

Sugar & Gur Weekly Research Report

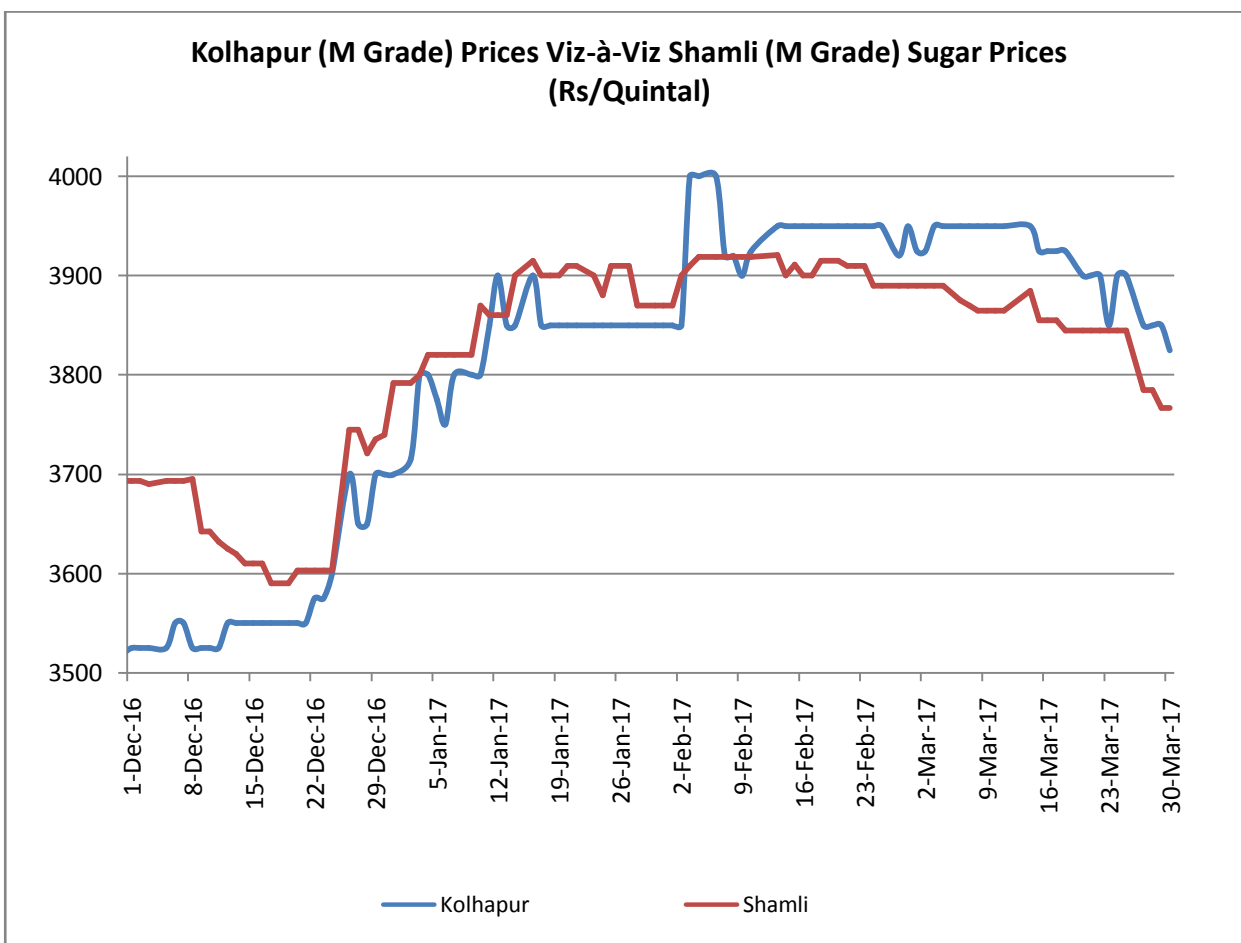
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Domestic Sugar Market Summary

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 3863 per quintal this week compared to Rs 3900 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district fell by 1.24% to Rs 3799 per quintal this week.



Price Outlook:

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

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.

