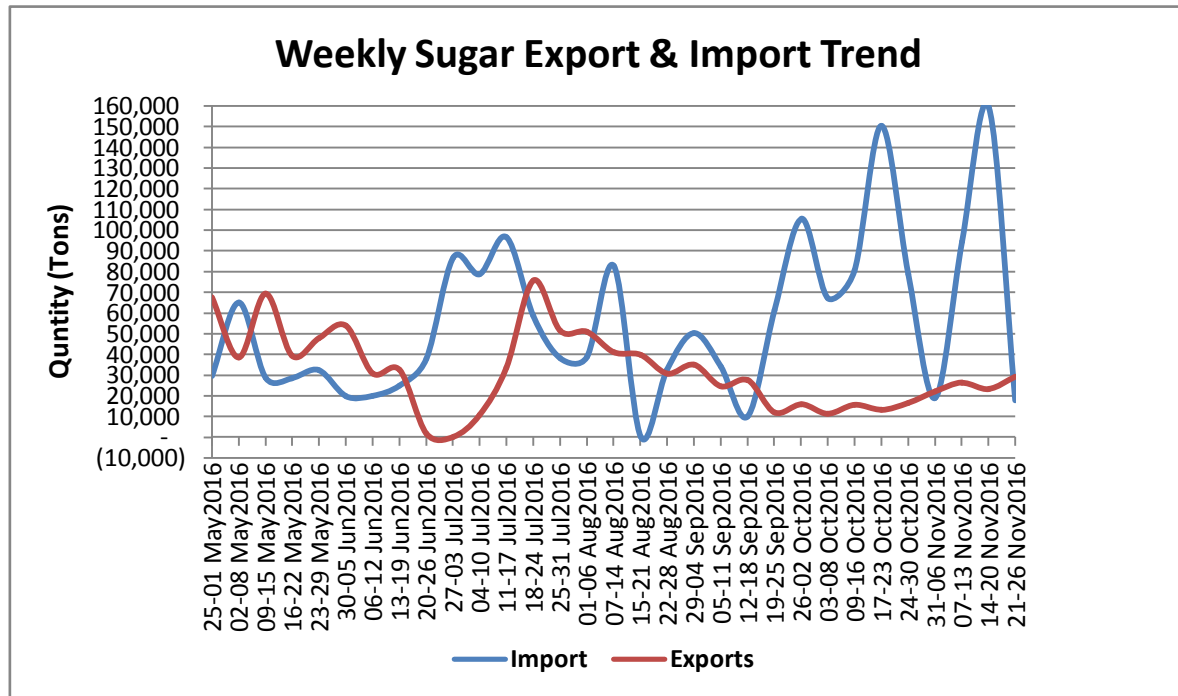
Indian indicative raw sugar CIF prices sourced from Brazil to JNPT (India) was quoted at \$603.49 per ton (including 40% import duty) and Indian domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$608.75 per ton.

On International front, Brazil sugar FOB prices quoted at \$510.3 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. 65.38) as on 17 Mar, 2017			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$510.3	NA/510.30	\$608.75

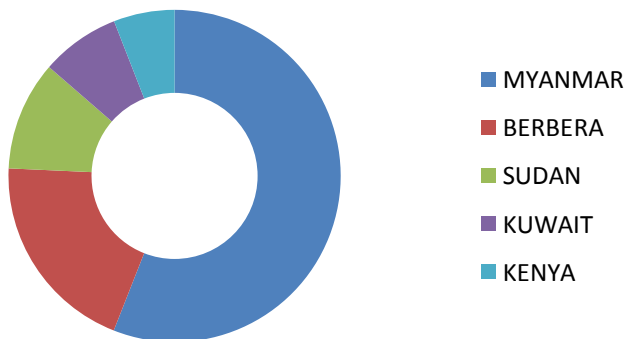
### Sugar Import and Export Scenario

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.

