
Sugar & Gur Weekly Research Report

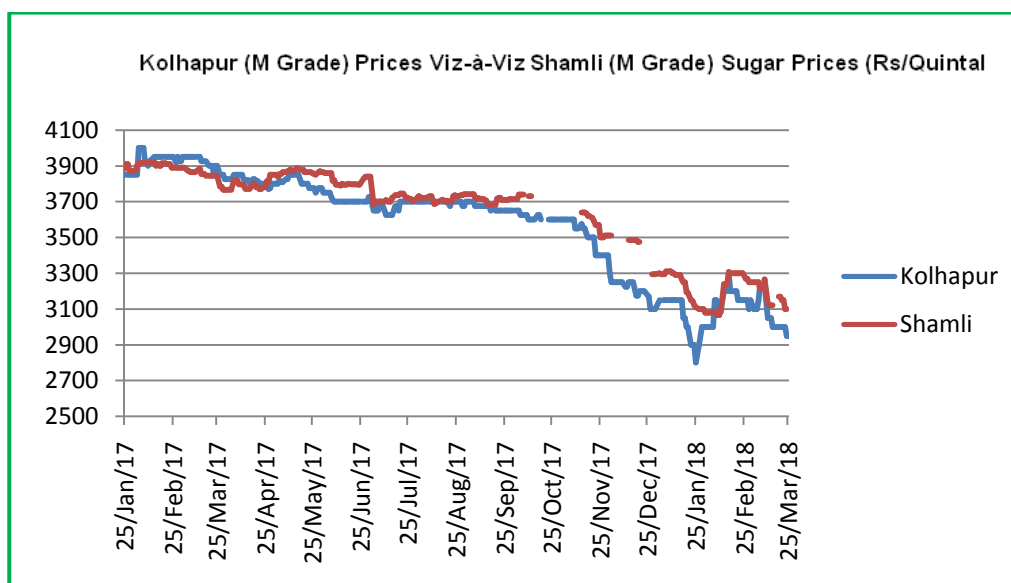
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Domestic Sugar Market Summary

Spot sugar prices at benchmark Kolhapur market traded weak during the week following subdued domestic demand from stockiest and bulk consumers.

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs 2900 per quintal this week and previous week was 3000. Similarly, spot sugar prices for the same variety/grade in Shamli district Rs2906 per quintal this week.



Price Outlook:

Agriwatch predicts spot sugar prices to be supportive in the weeks ahead as market is expected to get supplied with excessive sugar with the onset of crushing season in India.

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 2800 - 3200 per quintal next week.