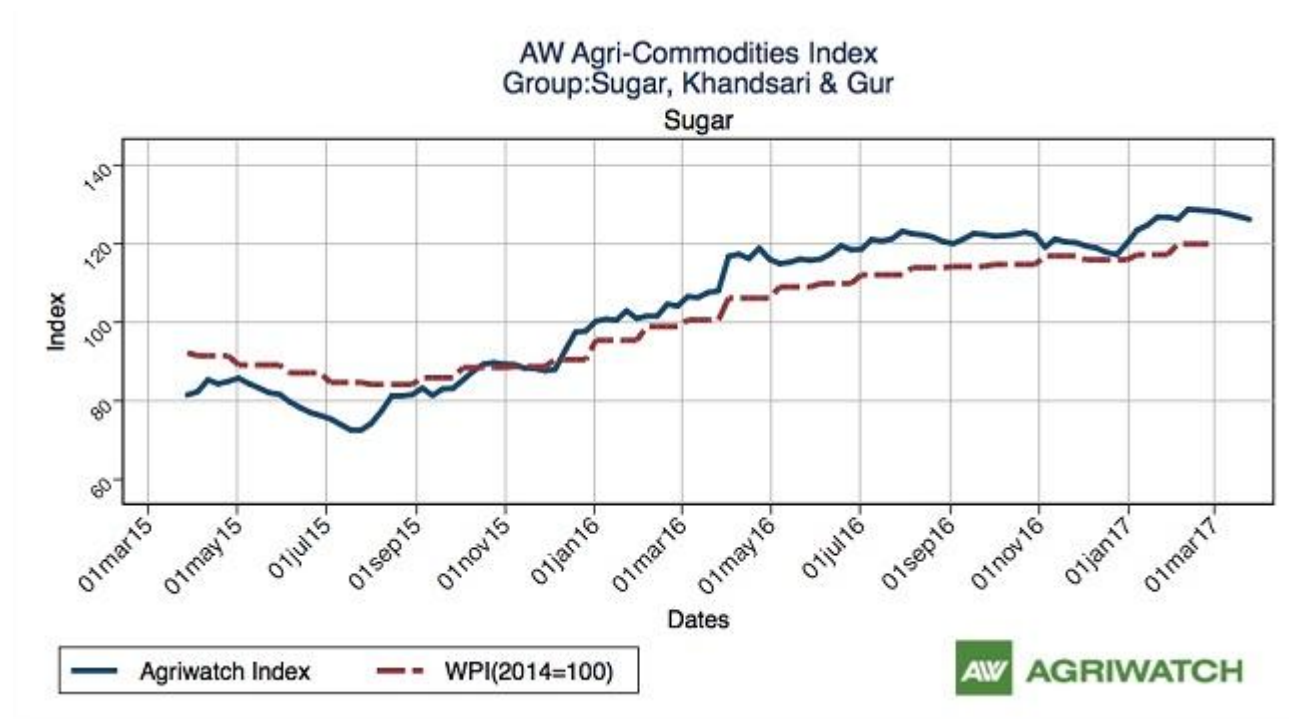
Domestic Market Highlights

Recent Updates

- According to the latest government report, sugar mills in India owes a total of Rs 12,270 crore (for the year 2016-17, 2015-16, 2014-15 and earlier sugar seasons) pending cane arrears to the Indian farmers till 28th February, 2017.

Previous 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.
- 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 \$558.95 per ton (including 40% import duty) and Indian domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$606.35 per ton.

