



Sugar & Gur Weekly Research Report

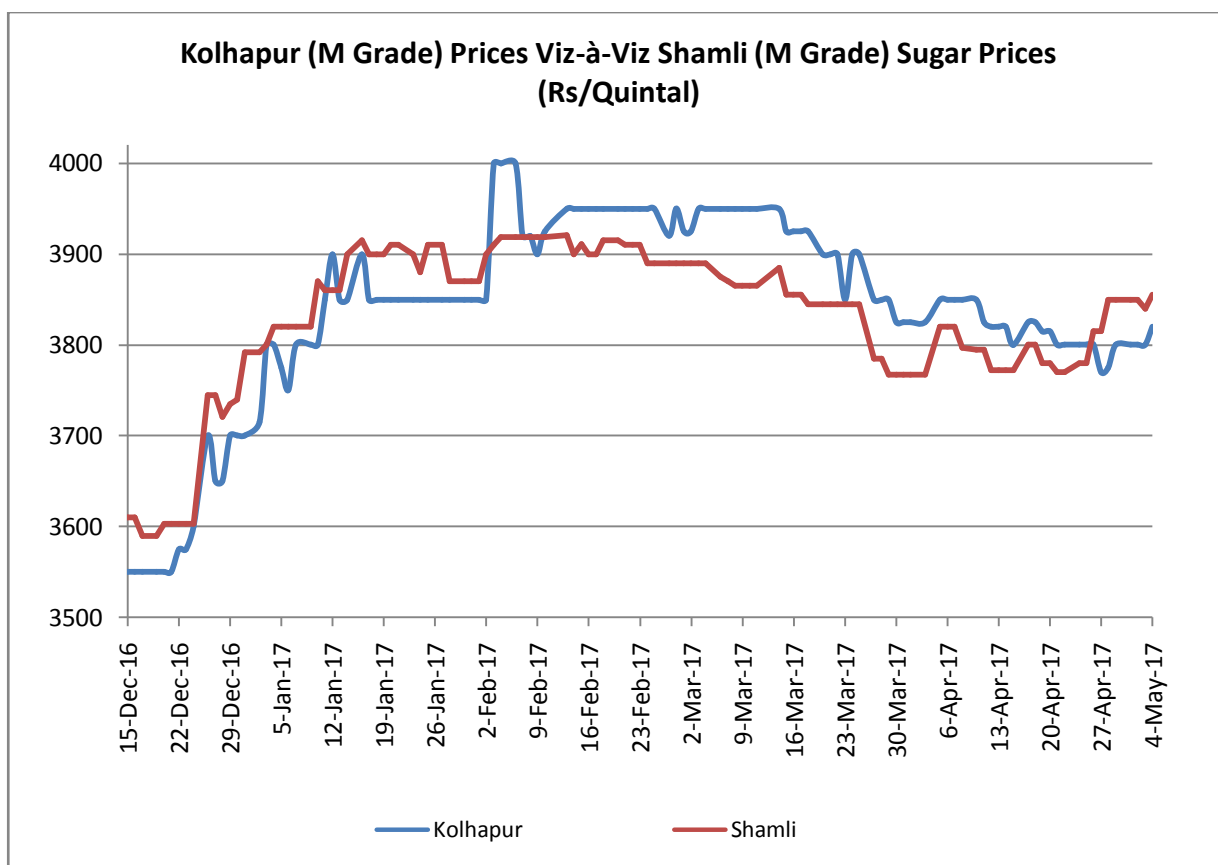
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Domestic Sugar Market Summary

Spot sugar prices traded steady to firm amidst sufficient sugar demand in the domestic market.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 3799 per quintal this week compared to Rs 3795 per quintal the previous week. Similarly, spot sugar prices for the same variety/grade in Shamli district rose by 1.61% to Rs 3849 per quintal this week.



Price Outlook:

Agriwatch predicts spot sugar prices to rise during the weeks ahead as crushing operation almost came to an end for the current season (2016-17) which could affect sugar stock availability within the country.