Domestic Market Highlights

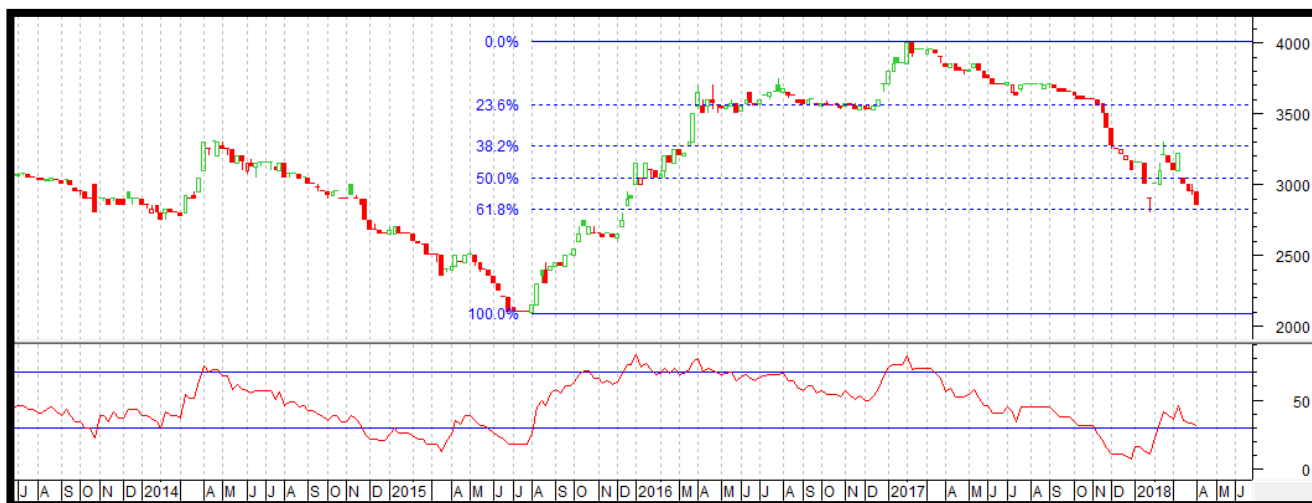
Recent Updates

- Sugar output increased 49 per cent to 28.18 million tonne (MT) so far in 2017-18 marketing year, but mills are unable to make cane payment to growers owing to low prices, industry body ISMA said on last week.
- Dues owed to sugarcane farmers by mills may touch a record Rs.17,000 crore by the end of March amid falling prices, the Indian Sugar Mills Association (Isma) said.
- SUGAR surplus could swell to 5.3 million tonnes as production for the 2017/18 crop year is set to surge to a record 30.3 million tonnes as output rises from the top two producing states, the Western India Sugar Mills Association (WISMA) said.

- Sugar production in Maharashtra is set for a new record for crushing season 2017-18 at 10.6 million tonnes (mt), due to a sharp increase in cane yield across the state's major growing regions. It was 4.2 mt previous season.
- Sugar carryover stock of nearly 4 million tonnes and this year's estimated production of 29.5 million tonnes, India's sugar availability is likely to remain at 33.5 million tonnes. Against 25 million tonnes of annual consumption, India's sugar surplus is estimated at 8.5 million tonnes which stands equivalent to nearly 4 months of the whole country's consumption.
- Sugarcane farmers in Uttar Pradesh are owed over Rs 8,300 crore for the crop they have supplied to mills this crushing season at the state government's "advised" price (SAP). Maharashtra's cane growers had similar unpaid dues of Rs 2,213 crore as on March 31, that too, against the Centre's lower mandated "fair and remunerative price" (FRP).
- The lack of a market-linked procurement mechanism for sugarcane is coming back to haunt the government, industry and investors. Excess output in India has coincided with higher output in Thailand, bringing down global prices. That has meant that even as domestic prices have turned weak, exports are not looking viable either. What's worse is that state-mandated prices may mean that next season (starting October) may be no better, what with a normal monsoon forecast.

Previous Update

- The government last month allowed export of two million tonnes of sugar until the end of the 2017-18 marketing year, in order to clear surplus stocks and improve cash flow to millers for making payment to sugarcane farmers. The government has also allowed export of white sugar till September 2018 under the Duty Free Import Authorisation (DFIA) scheme, under which exporters are allowed to import sugar at zero duty within three years.
- Uttar Pradesh has clocked record sugar production of almost 9 million tonnes (mt) in the ongoing crushing season even as sugar cane arrears have piled up to Rs 96 billion.
- India's sugar production in the current season is set to touch a record 30 million tonnes, surprising both the industry and the government, with the two biggest producing states of the sweetener reporting bumper output.
- As on March 21, 2018, out of total cane dues payment of Rs 55,553 crore for 2017-18 season, an amount of Rs 41,654 crore has been cleared and Rs 13,899 crore is pending," Minister of State for Food C R Chaudhary said.
- One Quintal of sugar that cost Rs 4200 in March last year has come down to Rs 3200 -3300 per Qtl in the retail market. Industry sources said the price will further go down in next couple of months as arrival of this season's sugar begins

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


- Sugar spot prices at benchmark Kolhapur market closed at Rs 2907 /quintal this week.
- Next resistance and support level for the coming month has been seen at Rs 3200 and Rs 2900 per quintal respectively.
- Relative Strengths Indicator is moving in neutral region which indicate range bound movement.

Domestic Sugar Market Technical Analysis (Future Market)
Sugar
Technical Commentary:

- Sugar C1contract is closed below from its previous close
- Candlestick pattern show fall in prices.
- Sugar prices decreased while volume and O.I decreased for the day
- MACD signal line and center line denotes bearish crossover.