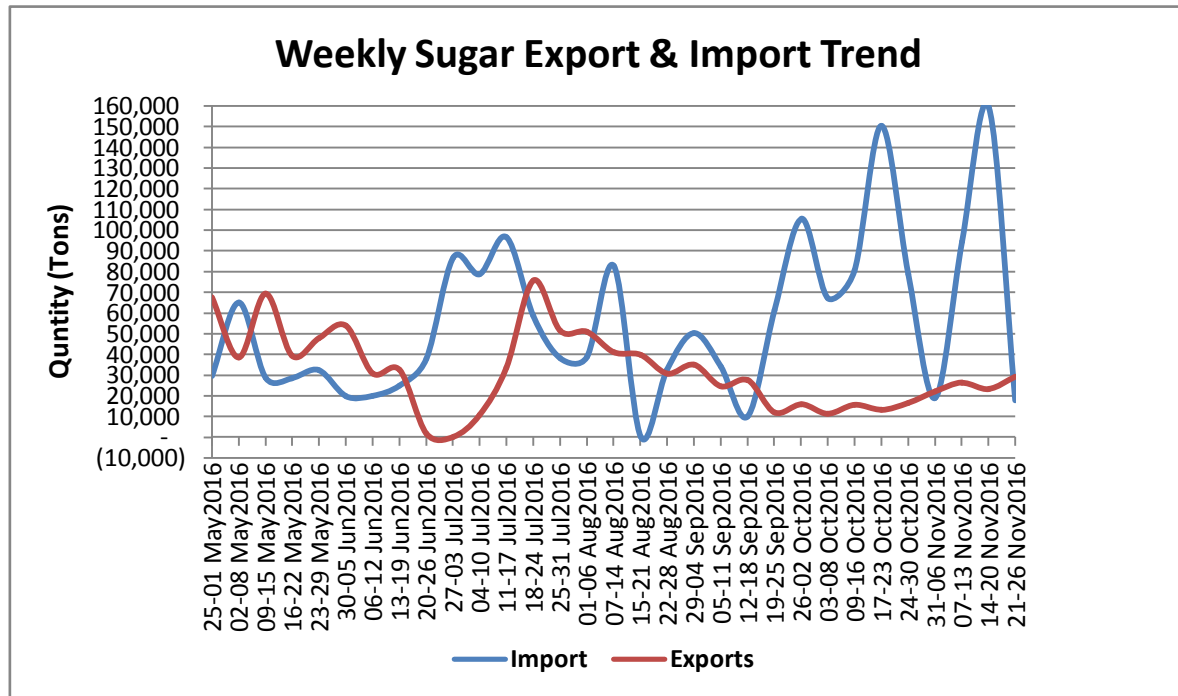
On International front, Brazil sugar FOB prices quoted at \$479.00 Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs. 64.84) as on 31 Mar, 2017			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$479.00	NA/498.80	\$606.35

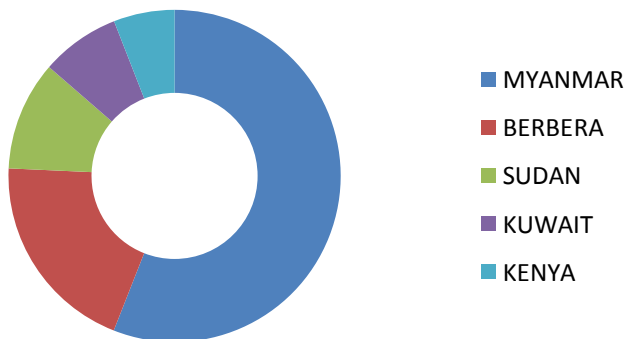
Sugar Import and Export Scenario

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.