Price Projection for the Next Week

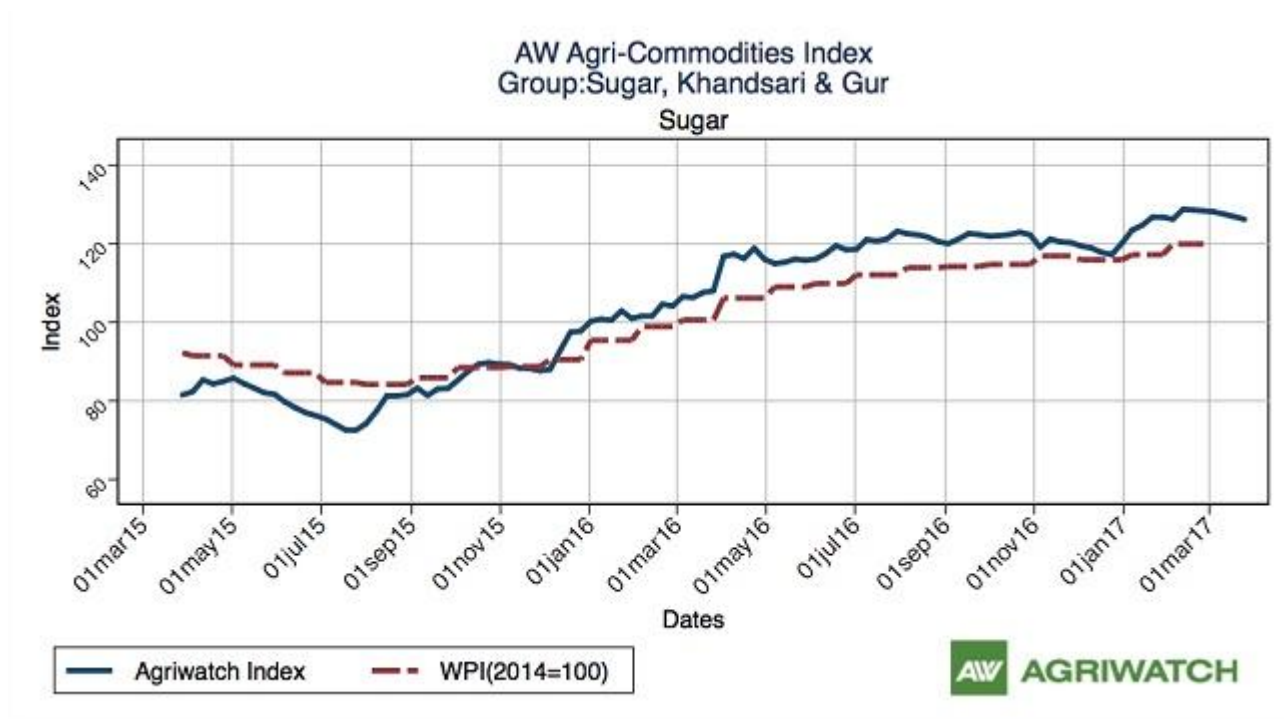
As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3700 - 3850 per quintal next week.

Domestic Market Highlights

Previous 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 in the country. Out of the total quantity, 3 lakh tonnes of quota has been allocated to the mills in south, 1.5 lakh tonnes to the mills in west and 0.5 lakh tonnes to the mills in east. 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.
- In a move to ensure sugar availability within the country and to avoid hoarding, the Indian govt. extended the duration for imposing stock limit on sugar. Notably, the limit has now been stretched by another six months to 29th April, 2017 – 28th October, 2017; while the quantity of stock limit remains the same as 1,000 tonnes for traders in West Bengal and 500 tonnes for all the others.
- Owing to the recovery from drought and an increase in cane recovery rate especially in state like Uttar Pradesh, Licht predicts India to produce 24.4 MT of sugar in 2017-18 (01st October, 2017 – 30th September, 2018) compared to 20.3 MT of production projected in 2016-17 (01st October, 2016 – 30th September, 2017).
- ISMA had revised India's sugar production forecast from 20.3 MT to 20.2 MT for 2016-17 (01st October, 2016 – 30th September, 2017).
- U.P had produced 86 lakh tonnes of sugar in 2016-17 (01st October, 2016 – 21st April, 2017) which is the highest production figure achieved till date by the state. Further, the state is expected to produce even more sugar in the coming days as approximately 39 sugar mills are still operating for the current crushing year.
- Sugarcane area in main growing region of Kolhapur (Maharashtra) rose by 9.09% from 1.32 lakh hectares in 2016-17 to 1.44 lakh hectares in 2017-18.
- 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)

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 \$530.18 per ton (including 40% import duty) and Indian domestic refined sugar FOB at JNPT port sourced from Kolhapur was quoted at \$608.44 per ton.