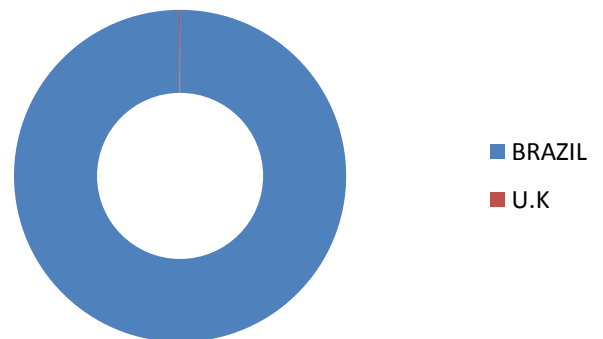


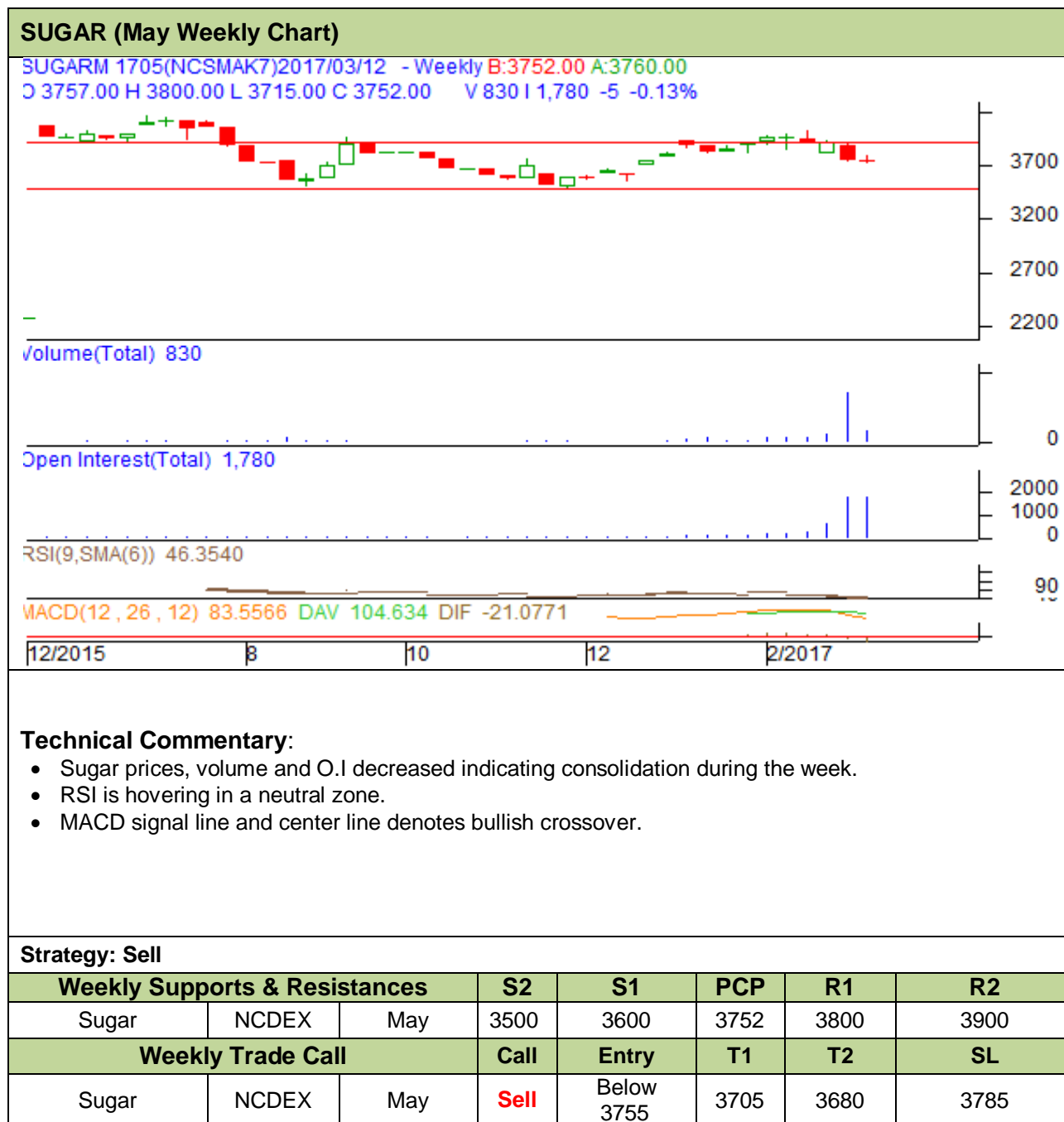
Major importer of Indian sugar during the week (21 -26 November, 2016) was Myanmar which imported 12.7 thousand tonnes of sugar from the country. Other major importers were Berbera, Sudan, Kuwait and Kenya which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes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


