

---

# Sugar & Gur Weekly Research Report

---

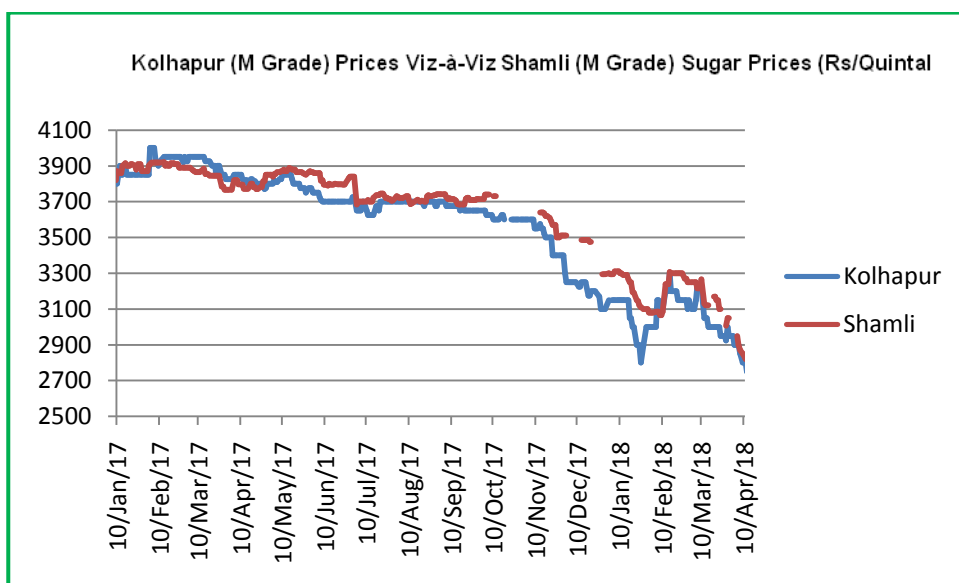
## Contents

- ❖ Domestic Sugar Market Summary
- ❖ Price Projection
- ❖ Domestic Market Highlights
- ❖ Agriwatch Sweeteners Index
- ❖ 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 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 2816.66 per quintal this week and previous week was 2962. Similarly, spot sugar prices for the same variety/grade in Shamli district Rs 2850 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

- Falling sugar prices continue to be a cause for concern for millers in Maharashtra, leaving them with little in hand to make cane payments to the farmers. With the Maharashtra State Cooperative Bank (MSCB) deciding to reduce valuations by Rs 120 per quintal.
- Sugar mills in Uttar Pradesh are yet to pay more than Rs. 8,000 crore to cane farmers. According to the State Cane Development department data, the mills are yet to pay Rs. 8,108.94 crore to the farmers after buying their cane till April 4. This has led to a series of protests by farmers.
- 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,

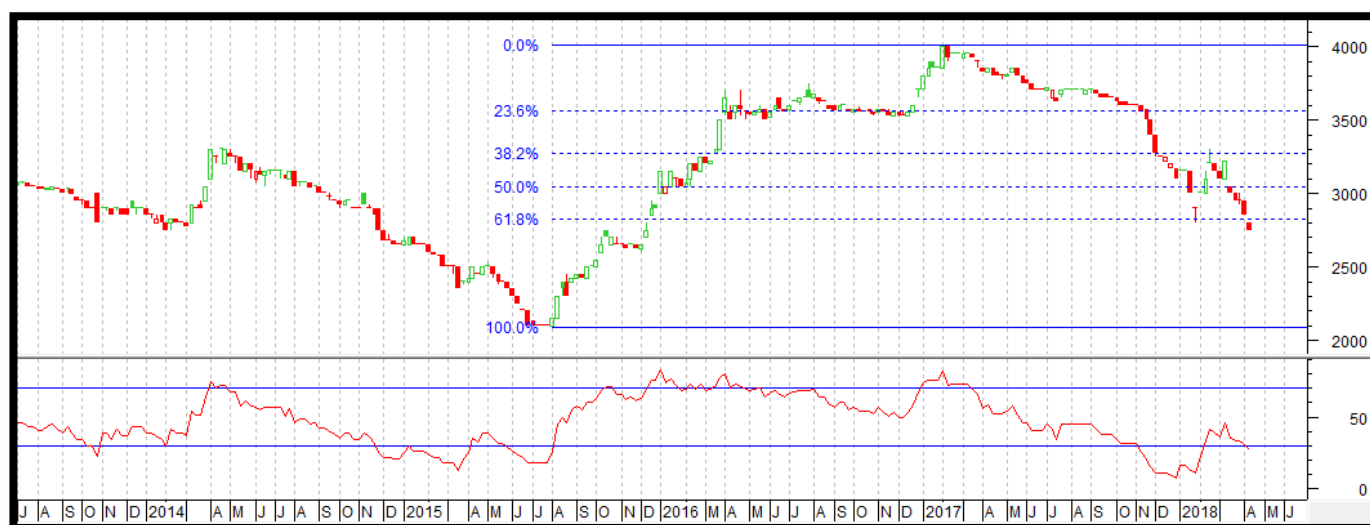
bringing down global prices. That has meant that even as domestic prices have turned weak, exports are not looking viable either.

