

Sugar & Gur Weekly Research Report

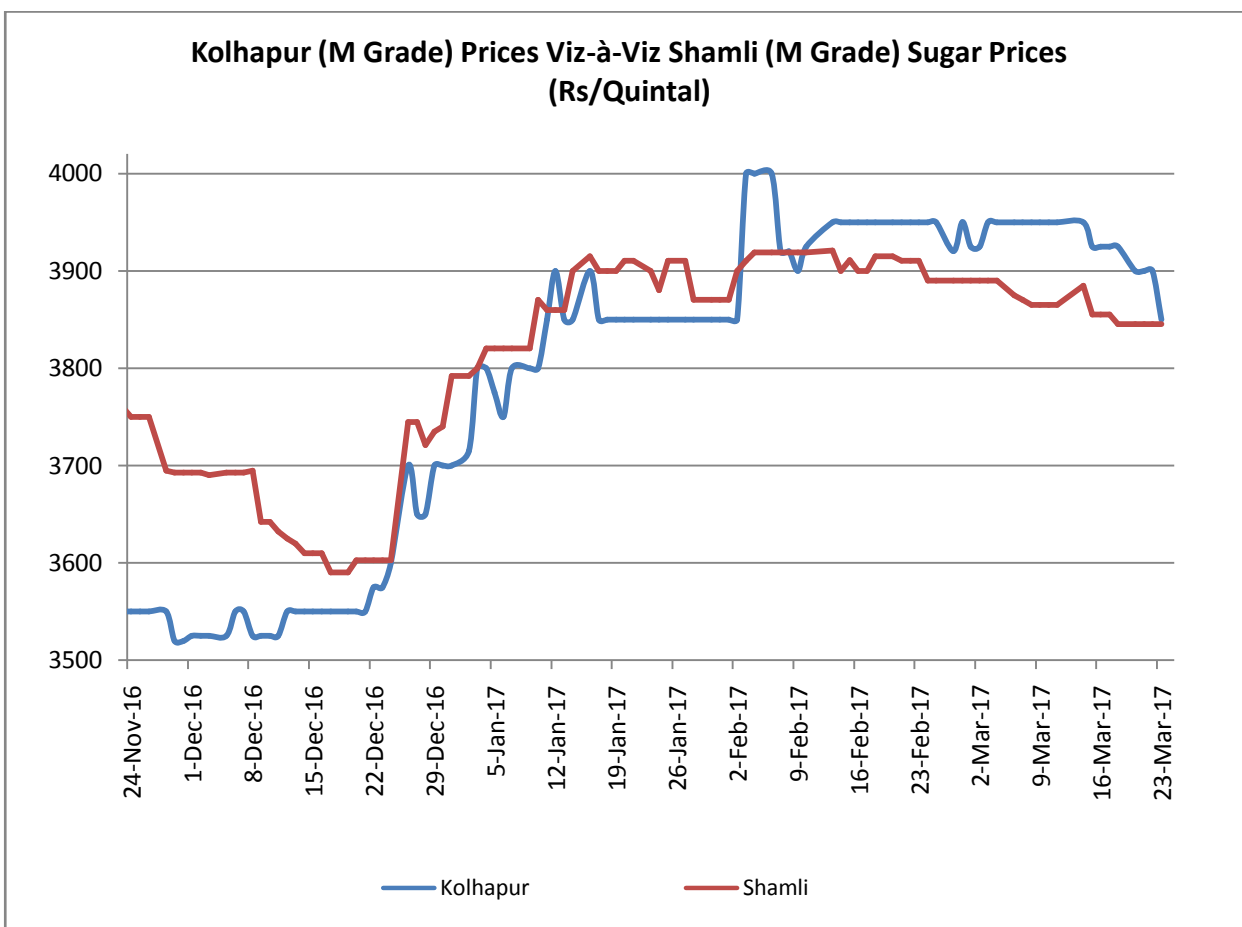
Contents

- ❖ 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 traded steady to weak amidst adequate supply and muted demand in the domestic spot market.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 3900 per quintal this week compared to Rs 3940 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district fell by 0.47% to Rs 3847 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 3800 - 3950 per quintal next week.