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



- Sugar spot prices at benchmark Kolhapur market closed at Rs 3940/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 4000 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**

### **Previous Updates**

- Brazil's raw sugar exports fell by 13.5% as the country exported 1.54 MT of raw sugar in February, 2017 compared to 1.78 MT of exports made in January, 2017.
- 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 (01<sup>st</sup> April, 2016 – 15<sup>th</sup> February, 2017) which was 15.26% higher than the sugar produced last year during the corresponding period.
- Market player FCStone, reduced its 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).
- 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 (01<sup>st</sup> April, 2017 – 31<sup>st</sup> 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 (01<sup>st</sup> April, 2017 – 31<sup>st</sup> March, 2018) to produce 36.8 MT of sugar there on. However, for 2016-17 (01<sup>st</sup> April, 2017 – 31<sup>st</sup> 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. 01<sup>st</sup> January, 2017- 30<sup>th</sup> 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 downward for the week.
  - The last candlestick depicts bearishness in the market.
- Strategy: Sell at 508.2 with a target of 496.2

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'17	508.2	496.2

### 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: Sell at 18.10 with a target of 17.55

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'17	18.10	17.55

## Gur Market Scenario

Spot gur market mainly remained buoyant with price rising in almost all the major markets except one or two. Prices of Mudde (Average) variety of gur from Bangalore rose by Rs 300/quintal from Rs 4600/quintal to Rs 4900/quintal. Similarly prices of Yellow (Medium) and Achhu (Average) variety of gur from Mandya and Shimoga rose by Rs 200 and Rs 292 to Rs 3850 and Rs 4767 per quintal respectively.

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



- Prices of Chaku variety of gur in key Muzaffarnagar market closed at Rs 2914/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 2970 and Rs 2880 per quintal.

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			10th to 16th Mar .2017	3rd to 09th Mar .2017	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2917	2973	-56
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	24000	57000	-33000
	Muzaffarnagar	Khurpa (Fresh)	2694	2661	33
	Muzaffarnagar	Laddoo (Fresh)	2925	2880	45
	Muzaffarnagar	Rascut (Fresh)	2437	2468	-31
	Hapur	Chaurasa	2665	2623	42
	Hapur	Balti	2630	2605	25
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4900	4600	300
	Belgaum	Mudde (Average)	3520	3380	140
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	3500	3417	83
	Gulbarga	Other (Average)	3478	3438	41
	Mahalingapura	Penti (Average)	3785	3805	-20
	Mandya	Achhu (Medium)	3930	3883	47
	Mandya	Kurikatu (Medium)	3530	3500	30
	Mandya	Other (Medium)	3560	3492	68
	Mandya	Yellow (Medium)	3850	3650	200
	Shimoga	Achhu (Average)	4767	4475	292

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			16-Mar-17	9-Mar-17	16-Feb-17	16-Mar-16
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2938	2980	2975	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	10000	7000	NA
	Muzaffarnagar	Khurpa	2725	2695	2850	2430
	Muzaffarnagar	Laddoo	2975	2938	2988	2538
	Muzaffarnagar	Rascut	2475	2500	2563	2463
	Hapur	Chaurasa	2725	2638	2713	2400
	Hapur	Balti	2650	2613	2725	2413
Maharashtra	Latur	Lal Variety	NR	NR	NR	NR
Karnataka	Bangalore	Mudde (Average)	4900	4900	4300	2950
	Belgaum	Mudde (Average)	3500	3400	3400	2400
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	3500	3545	NA
	Gulbarga	Other (Average)	3470	3470	3620	NA
	Mahalingapura	Penti (Average)	3776	3791	3845	3174
	Mandya	Achhu (Medium)	3900	3850	3500	2950
	Mandya	Kurikatu (Medium)	3650	3500	3400	2800
	Mandya	Other (Medium)	3650	3500	3400	2650
	Mandya	Yellow (Medium)	3850	3650	3500	2900
	Shimoga	Achhu (Average)	4900	4500	4000	NA