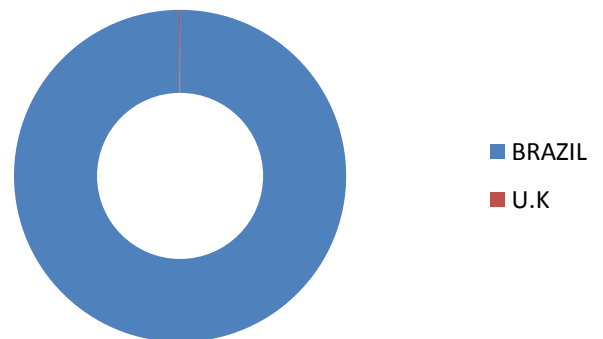


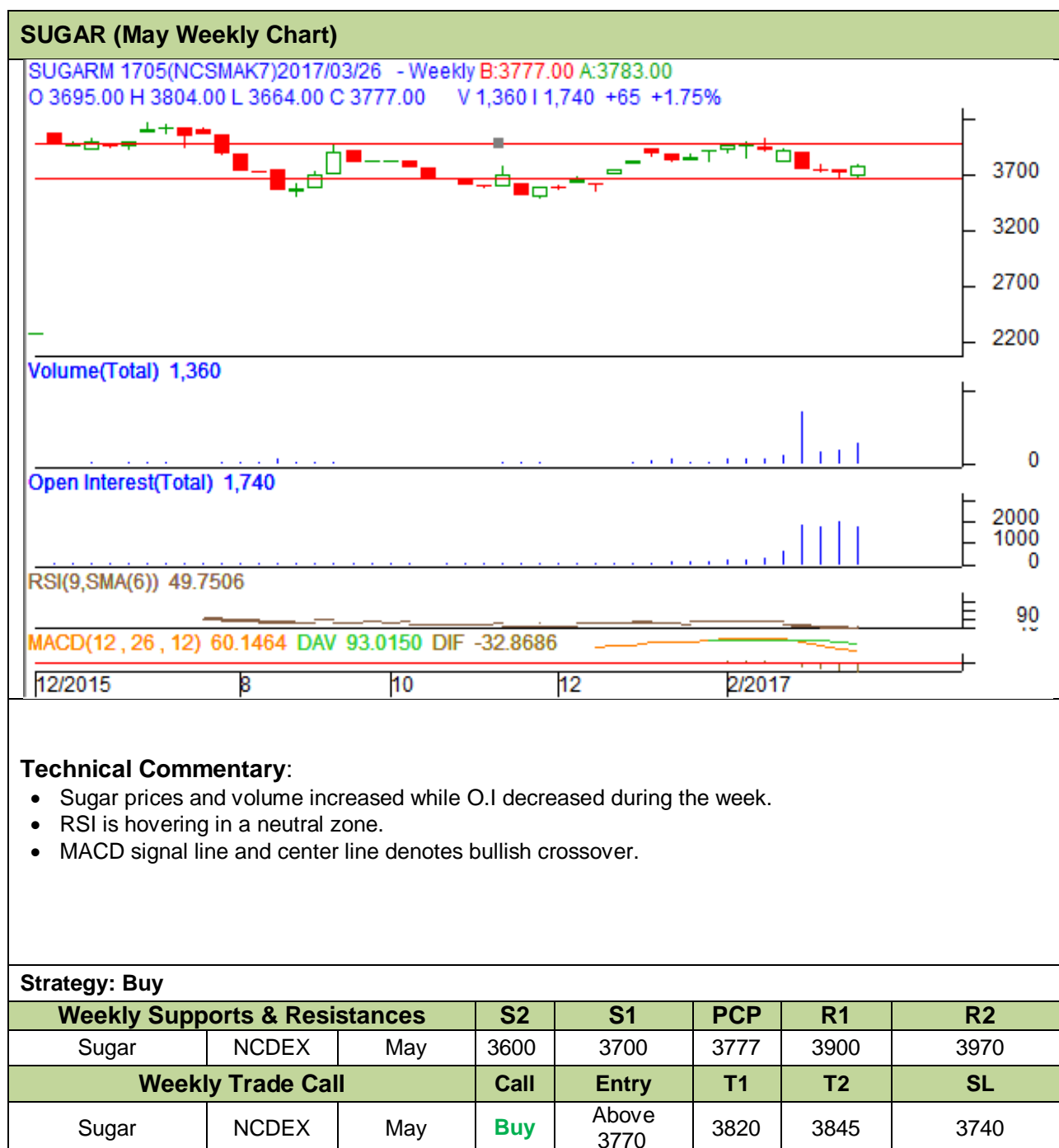
Major importer of Indian sugar during the week (21 -26 November, 2016) was Myanmar which imported 12.7 thousand tonnes of sugar from the country. Other major importers were Berbera, Sudan, Kuwait and Kenya which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes 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 3863/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3905 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

Recent Updates

- As per the latest UNICA report, Brazil's main C.S region crushed 3.26 MT of sugarcane in the first half of March, 2017 in order to obtain 0.07 MT of sugar thereon.

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.
- 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).
- 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 83 and Rs 129 per quintal to Rs 3900/quintal and Rs 4263/quintal respectively. However, prices of Mudde (Average) variety of gur from Bangalore fell by Rs 100/quintal from Rs 4880 to Rs 4780 per quintal this week.

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



- Prices of Chaku variety of gur in key Muzaffarnagar market closed at Rs 3016/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3055 and Rs 2965 per quintal.

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			24th to 30th Mar .2017	17th to 23th Mar .2017	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	3016	3003	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	39000	37000	2000
	Muzaffarnagar	Khurpa (Fresh)	2768	2778	-10
	Muzaffarnagar	Laddoo (Fresh)	3026	2988	39
	Muzaffarnagar	Rascut (Fresh)	2464	2521	-56
	Hapur	Chaurasa	2715	2748	-33
	Hapur	Balti	2745	2735	10
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4780	4880	-100
	Belgaum	Mudde (Average)	3667	3500	167
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	3487	3478	9
	Gulbarga	Other (Average)	3451	3438	14
	Mahalingapura	Penti (Average)	3758	3784	-25
	Mandya	Achhu (Medium)	4263	4133	129
	Mandya	Kurikatu (Medium)	3900	3817	83
	Mandya	Other (Medium)	3888	3867	21
	Mandya	Yellow (Medium)	3975	3933	42
	Shimoga	Achhu (Average)	4825	4540	285

