



Sugar & Gur Weekly Research Report

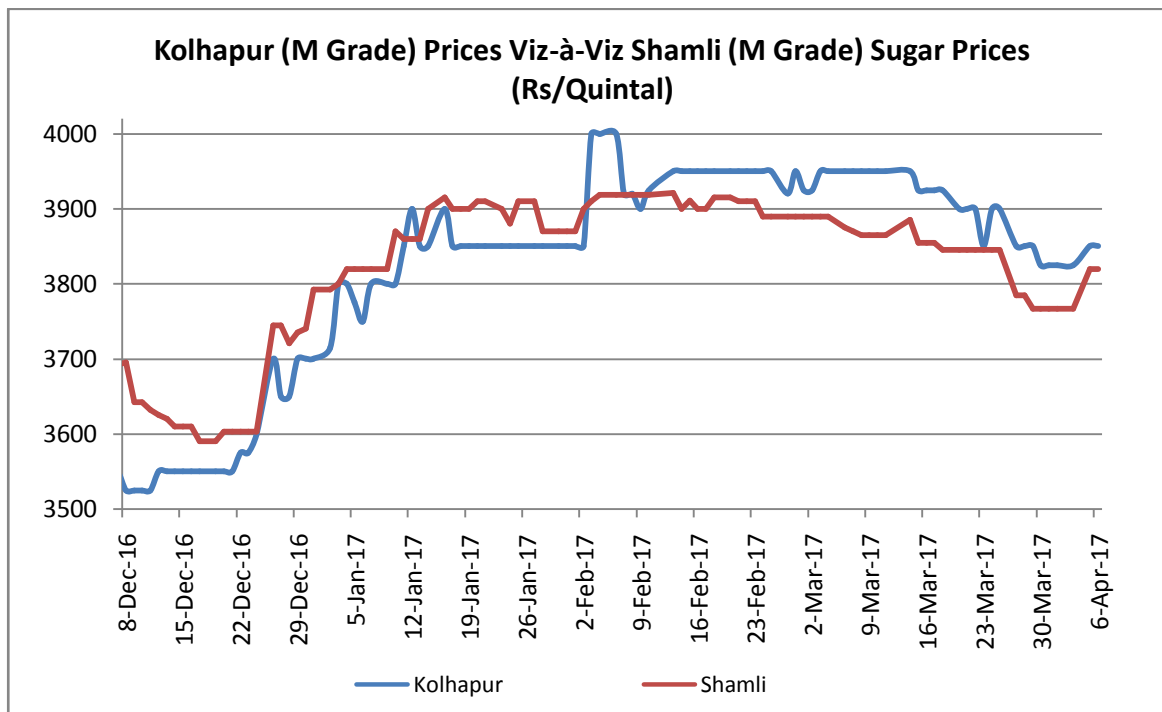
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Domestic Sugar Market Summary

Spot sugar prices traded steady to weak amidst adequate supply and muted demand in the domestic spot market. In addition, the recent announcement made by the govt. to allow duty free import of 5 lakh tonnes of raw sugar further landed support to the fall in prices.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 3835 per quintal this week compared to Rs 3863 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district fell by 0.28% to Rs 3788 per quintal this week.



Price Outlook:

Agrivatch 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 3750 - 3950 per quintal next week.