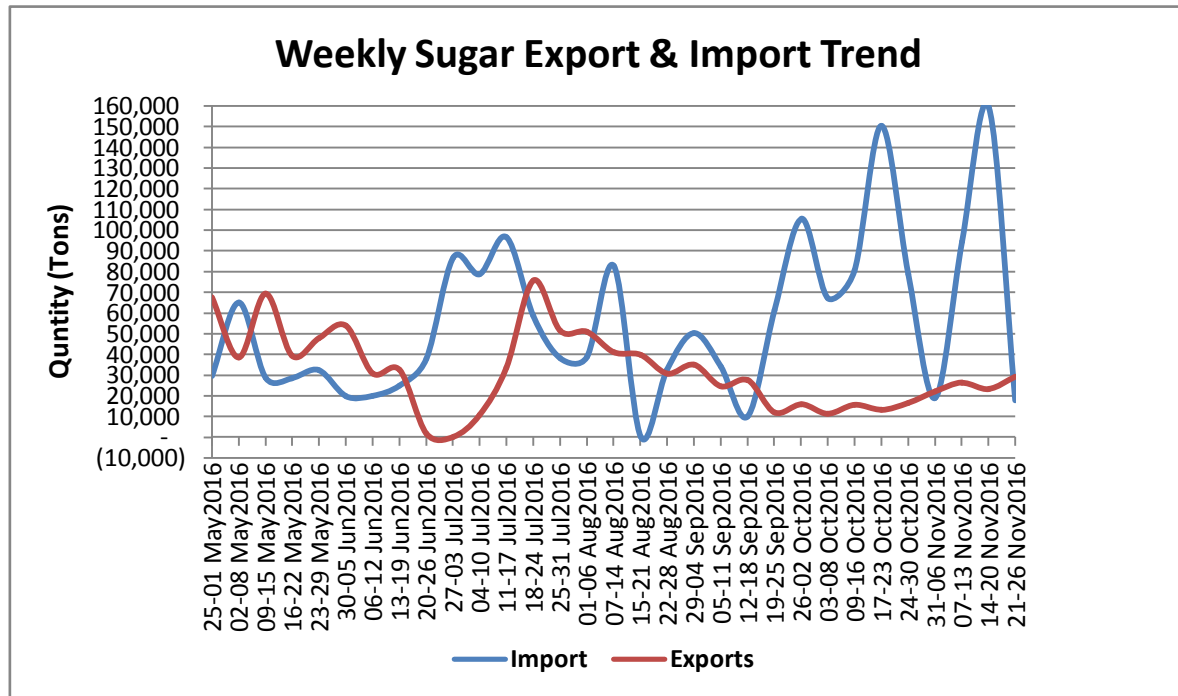
On International front, Brazil sugar FOB prices quoted at \$504.21 Ton.

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

Indicative Sugar FOB Prices (USD/MT) (\$=Rs.64.21) as on 05 May, 2017			
	Brazil	Thailand (100 Icumsa Dec Contract/45 Icumsa Spot)	India (100 Icumsa)
Comparative Sugar FOB Prices	\$504.21	NA/459.50	\$608.44

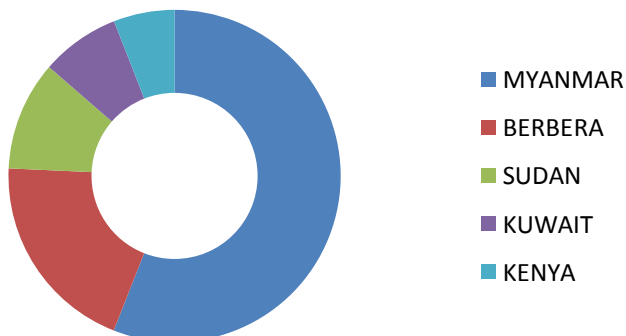
Sugar Import and Export Scenario

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.