Strategy: wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Mar	2900	3000	3015	3100	3200
Intraday Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Mar	Wait	Below	-	-	-

Note: There is no trade volume in near month future contract. Market participants are advised to wait until trade in volume starts

International Sugar Market Summary

International sugar prices noticed weak tone during the week

International Market Highlights

Recent Updates

- In global markets during April 2017-March 2018, white sugar prices in London averaged at Rs 25.1 per kg (year on year fall of 28.9 per cent) and raw sugar prices in New York averaged at Rs 20.6 per kg (year on year decline of 28 per cent), while small grade sugar prices in Mumbai averaged at Rs 35.9 per kg (year on year fall of 3.3 per cent).
- Brazil has proposed that China introduce a quota for imports of Brazilian sugar that would face a 50 percent levy to solve a trade spat between both countries but China is resisting the plan, a person close to the negotiations told Reuters on Friday.
- China currently allows 1.94 million tonnes of total sugar imports a year at a tariff of 15 percent as part of its commitment to the World Trade Organization (WTO). Imports beyond that level face a 50 percent levy. Last May, China introduced an additional 45 percent duty on imports from several countries, including top growers such as Brazil and Thailand, to protect its industry from what it identified as a surge in imports.
- Brazil's sugarcane industry on Thursday took aim at policies undertaken by Pakistan and India to protect local producers and boost sugar exports, arguing they could further depress global prices.

Previous Updates

- According to EIA data analyzed by the Renewable Fuels Association, ethanol production averaged 1.039 million barrels per day (b/d)—or 43.64 million gallons daily. That is down 10,000 b/d from the week before. The four-week average for ethanol production decreased slightly to 1.043 million b/d for an annualized rate of 15.99 billion gallons.
- Stocks of ethanol were 22.8 million barrels. That is a sizeable 4.2% decrease from last week and the largest weekly draw since mid -August 2014. There were zero imports recorded for the 16th week in a row. Average weekly gasoline demand softened by 1.2% to 386.7 million gallons (9.208 million barrels) daily. This is equivalent to 141.16 billion gallons annualized. Refiner/blender input of ethanol slipped 1.7% to 900,000 b/d, equivalent to 13.80 billion gallons annualized. The ethanol content in gasoline supplied to the market averaged 9.77%, down marginally from 9.82% the previous week.
- Mexico crushed 2.248 million mt of sugarcane in week 18 of the 2017-18 season that began on November 6, a 0.4% decrease compared with the crush in the same week in 2016-17, according to government data. The sugarcane yield in the most recent week averaged 68.48 mt/ha, down 0.34% from a 68.81 mt/ha average in the same week last year, data from agriculture ministry branch SAGARPA showed.

- Raw-sugar futures in New York are down 17 percent this year to 12.65 cents a pound. That's the biggest loss among the 22 components of the Bloomberg Commodity Index.
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- U.S. cane sugar production is increased 10,000 short tons, raw value (STRV) to 4.021 million based on a processor report from Texas. Re-export imports for 2017/18 are increased by 150,000 STRV to 400,000 based on pace to date. Exports for 2017/18 are increased by 50,000 STRV to 150,000. Ending stocks for 2017/18 are residually projected at 1.953 million STRV, implying a stocks-to-use ratio of 15.5 percent, up from last month's 14.6 percent.
- According to CONADESUC, the increase reflects imports for consumption of sugar sourced from the United States. The projection of Mexico sugar exports to the United States is raised by 984 MT, reflecting sugar that was exported under a 2016/17 export license but recorded by the U.S. Census Bureau as imported in 2017/18. The 2017/18 Export Limit previously established by the U.S. Department of Commerce exceeds the projected Target Quantity of U.S. Sugar Needs calculated from the March 2018 WASDE. Unchanged ending stocks are projected at 22.0 percent of consumption to meet needs before the start of production in 2018/19. Exports to non-U.S. destinations are residually projected at 260,997 MT, a decrease of 15,984 from last month.