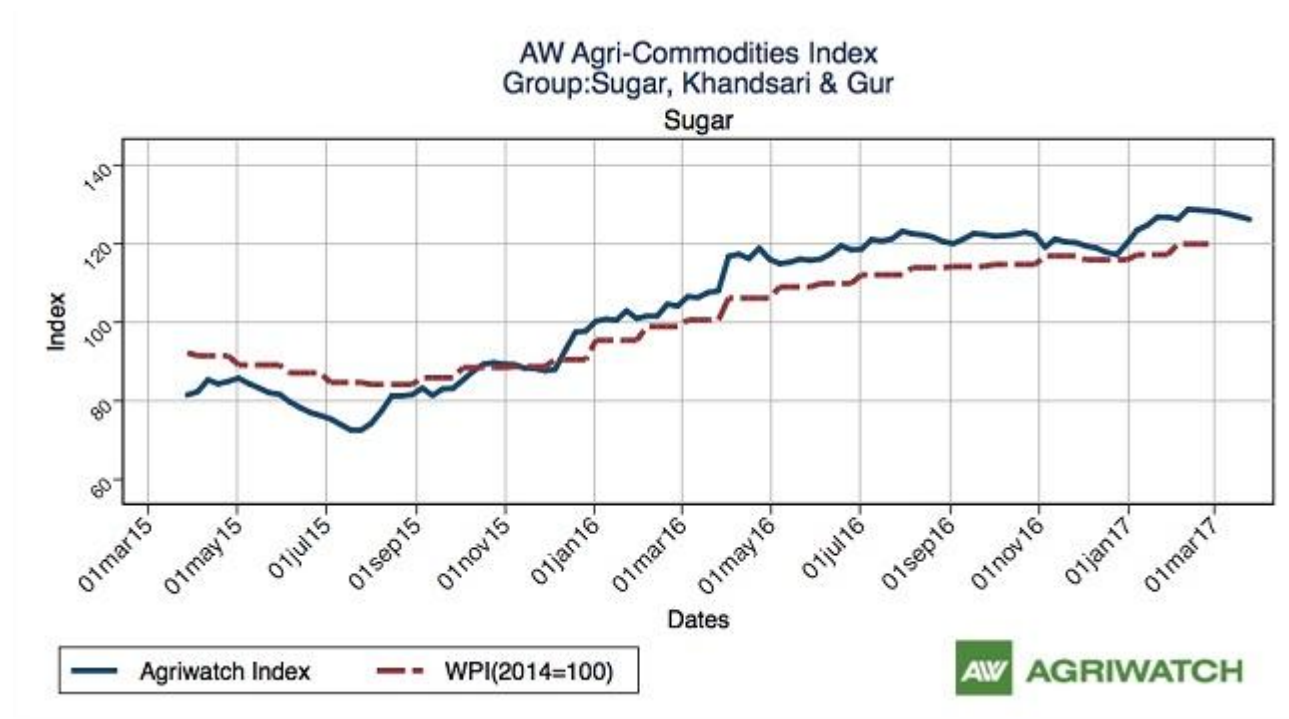
Domestic Market Highlights

Recent Updates

- To balance the mismatch between the country's sugar production and consumption level, the Indian govt. allowed duty free import of 5 lakh tonnes of raw sugar till 12th of June, 2017. Notably, the govt. estimates India to produce 22.5 MT of sugar this marketing year i.e. 2016-17 (01st October, 2016 – 30th September, 2017) while AW predicts sugar production of 19.5 MT during the same period.

Previous 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.
- 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).

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 \$547.81 per ton (including 40% import duty) and Indian domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$608.79 per ton.

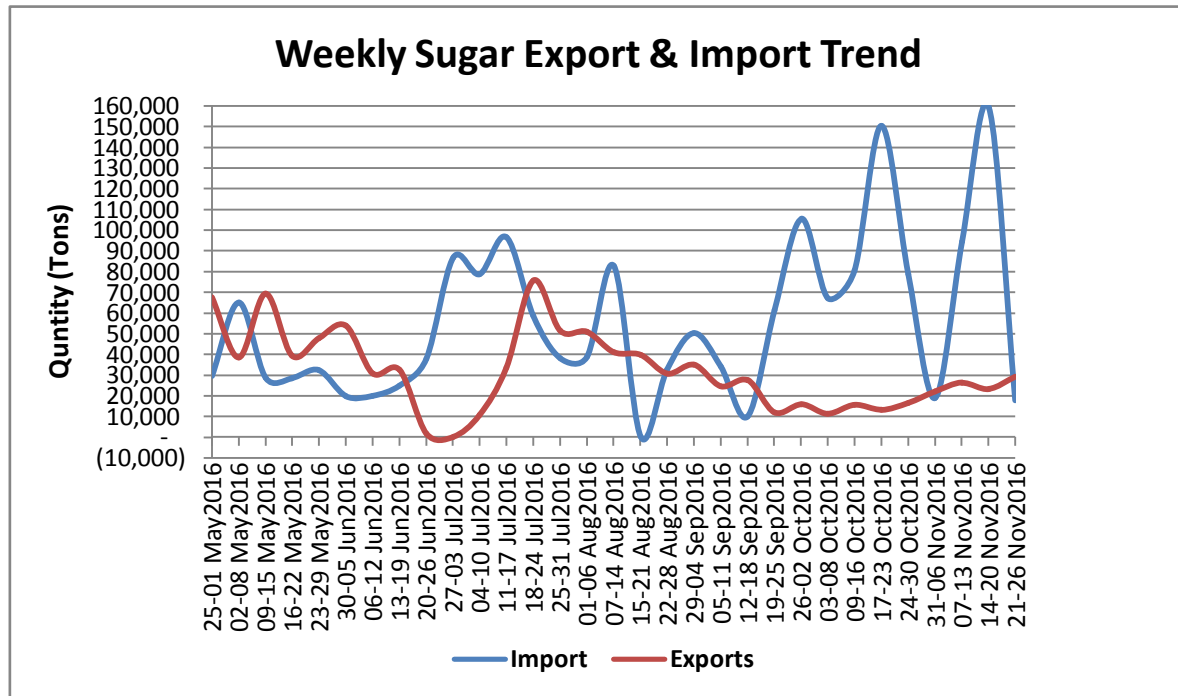
On International front, Brazil sugar FOB prices quoted at \$473.6 Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs. 64.39) as on 07 Apr, 2017			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$473.6	NA/498.80	\$608.79