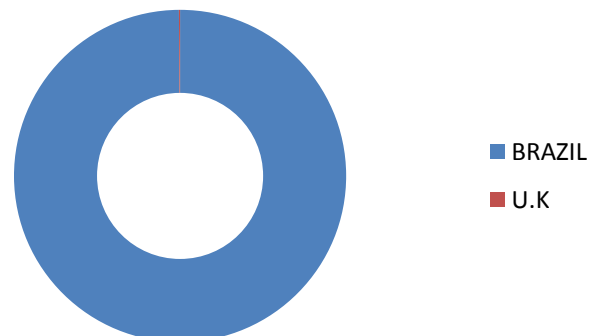


Major importer of Indian sugar during the week (21 -26 November, 2016) was Myanmar which imported 12.7 thousand tonnes of sugar from the country. Other major importers were Berbera, Sudan, Kuwait and Kenya which imported 4.5 thousand tonnes, 2.4 thousand tonnes, 1.7 thousand tonnes and 1.3 thousand tonnes 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 3817/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3851 and Rs 3799 per quintal.

International Sugar Market Summary

International sugar prices noticed weak trend during the week due to ample sugar production forecast worldwide and a fall in demand.

International Market Highlights

Recent Updates

- As per the latest UNICA report, Brazil's main C.S region churned around 17.66 MT of sugarcane in the first half of April, 2017 to produce 0.70 MT of sugar thereon. Notably, 159 sugar mills participated in the crushing operation so far which is expected to turn around 275 mills for the MY 2017-18 (01st April, 2017 – 31st March, 2018).
- Due to an expected fall in sugar production in Brazil's C.S region this year; industry body, UNICA predicts the region's exports to fell down by 1.41% from 28.28 MT in 2016-17 to 27.88 MT in 2017-18.
- Brazil's raw sugar export fell by 1.71% as the country exported 1.12 MT of raw sugar in April, 2017 compared to 1.14 MT of exports made in March, 2017.
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Previous Updates

- Market player, F. O Licht predicts world sugar production to rise by 7.57% from 176.9 MT in 2016-17 to 190.3 MT in 2017-18. This rise has been attributed to an increased production estimate in India, Thailand and European Union (E.U)
- While, an end to European sugar quota could lead European Union (E.U) to produce 18.4 MT of sugar in 2017-18 compared to 15.4 MT of production made in 2016-17 (as per the projection made by Licht).
- However, the largest sugar producing country, Brazil (center-south) is expected to produce 35.9 MT of sugar in 2017-18 which is only 0.84% higher than the sugar produced in 2016-17.
- UNICA predicts Brazil's main C.S region to crush 585 MT of sugarcane in 2017-18 (April – March) which is 3.65% lower than the sugarcane crushed during the season 2016-17.
- 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).
- 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.

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

Technical Commentary

- LIFE future market trends downward for the week.
 - The last candlestick depicts bearishness in the market.
- Strategy: Sell at 478.0 with a target of 466.25

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'17	478.0	466.25

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 16.60 with a target of 16.20

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'17	16.60	16.20

Gur Market Scenario

Mixed sentiments were recorded in spot gur market with price rising in some markets while declining in others. Prices of ChakuSukha(Cold), Khurpa (Fresh) and Laddoo (Fresh) variety of gur from key Muzaffarnagar market rose by Rs 139, Rs 201 and Rs 174 per quintal to Rs 3227, Rs 3001 and Rs 3236 per quintal respectively.

On the other hand, prices of Yellow (Medium) variety of gur from Mandya fell by Rs 240/quintal from Rs 4190/quintal to Rs 3950/quintal this week. Similarly, prices of Penti (Average) variety of gur from Mahalingapura fell by Rs 44/quintal from Rs 3491/quintal to Rs 3446/quintal this week.