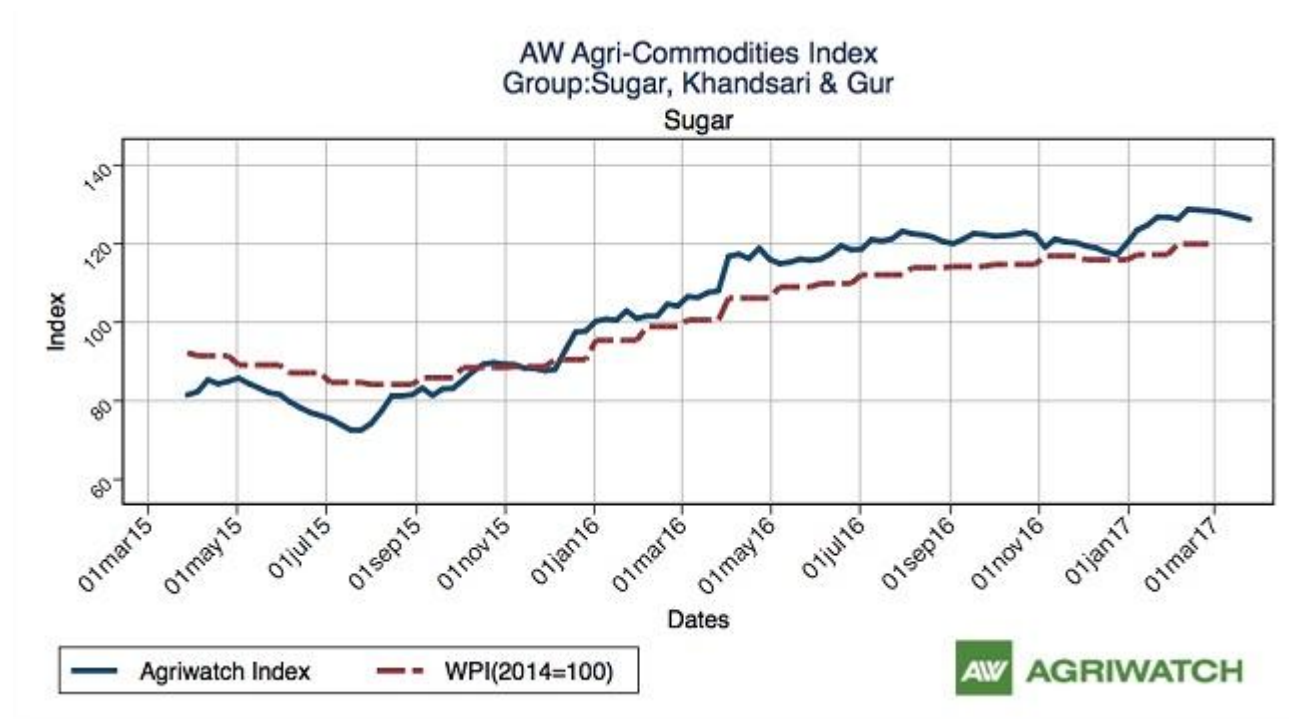
Domestic Market Highlights

Recent Updates

- Rating agency, ICRA projected India to produce 20.3 MT of sugar in 2016-17 (01st October, 2016 – 30th September, 2017) while domestic sugar consumption is expected to lie at 24 MT in 2016-17.

Previous Updates

- Agriwatch predicts India to produce 19.5 MT of sugar in 2016-17 (01st October, 2016 – 30th 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 (01st October, 2016 – 30th September, 2017)
- However, as per the latest ISMA estimate, India is expected to produce 20.3 MT of sugar in MY 2016-17 (01st October, 2016 – 30th September, 2017).
- 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).