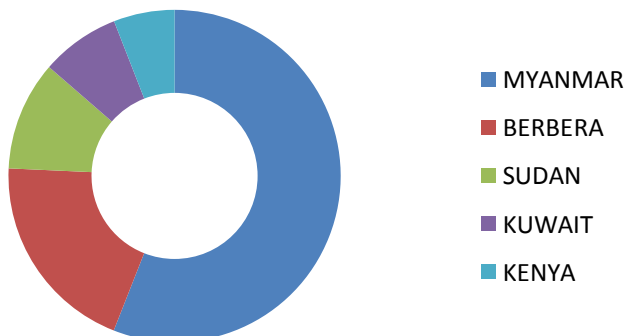
Sugar Import and Export Scenario

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.

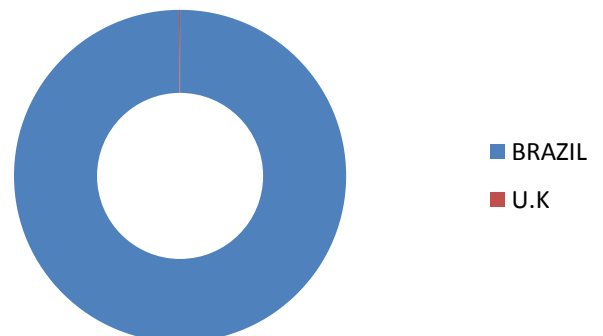


Major importer of Indian sugar during the week (21 -26 November, 2016) was Myanmar which imported 12.7 thousand tonnes of sugar from the country. Other major importers were Berbera, Sudan, Kuwait and Kenya which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes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

Technical Commentary:

- Sugar prices and O.I decreased while volume increased 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	May	3500	3600	3770	3900	3970
Weekly Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	May	Sell	Below 3780	3730	3705	3810

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



- Sugar spot prices at benchmark Kolhapur market closed at Rs 3835/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3910 and Rs 3795 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

- Brazil raw sugar exports fell by 25.7% as the country exported 1.14 MT of raw sugar in March, 2017 compared to 1.54 MT of exports made in February, 2017.

Previous 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.
- 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.

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 Yellow (Medium) variety of gur from Mandya rose by Rs 125/quintal from Rs 3975/quintal to Rs 4100/quintal this week. However, prices of Mudde (Average) variety of gur from Belgaum fell by Rs 133/quintal from Rs 3667/quintal to Rs 3533/quintal this week

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



- Prices of Chaku variety of gur in key Muzaffarnagar market closed at Rs 3020/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3080 and Rs 2962 per quintal.

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			31th to 6th Apr .2017	24th to 30th Mar .2017	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	3021	3016	5
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	31000	39000	-8000
	Muzaffarnagar	Khurpa (Fresh)	2665	2768	-103
	Muzaffarnagar	Laddoo (Fresh)	2984	3026	-43
	Muzaffarnagar	Rascut (Fresh)	2380	2464	-84
	Hapur	Chaurasa	2613	2715	-103
	Hapur	Balti	2656	2745	-89
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4688	4780	-92
	Belgaum	Mudde (Average)	3533	3667	-133
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	3500	3487	13
	Gulbarga	Other (Average)	3578	3451	126
	Mahalingapura	Penti (Average)	3730	3758	-28
	Mandya	Achhu (Medium)	4150	4263	-113
	Mandya	Kurikatu (Medium)	3900	3900	Unch
	Mandya	Other (Medium)	3900	3888	13
	Mandya	Yellow (Medium)	4100	3975	125
	Shimoga	Achhu (Average)	4750	4810	-60