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Mar'18 Contract)

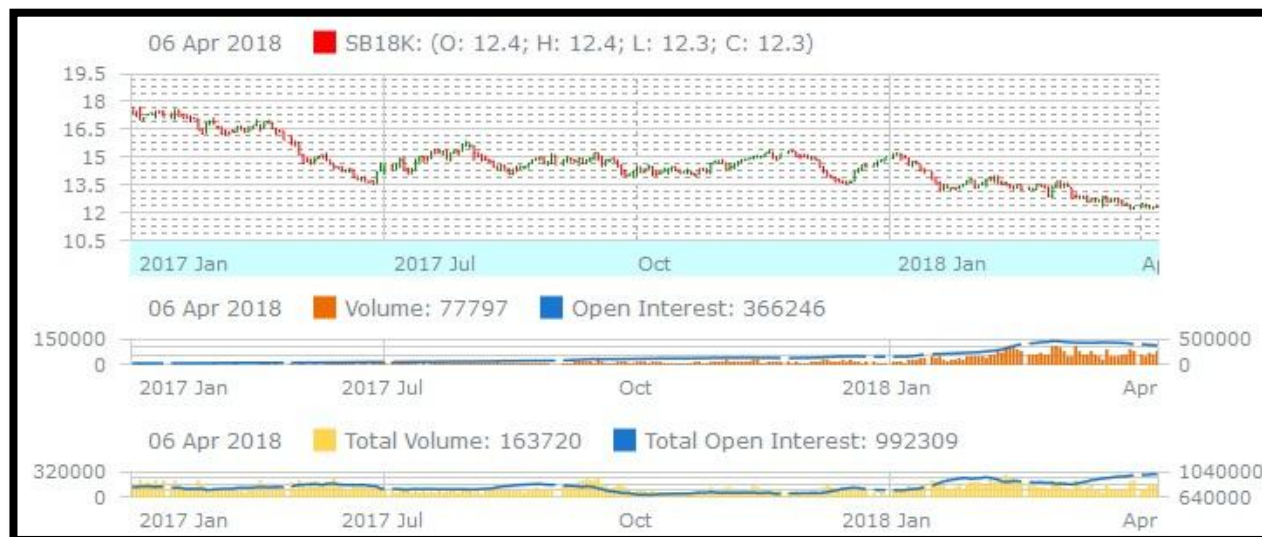
Technical Commentary



- LIFE future market trends weak for the week.
 - The last candlestick depicts weak market.
- Strategy: sell below 348, T1 360

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'18	348	340-350

ICE (Raw Sugar Exchange) Future Market Scenario (Mar'18 Contract)



Technical Commentary:

- ICE raw sugar futures trend downward for the week.
- Last candlestick depicts bearishness in the market.

Strategy: sell below 13.00 with a target of 14.00

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'18	12.3	12.0-13.5

Gur Market Scenario

Spot gur market mostly traded weak during the week following mounting stock of the commodity on constant arrivals into the market. Notably, prices of Achhu variety of gur from Bijapur is trading near Rs 2652/ quintal which is similar to last year.

- Prices of Chaku variety of gur in key Muzaffarnagar market closed at Rs 2185/quintal this week
- Next resistance and support level for the coming month has been seen at Rs 2600 and Rs 2300 per quintal respectively.

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


Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			30th to 5th April, 2018	23rd to 29th March, 2018	
Delhi	Delhi	M-Grade	3106	3096	10
	Delhi	S-Grade	3086	3076	10
Uttar Pradesh	Khatauli	M-Grade	3133	3123	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2941	2998	-56
	Dhampur	S-Grade Ex-Mill	2921	2978	-56
	Dhampur	L-Grade Ex-Mill	2991	3048	-56
Maharashtra	Mumbai	M-Grade	3297	3303	-6
	Mumbai	S-Grade	3062	3086	-24
	Nagpur	M-Grade	3050	3088	-38
	Nagpur	S-Grade	2950	2988	-38
	Kolhapur	M-Grade	2925	2963	-38
	Kolhapur	S-Grade	2825	2863	-38
Assam	Guhawati	S-Grade	3131	3169	-38
Meghalaya	Shillong	S-Grade	3145	3183	-38
Andhra Pradesh	Vijayawada	M-Grade	3500	3500	Unch
	Vijayawada	S-Grade	3440	3440	Unch
West Bengal	Kolkata	M-Grade	3323	3307	16
Tamil Nadu	Chennai	S-Grade	3200	3200	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)