Agriwatch Sweeteners (Sugar, Gur & Khandsari) Index– March 25, 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 fell by 0.44% to 125.31 during the week ending on March 25, 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 \$583.38 per ton (including 40% import duty) and Indian domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$604.17 per ton.

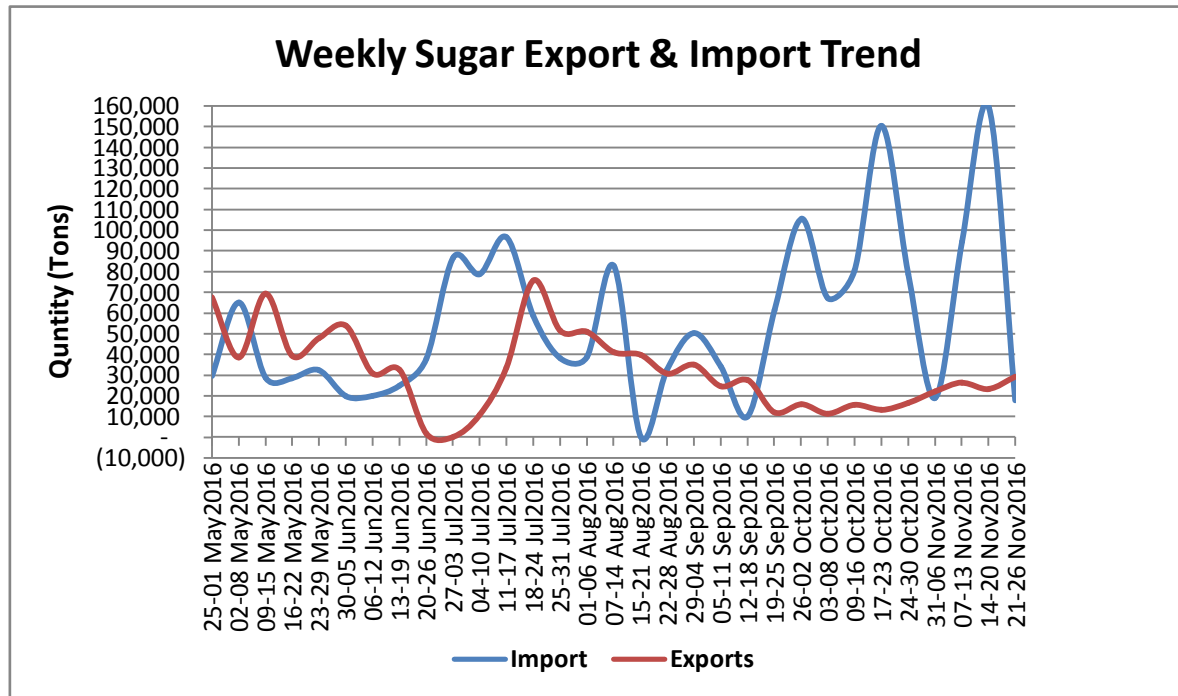
On International front, Brazil sugar FOB prices quoted at \$498.8 Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs. 65.42) as on 24 Mar, 2017			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$498.8	NA/498.80	\$604.17

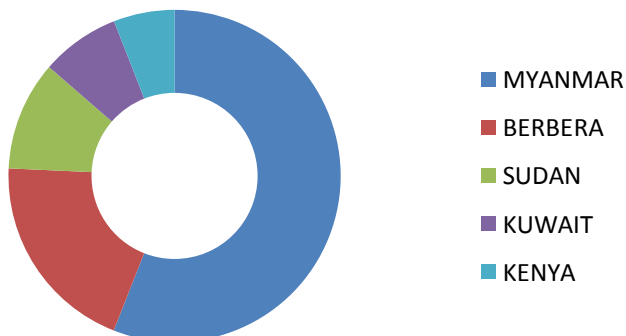
Sugar Import and Export Scenario

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.