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			6-Apr-17	30-Mar-17	6-Mar-17	6-Apr-16
Uttar Pradesh	Muzaffarnagar	ChakuSukha	3025	3013	2963	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	3000	9000	NA
	Muzaffarnagar	Khurpa	2600	2750	2670	2550
	Muzaffarnagar	Laddoo	2900	3038	2870	2800
	Muzaffarnagar	Rascut	2313	2415	2455	2525
	Hapur	Chaurasa	2563	2675	2613	2500
	Hapur	Balti	2600	2725	2600	2525
Maharashtra	Latur	Lal Variety	NR	NR	NA	NA
Karnataka	Bangalore	Mudde (Average)	4550	4780	4900	3700
	Belgaum	Mudde (Average)	3500	3600	3300	2600
	Belthangadi	Yellow (Average)	NA	NA	NA	2835
	Bijapur	Achhu	NA	3450	3435	NA
	Gulbarga	Other (Average)	NA	3425	3450	2850
	Mahalingapura	Penti (Average)	NA	NA	3821	3456
	Mandya	Achhu (Medium)	NA	NA	3900	3150
	Mandya	Kurikatu (Medium)	NA	NA	3500	2800
	Mandya	Other (Medium)	NA	NA	3500	2900
	Mandya	Yellow (Medium)	NA	NA	3650	3150
	Shimoga	Achhu (Average)	NA	NA	4500	NA

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			31th to 6th Apr .2017	24th to 30th Mar .2017	
Delhi	Delhi	M-Grade	3835	3845	-10
	Delhi	S-Grade	3815	3825	-10
Uttar Pradesh	Khatauli	M-Grade	3826	3820	6
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3748	3788	-40
	Dhampur	S-Grade Ex-Mill	3728	3768	-40
	Dhampur	L-Grade Ex-Mill	3798	3838	-40
Maharashtra	Mumbai	M-Grade	4277	4274	3
	Mumbai	S-Grade	4006	4010	-4
	Nagpur	M-Grade	3960	3990	-30
	Nagpur	S-Grade	3905	3915	-10
	Kolhapur	M-Grade	3835	3865	-30
	Kolhapur	S-Grade	3780	3790	-10
Assam	Guhawati	S-Grade	4101	4111	-10
Meghalaya	Shillong	S-Grade	4100	4110	-10
Andhra Pradesh	Vijayawada	M-Grade	4180	4180	Unch
	Vijayawada	S-Grade	4160	4160	Unch
West Bengal	Kolkata	M-Grade	4021	4063	-42
Tamil Nadu	Chennai	S-Grade	3775	3775	Unch
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			6-Apr-17	30-Mar-17	6-Mar-17	6-Apr-16
Delhi	Delhi	M-Grade	3850	3850	3925	3625
	Delhi	S-Grade	3830	3830	3905	3605
Uttar Pradesh	Khatauli	M-Grade	3850	3800	3920	3640
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3737	3755	3850	NA
	Dhampur	S-Grade Ex-Mill	3717	3735	3830	NA
	Dhampur	L-Grade Ex-Mill	3787	3805	3900	NA
Maharashtra	Mumbai	M-Grade	4286	4276	4250	3750
	Mumbai	S-Grade	4012	4006	4026	3660
	Nagpur	M-Grade	3975	3950	4075	NA
	Nagpur	S-Grade	3925	3875	3975	NA
	Kolhapur	M-Grade	3850	3825	3950	3600
	Kolhapur	S-Grade	3800	3750	3850	3500
Assam	Guhawati	S-Grade	4121	4070	4172	3816
Meghalaya	Shillong	S-Grade	4120	4070	4170	3820
Andhra Pradesh	Vijayawada	M-Grade	4180	4180	4200	4000
	Vijayawada	S-Grade	4160	4160	4100	3840
West Bengal	Kolkata	M-Grade	4025	4060	4050	3740
Tamil Nadu	Chennai	S-Grade	3775	3750	3850	3650
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	5-Apr-17	29-Mar-17	Change
ICE Sugar #11 (US Cent/lb)	May-17	16.10	17.12	-1.02
	Jul-17	16.24	17.22	-0.98
	Oct-17	16.52	17.47	-0.95
LIFFE Sugar (US \$/MT)	May-17	464.20	485.30	-21.10
	Aug-17	459.70	482.50	-22.80
	Oct-17	450.20	472.90	-22.70

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