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



- Prices of Chakuvvariety of gur in key Muzaffarnagar market closed at Rs 3073/quintal this week.
- Next resistance and support level for the coming week has been seen at Rs 3125 and Rs 3000 per quintal.

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			28th Apr to 04th May .2017	21th to 27th Apr .2017	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	3227	3088	139
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	15000	13500	1500
	Muzaffarnagar	Khurpa (Fresh)	3001	2800	201
	Muzaffarnagar	Laddoo (Fresh)	3236	3062	174
	Muzaffarnagar	Rascut (Fresh)	2473	2297	175
	Hapur	Chaurasa	2910	2715	195
	Hapur	Balti	2935	2730	205
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4950	4875	75
	Belgaum	Mudde (Average)	3800	3660	140
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	3278	3332	-54
	Gulbarga	Other (Average)	3632	3599	33
	Mahalingapura	Penti (Average)	3446	3491	-44
	Mandya	Achhu (Medium)	4100	4283	-183
	Mandya	Kurikatu (Medium)	3917	4000	-83
	Mandya	Other (Medium)	3600	3883	-283
	Mandya	Yellow (Medium)	3950	4190	-240
	Shimoga	Achhu (Average)	5750	4725	1025

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			4-May-17	27-Apr-17	4-Apr-17	4-May-16
Uttar Pradesh	Muzaffarnagar	ChakuSukha	3355	3088	3020	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1500	2000	10000	NA
	Muzaffarnagar	Khurpa	3078	2938	2650	2725
	Muzaffarnagar	Laddoo	3350	3175	2975	2900
	Muzaffarnagar	Rascut	2628	2310	2400	2500
	Hapur	Chaurasa	3050	2750	2650	2875
	Hapur	Balti	3075	2750	2700	2825
Maharashtra	Latur	Lal Variety	NR	NR	NR	NR
Karnataka	Bangalore	Mudde (Average)	4950	4950	4780	4000
	Belgaum	Mudde (Average)	NA	3700	3700	2600
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	3270	3300	3500	NA
	Gulbarga	Other (Average)	3675	3675	3680	3450
	Mahalingapura	Penti (Average)	NA	3539	3689	NA
	Mandya	Achhu (Medium)	4100	4250	NA	3100
	Mandya	Kurikatu (Medium)	3900	4000	NA	2900
	Mandya	Other (Medium)	3400	3700	NA	2800
	Mandya	Yellow (Medium)	3950	NA	NA	3000
	Shimoga	Achhu (Average)	NA	4650	NA	NA

Spot Sugar Prices Scenario (Weekly)

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			28th Apr to 04th May .2017	21th to 27th Apr .2017	
Delhi	Delhi	M-Grade	3895	3830	65
	Delhi	S-Grade	3875	3810	65
Uttar Pradesh	Khatauli	M-Grade	3878	3829	48
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3798	3810	-13
	Dhampur	S-Grade Ex-Mill	3778	3790	-13
	Dhampur	L-Grade Ex-Mill	3848	3860	-13
Maharashtra	Mumbai	M-Grade	4230	4235	-5
	Mumbai	S-Grade	3935	3966	-30
	Nagpur	M-Grade	3924	3920	4
	Nagpur	S-Grade	3870	3860	10
	Kolhapur	M-Grade	3799	3795	4
	Kolhapur	S-Grade	3745	3735	10
Assam	Guhawati	S-Grade	4065	4055	10
Meghalaya	Shillong	S-Grade	4065	4055	10
Andhra Pradesh	Vijayawada	M-Grade	4130	4160	-30
	Vijayawada	S-Grade	4090	4130	-40
West Bengal	Kolkata	M-Grade	4098	4053	44
Tamil Nadu	Chennai	S-Grade	3750	3750	Unch
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)

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International Sugar Prices (Weekly)				
	Contract Month	3-May-17	26-Apr-17	Change
ICE Sugar #11 (US Cent/lb)	Jul-17	15.77	15.57	0.20
	Oct-17	16.02	15.85	0.17
	Mar-18	16.65	16.46	0.19
LIFFE Sugar (US \$/MT)	17-Aug	450.2	453.3	-3.10
	17-Oct	438.1	439.4	-1.30
	17-Dec	437.1	435.5	1.60

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