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			30-Mar-17	23-Mar-17	28-Feb-17	30-Mar-16
Uttar Pradesh	Muzaffarnagar	ChakuSukha	3013	3043	3005	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	7000	8000	NA
	Muzaffarnagar	Khurpa	2750	2875	2695	2688
	Muzaffarnagar	Laddoo	3038	3038	2875	2963
	Muzaffarnagar	Rascut	2415	2538	2480	2828
	Hapur	Chaurasa	2675	2788	2650	2663
	Hapur	Balti	2725	2775	2625	2638
Maharashtra	Latur	Lal Variety	NR	NR	NR	NR
Karnataka	Bangalore	Mudde (Average)	4780	4780	4300	3700
	Belgaum	Mudde (Average)	NA	3600	3500	2400
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	3450	3575	3385	NA
	Gulbarga	Other (Average)	3425	3475	3460	2600
	Mahalingapura	Penti (Average)	NA	3807	3774	NA
	Mandya	Achhu (Medium)	NA	4300	3550	2950
	Mandya	Kurikatu (Medium)	NA	3900	3450	2800
	Mandya	Other (Medium)	NA	3950	3450	2700
	Mandya	Yellow (Medium)	NA	4000	3550	2850
	Shimoga	Achhu (Average)	NA	4300	3950	NA

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			24th to 30th Mar .2017	17th to 23th Mar .2017	
Delhi	Delhi	M-Grade	3845	3878	-33
	Delhi	S-Grade	3825	3858	-33
Uttar Pradesh	Khatauli	M-Grade	3820	3882	-62
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3788	3833	-45
	Dhampur	S-Grade Ex-Mill	3768	3813	-45
	Dhampur	L-Grade Ex-Mill	3838	3883	-45
Maharashtra	Mumbai	M-Grade	4274	4168	106
	Mumbai	S-Grade	4010	4010	-1
	Nagpur	M-Grade	3990	4025	-35
	Nagpur	S-Grade	3915	3938	-23
	Kolhapur	M-Grade	3865	3900	-35
	Kolhapur	S-Grade	3790	3813	-23
Assam	Guhawati	S-Grade	4111	4134	-23
Meghalaya	Shillong	S-Grade	4110	4133	-23
Andhra Pradesh	Vijayawada	M-Grade	4180	4180	Unch
	Vijayawada	S-Grade	4160	4160	Unch
West Bengal	Kolkata	M-Grade	4063	4080	-17
Tamil Nadu	Chennai	S-Grade	3775	3800	-25
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			30-Mar-17	23-Mar-17	28-Feb-17	30-Mar-16
Delhi	Delhi	M-Grade	3850	3870	3940	3675
	Delhi	S-Grade	3830	3850	3920	3655
Uttar Pradesh	Khatauli	M-Grade	3800	3865	3965	NA
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3755	3830	3875	NA
	Dhampur	S-Grade Ex-Mill	3735	3810	3855	NA
	Dhampur	L-Grade Ex-Mill	3805	3880	3925	NA
Maharashtra	Mumbai	M-Grade	4276	4170	4276	3650
	Mumbai	S-Grade	4006	4010	4020	3560
	Nagpur	M-Grade	3950	3975	4075	NA
	Nagpur	S-Grade	3875	3925	3975	NA
	Kolhapur	M-Grade	3825	3850	3950	3525
	Kolhapur	S-Grade	3750	3800	3850	3425
Assam	Guhawati	S-Grade	4070	4121	4172	3740
Meghalaya	Shillong	S-Grade	4070	4120	4170	3745
Andhra Pradesh	Vijayawada	M-Grade	4180	4180	4200	3920
	Vijayawada	S-Grade	4160	4160	4100	3760
West Bengal	Kolkata	M-Grade	4060	4080	4055	3800
Tamil Nadu	Chennai	S-Grade	3750	3800	3900	3400
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	NR	3050
	Ambikapur	S-Grade (Without Duty)	NR	NR	NR	3040
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)						



International Sugar Prices (Weekly)				
	Contract Month	29-Mar-17	22-Mar-17	Change
ICE Sugar #11 (US Cent/lb)	May-17	17.12	17.30	-0.18
	Jul-17	17.22	17.29	-0.07
	Oct-17	17.47	17.42	0.05
LIFFE Sugar (US \$/MT)	May-17	485.30	488.30	-3.00
	Aug-17	482.50	483.30	-0.80
	Oct-17	472.90	471.70	1.20

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