- Food Minister Ram Vilas Paswan told cane-growing states that the Centre was in no mood to compromise with sugar mills over farmers' dues, which stood at over Rs 160 billion as on March 31. He instructed states to take necessary action against sugar mills that have defaulted on their payment to farmers.

### Previous 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 could have touched 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 MT, due to a sharp increase in cane yield across the state's major growing regions. Production during previous season was 4.2 million MT.
- 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.

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



- Sugar spot prices at benchmark Kolhapur market closed at Rs 2775/quintal this week.
- Next resistance and support level for the coming month has been seen at Rs 3000 and Rs 2700 per quintal respectively.
- Relative Strengths Indicator is moving in neutral region which indicate range bound movement.

**Domestic Sugar Market Technical Analysis (Future Market)**


**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**

- 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 last week.
- Hydrous ethanol sales in Brazil's Centre-South reached 1.38 billion litres (364 million gallons) last month, a 29.69% year-on-year increase, local sugarcane industry association Unica announced on Tuesday. Anhydrous ethanol sales stood at 773.41 million litres, bringing all ethanol sales to 2.23 billion litres in

March. According to Unica, around 79.02 million litres of the biofuel were intended for export while 2.15 billion litres were sold on the domestic market.

- Brazilian mills have been producing much more ethanol as this year's cane crop begins than seen last year, as the fuel is currently more profitable than sugar and demand for ethanol in Brazil is strong. At the same time, Borges says, mills are avoiding closing large export deals as international sugar prices remain low. Brazil, the world's largest producer and exporter of sugar, is finding increasing competition abroad, as Europe, Thailand and India boost output.
- Mexico produced 253,596 tonnes of sugar, in the week to April 7, down a bit from 256,177 in the previous week and also below 256,860 in the same week a year ago, official data showed.

### Previous Updates

- 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.
- 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.
- 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 CONADESUCA, 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.
- The International Sugar Organization on last week raised its forecast for a projected global sugar surplus in 2017-18 (October/September) to 5.15 million tonnes, up from a previous forecast of 5.03 million. The upward revision was driven by lower than previously anticipated consumption of 173.55 million tonnes for 2017-18, down from a prior forecast of 174.41 million and global sugar production was seen at 178.70 million tonnes, slightly down from a previous forecast of 179.45 million, the ISO said in a quarterly report. 3800
- Brazilian sugar mills looking to grow the world's first variety of genetically modified (GM) sugarcane have planted an initial area of 400 hectares (988 acres), according to the research firm behind the project. Developed by Centro de Tecnologia Canavieira (CTC) with Bt (*Bacillus thuringiensis*) genes that make it

resistant to the cane borer, around 100 mills are working with the GM cane, company Chief Executive Gustavo Leite told Reuters.

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

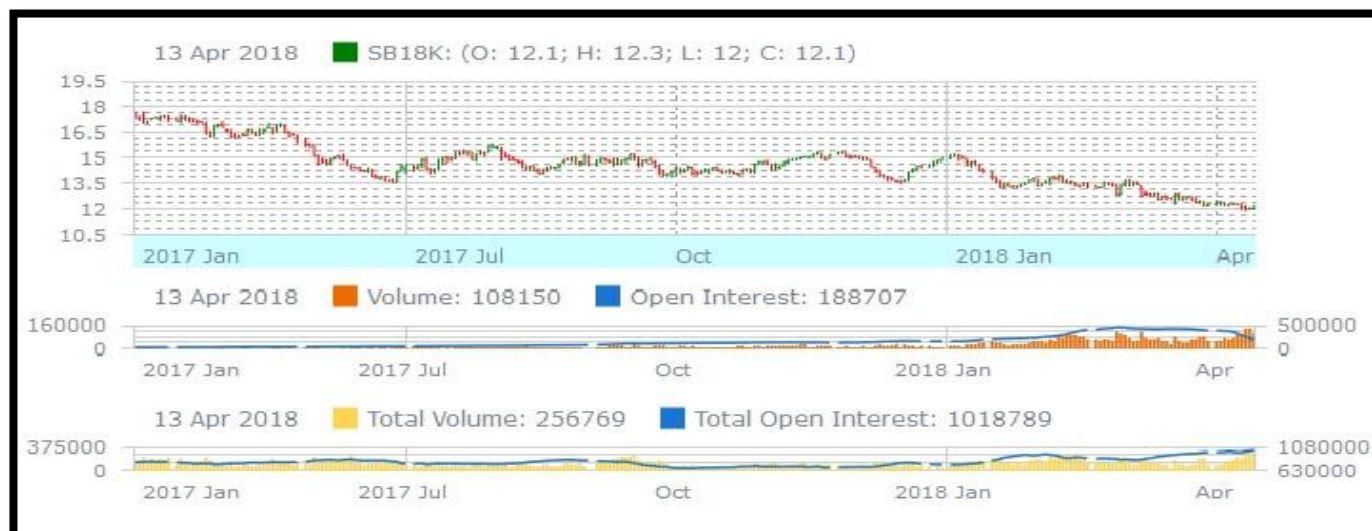
#### Technical Commentary



- LIFE future market trends weak for the week.
- Last candlestick depicts bearishness in the market.
- Strategy: sell below 350, T1 360

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'18	352	350-355

### 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 12.00 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	12.1	10-13

**Gur Market Scenario**

Spot gur market mostly traded slightly firm 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 2835/ quintal.