**Spot Sugar Prices Scenario (Weekly)**

<b>Spot Sugar Prices Scenario (Weekly) (Average)</b>					
<b>Commodity</b>	<b>Centre</b>	<b>Variety</b>	<b>Average Prices (Rs/Qtl)</b>		<b>Change</b>
<b>Sugar</b>			<b>10th to 16th Mar .2017</b>	<b>3rd to 09th Mar .2017</b>	
<b>Delhi</b>	Delhi	M-Grade	3898	3919	<b>-21</b>
	Delhi	S-Grade	3878	3899	<b>-21</b>
<b>Uttar Pradesh</b>	Khatauli	M-Grade	3899	3922	<b>-23</b>
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3841	3848	<b>-7</b>
	Dhampur	S-Grade Ex-Mill	3821	3828	<b>-7</b>
	Dhampur	L-Grade Ex-Mill	3891	3898	<b>-7</b>
<b>Maharashtra</b>	Mumbai	M-Grade	4268	4258	<b>10</b>
	Mumbai	S-Grade	4018	4026	<b>-8</b>
	Nagpur	M-Grade	4065	4075	<b>-10</b>
	Nagpur	S-Grade	3965	3975	<b>-10</b>
	Kolhapur	M-Grade	3940	3950	<b>-10</b>
	Kolhapur	S-Grade	3840	3850	<b>-10</b>
<b>Assam</b>	Guhawati	S-Grade	4162	4172	<b>-10</b>
<b>Meghalaya</b>	Shillong	S-Grade	4160	4170	<b>-10</b>
<b>Andhra Pradesh</b>	Vijayawada	M-Grade	4200	4200	<b>Unch</b>
	Vijayawada	S-Grade	4100	4100	<b>Unch</b>
<b>West Bengal</b>	Kolkata	M-Grade	4056	4053	<b>4</b>
<b>Tamil Nadu</b>	Chennai	S-Grade	3830	3842	<b>-12</b>
<b>Chattisgarh</b>	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			16-Mar-17	9-Mar-17	16-Feb-17	16-Mar-16
Delhi	Delhi	M-Grade	3900	3900	3950	3420
	Delhi	S-Grade	3880	3880	3930	3400
Uttar Pradesh	Khatauli	M-Grade	3900	3887	3965	NA
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3840	3845	3890	3150
	Dhampur	S-Grade Ex-Mill	3820	3825	3870	3130
	Dhampur	L-Grade Ex-Mill	3890	3895	3940	3200
Maharashtra	Mumbai	M-Grade	4272	4260	4160	3460
	Mumbai	S-Grade	4016	4026	3952	3350
	Nagpur	M-Grade	4050	4075	4075	NR
	Nagpur	S-Grade	3950	3975	3975	NR
	Kolhapur	M-Grade	3925	3950	3950	NR
	Kolhapur	S-Grade	3825	3850	3850	NR
Assam	Guhawati	S-Grade	4146	4172	4172	NA
Meghalaya	Shillong	S-Grade	4145	4170	4170	NA
Andhra Pradesh	Vijayawada	M-Grade	4200	4200	4200	3600
	Vijayawada	S-Grade	4100	4100	4100	3440
West Bengal	Kolkata	M-Grade	4065	4060	4100	NA
Tamil Nadu	Chennai	S-Grade	3850	3825	3850	3100
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	NR	3025
	Ambikapur	S-Grade (Without Duty)	NR	NR	NR	3025
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)						



International Sugar Prices (Weekly)				
	Contract Month	15-Mar-17	8-Mar-17	Change
ICE Sugar #11 (US Cent/lb)	May-17	18.23	18.40	-0.17
	Jul-17	18.17	18.38	-0.21
	Oct-17	18.23	18.51	-0.28
LIFFE Sugar (US \$/MT)	May-17	513.80	520.70	-6.90
	Aug-17	505.20	512.50	-7.30
	Oct-17	490.50	497.50	-7.00

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