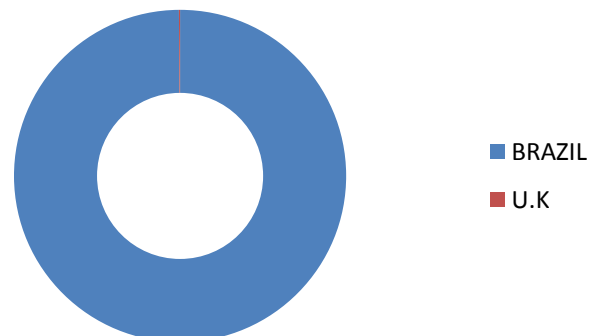


Major importer of Indian sugar during the week (21 -26 November, 2016) was Myanmar which imported 12.7 thousand tonnes of sugar from the country. Other major importers were Berbera, Sudan, Kuwait and Kenya which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes 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 3900/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3950 and Rs 3800 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 (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 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 (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 downward for the week.
 - The last candlestick depicts bearishness in the market.
- Strategy: Sell at 495.2 with a target of 488.95

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'17	495.2	488.95

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 17.60 with a target of 16.95

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'17	17.60	16.95

Gur Market Scenario

Mixed sentiments were recorded in spot gur market where prices rises in some market while declined in others. Prices of Kurikatu (Medium) and Achhu (Medium)) variety of gur from Mandya rose by Rs 287 and Rs 203 per quintal to Rs 3817/quintal and Rs 4133/quintal respectively. Similarly, prices of Balti variety of gur from Hapur rose by Rs 105/quintal from Rs 2630/quintal to Rs 2735/quintal this week. On the other hand, prices of Achhu (Average) variety of gur from Shimoga fell by Rs 227/quintal from Rs 4767/quintal to Rs 4540/quintal this week.

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



- Prices of Chaku variety of gur in key Muzaffarnagar market closed at Rs 3010/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3120 and Rs 2915 per quintal.

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			17th to 23th Mar .2017	10th to 16th Mar .2017	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	3003	2917	86
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	37000	24000	13000
	Muzaffarnagar	Khurpa (Fresh)	2778	2694	84
	Muzaffarnagar	Laddoo (Fresh)	2988	2925	63
	Muzaffarnagar	Rascut (Fresh)	2521	2437	84
	Hapur	Chaurasa	2748	2665	83
	Hapur	Balti	2735	2630	105
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4880	4900	-20
	Belgaum	Mudde (Average)	3500	3520	-20
	Belthangadi	Yellow (Average)	NR	NA	-
	Bijapur	Achhu	3478	3500	-22
	Gulbarga	Other (Average)	3438	3478	-41
	Mahalingapura	Penti (Average)	3784	3785	-1
	Mandya	Achhu (Medium)	4133	3930	203
	Mandya	Kurikatu (Medium)	3817	3530	287
	Mandya	Other (Medium)	3867	3560	307
	Mandya	Yellow (Medium)	3933	3850	83
	Shimoga	Achhu (Average)	4540	4767	-227

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			23-Mar-17	16-Mar-17	23-Feb-17	23-Mar-16
Uttar Pradesh	Muzaffarnagar	ChakuSukha	NR	2938	3003	NR
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NR	5000	8000	NR
	Muzaffarnagar	Khurpa	NR	2725	2700	2430
	Muzaffarnagar	Laddoo	NR	2975	2888	2588
	Muzaffarnagar	Rascut	NR	2475	2625	2425
	Hapur	Chaurasa	2788	2725	2625	2450
	Hapur	Balti	2775	2650	2650	2438
Maharashtra	Latur	Lal Variety	NR	NR	NR	NR
Karnataka	Bangalore	Mudde (Average)	4780	4900	4300	3700
	Belgaum	Mudde (Average)	3600	3500	3400	2400
	Belthangadi	Yellow (Average)	NA	NA	NA	NR
	Bijapur	Achhu	3575	NA	3600	NR
	Gulbarga	Other (Average)	NA	3470	3450	NA
	Mahalingapura	Penti (Average)	NA	3776	NA	3214
	Mandya	Achhu (Medium)	4300	3900	NA	2900
	Mandya	Kurikatu (Medium)	3900	3650	NA	2900
	Mandya	Other (Medium)	3950	3650	NA	2550
	Mandya	Yellow (Medium)	4000	3850	NA	2850
	Shimoga	Achhu (Average)	NA	4900	NA	2800