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			5-Apr-18	29-Mar-18	5-Mar-18	5-Apr-17
Delhi	Delhi	M-Grade	3087	3107	3358	3840
	Delhi	S-Grade	3067	3087	3338	3820
Uttar Pradesh	Khatauli	M-Grade	3150	3130	3350	3850
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	2950	2950	3260	3737
	Dhampur	S-Grade Ex-Mill	2930	2930	3240	3717
	Dhampur	L-Grade Ex-Mill	3000	3000	3310	3787
Maharashtra	Mumbai	M-Grade	3302	3290	3440	4280
	Mumbai	S-Grade	3030	3100	3210	4012
	Nagpur	M-Grade	3025	3125	3225	3975
	Nagpur	S-Grade	2925	3025	3125	3925
	Kolhapur	M-Grade	2900	3000	3100	3850
	Kolhapur	S-Grade	2800	2900	3000	3800
Assam	Guhawati	S-Grade	3106	3207	3309	4121
Meghalaya	Shillong	S-Grade	3120	3220	3320	4120
Andhra Pradesh	Vijayawada	M-Grade	3500	3500	3640	4180
	Vijayawada	S-Grade	3440	3440	3580	4160
West Bengal	Kolkata	M-Grade	3260	NA	3540	4025
Tamil Nadu	Chennai	S-Grade	3200	3200	3500	3750
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NR	NR	NR	NR
	Ambikapur	S-Grade (Without Duty)	NR	NR	NR	NR

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			30th to 5th April,2018	23rd to 29th March,2018	
Uttar Pradesh	Muzaffarnagar	Chaku Sukha(Cold)	2431	2430	1
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	34000	32000	2000
	Muzaffarnagar	Khurpa (Fresh)	2197	2175	22
	Muzaffarnagar	Laddoo (Fresh)	2405	2350	55
	Muzaffarnagar	Rascut (Fresh)	2000	1983	18
	Hapur	Chaurasa	2105	2070	35
	Hapur	Balti	2110	2110	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch

	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	2603	2575	28
	Gulbarga	Other (Average)	2725	3792	-1067
	Mahalingapura	Penti (Average)	3150	3162	-12
	Mandya	Achhu (Medium)	3600	3660	-60
	Mandya	Kurikatu (Medium)	3350	3360	-10
	Mandya	Other (Medium)	3413	3470	-58
	Mandya	Yellow (Medium)	3533	3600	-67
	Shimoga	Achhu (Average)	3800	3800	Unch

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			5-Apr-18	29-Mar-18	5-Mar-18	5-Apr-17
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2438	2438	2513	3028
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	6000	4000	7000
	Muzaffarnagar	Khurpa	2175	2188	2225	2650
	Muzaffarnagar	Laddoo	2395	2375	2450	2963
	Muzaffarnagar	Rascut	2000	1950	2075	2355
	Hapur	Chaurasa	2088	2125	Closed	2563
	Hapur	Balti	2100	2150	Closed	2600
Maharashtra	Latur	Lal Variety	NR	NR	NR	NR
Karnataka	Bangalore	Mudde (Average)	4400	NA	NA	4550
	Belgaum	Mudde (Average)	NA	NA	3400	3500
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	2725	NA	2300	NA
	Gulbarga	Other (Average)	NA	NA	3200	3475
	Mahalingapura	Penti (Average)	3153	NA	3234	3771
	Mandya	Achhu (Medium)	3600	NA	3500	NA
	Mandya	Kurikatu (Medium)	3300	NA	3200	NA
	Mandya	Other (Medium)	3450	NA	3200	NA
	Mandya	Yellow (Medium)	NA	NA	3600	NA
	Shimoga	Achhu (Average)	NA	NA	3700	4850



International Sugar Prices (Weekly)				
	Contract Month	4-Apr-18	28-Mar-18	Change
ICE Sugar #11 (US Cent/lb)	18-May	12.27	12.21	0.06
	18-Jul	12.43	12.34	0.09
	18-Oct	12.76	12.78	-0.02
LIFFE Sugar (US \$/MT)	18-May	351.20	347.80	3.40
	18-Aug	343.20	339.60	3.60
	18-Oct	339.70	339.10	0.60

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