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			17th to 23th Mar .2017	10th to 16th Mar .2017	
Delhi	Delhi	M-Grade	3878	3898	-20
	Delhi	S-Grade	3858	3878	-20
Uttar Pradesh	Khatauli	M-Grade	3882	3899	-17
	Ramala	M-Grade	NR	NA	-
	Dhampur	M-Grade Ex-Mill	3833	3841	-8
	Dhampur	S-Grade Ex-Mill	3813	3821	-8
	Dhampur	L-Grade Ex-Mill	3883	3891	-8
Maharashtra	Mumbai	M-Grade	4168	4268	-100
	Mumbai	S-Grade	4010	4018	-8
	Nagpur	M-Grade	4025	4065	-40
	Nagpur	S-Grade	3938	3965	-28
	Kolhapur	M-Grade	3900	3940	-40
	Kolhapur	S-Grade	3813	3840	-28
Assam	Guhawati	S-Grade	4134	4162	-28
Meghalaya	Shillong	S-Grade	4133	4160	-28
Andhra Pradesh	Vijayawada	M-Grade	4180	4200	-20
	Vijayawada	S-Grade	4160	4100	60
West Bengal	Kolkata	M-Grade	4080	4056	24
Tamil Nadu	Chennai	S-Grade	3800	3830	-30
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			23-Mar-17	16-Mar-17	23-Feb-17	23-Mar-16
Delhi	Delhi	M-Grade	3870	3900	3940	Closed
	Delhi	S-Grade	3850	3880	3920	Closed
Uttar Pradesh	Khatauli	M-Grade	3865	3900	3970	3398
	Ramala	M-Grade	NA	NA	NA	NR
	Dhampur	M-Grade Ex-Mill	3830	3840	3900	NA
	Dhampur	S-Grade Ex-Mill	3810	3820	3880	NA
	Dhampur	L-Grade Ex-Mill	3880	3890	3950	NA
Maharashtra	Mumbai	M-Grade	Closed	4272	4276	Closed
	Mumbai	S-Grade	Closed	4016	4006	Closed
	Nagpur	M-Grade	3975	4050	4075	NR
	Nagpur	S-Grade	3925	3950	3975	NR
	Kolhapur	M-Grade	3850	3925	3950	Closed
	Kolhapur	S-Grade	3800	3825	3850	Closed
Assam	Guhawati	S-Grade	4121	4146	4172	NR
Meghalaya	Shillong	S-Grade	4120	4145	4170	NR
Andhra Pradesh	Vijayawada	M-Grade	4180	4200	4200	3660
	Vijayawada	S-Grade	4160	4100	4100	3500
West Bengal	Kolkata	M-Grade	4080	4065	4060	NR
Tamil Nadu	Chennai	S-Grade	3800	3850	3850	3175
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	22-Mar-17	15-Mar-17	Change
ICE Sugar #11 (US Cent/lb)	May-17	17.30	18.23	-0.93
	Jul-17	17.29	18.17	-0.88
	Oct-17	17.42	18.23	-0.81
LIFFE Sugar (US \$/MT)	May-17	488.30	513.80	-25.50
	Aug-17	483.30	505.20	-21.90
	Oct-17	471.70	490.50	-18.80

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp> © 2017 Indian Agribusiness Systems Pvt Ltd.