- Prices of Chaku variety of gur in key Muzaffarnagar market closed at Rs2442 /quintal this week
- Next resistance and support level for the coming month has been seen at Rs 2800 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			6th to 12th April,2018	30th to 5th April,2018	
Delhi	Delhi	M-Grade	3124	3106	18
	Delhi	S-Grade	3104	3086	18
Uttar Pradesh	Khatauli	M-Grade	2983	3133	-150

	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	2867	2941	-75
	Dhampur	S-Grade Ex-Mill	2847	2921	-75
	Dhampur	L-Grade Ex-Mill	2917	2991	-75
<b>Maharashtra</b>	Mumbai	M-Grade	3241	3297	-56
	Mumbai	S-Grade	2982	3062	-80
	Nagpur	M-Grade	2942	3050	-108
	Nagpur	S-Grade	2842	2950	-108
	Kolhapur	M-Grade	2817	2925	-108
	Kolhapur	S-Grade	2717	2825	-108
<b>Assam</b>	Guhawati	S-Grade	3021	3131	-110
<b>Meghalaya</b>	Shillong	S-Grade	3037	3145	-108
<b>Andhra Pradesh</b>	Vijayawada	M-Grade	3485	3500	-15
	Vijayawada	S-Grade	3425	3440	-15
<b>West Bengal</b>	Kolkata	M-Grade	3268	3323	-55
<b>Tamil Nadu</b>	Chennai	S-Grade	3200	3200	Unch
<b>Chattisgarh</b>	Ambikapur	M-Grade (Without Duty)	NR	NR	-
	Ambikapur	S-Grade (Without Duty)	NR	NR	-

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

<b>Spot Sugar Prices Scenario (Weekly)</b>						
<b>Commodity</b>	<b>Centre</b>	<b>Variety</b>	<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>Sugar</b>			<b>12-Apr-18</b>	<b>5-Apr-18</b>	<b>12-Mar-18</b>	<b>12-Apr-17</b>
<b>Delhi</b>	Delhi	M-Grade	3110	3087	3206	3830
	Delhi	S-Grade	3090	3067	3186	3810
<b>Uttar Pradesh</b>	Khatauli	M-Grade	2909	3150	3229	3802
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	2840	2950	3250	3720
	Dhampur	S-Grade Ex-Mill	2820	2930	3230	3700
	Dhampur	L-Grade Ex-Mill	2890	3000	3300	3770
<b>Maharashtra</b>	Mumbai	M-Grade	3200	3302	3410	4276
	Mumbai	S-Grade	2932	3030	3180	4000
	Nagpur	M-Grade	2875	3025	3175	3945
	Nagpur	S-Grade	2775	2925	3075	3925
	Kolhapur	M-Grade	2750	2900	3050	3820
	Kolhapur	S-Grade	2650	2800	2950	3800
<b>Assam</b>	Guhawati	S-Grade	2954	3106	3258	4121
<b>Meghalaya</b>	Shillong	S-Grade	2970	3120	3270	4120
<b>Andhra Pradesh</b>	Vijayawada	M-Grade	3470	3500	3580	4180
	Vijayawada	S-Grade	3410	3440	3520	4160



West Bengal	Kolkata	M-Grade	3250	3260	3650	3970
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)			6th to 12th April,2018	30th to 5th April,2018	
Uttar Pradesh	Muzaffarnagar	ChakuSukha(Cold)	2433	2431	2
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	28000	34000	-6000
	Muzaffarnagar	Khurpa (Fresh)	2163	2197	-33
	Muzaffarnagar	Laddoo (Fresh)	2423	2405	18
	Muzaffarnagar	Rascut (Fresh)	1960	2000	-40
	Hapur	Chaurasa	2019	2105	-86
	Hapur	Balti	2046	2110	-64
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	2717	2603	113
	Gulbarga	Other (Average)	2716	2725	-9
	Mahalingapura	Penti (Average)	3131	3150	-19
	Mandya	Achhu (Medium)	3425	3600	-175
	Mandya	Kurikatu (Medium)	3233	3350	-117
	Mandya	Other (Medium)	3217	3413	-196
	Mandya	Yellow (Medium)	3442	3533	-92
	Shimoga	Achhu (Average)	3788	3800	-13

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			12-Apr-18	5-Apr-18	12-Mar-18	12-Apr-17
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2418	2438	2528	3025
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	6000	6000	7000
	Muzaffarnagar	Khurpa	2163	2175	2175	2625
	Muzaffarnagar	Laddoo	2425	2395	2388	2913
	Muzaffarnagar	Rascut	1950	2000	2075	2288

	Hapur	Chaurasa	2013	2088	Closed	2588
	Hapur	Balti	2038	2100	Closed	2575
<b>Maharashtra</b>	Latur	Lal Variety	NR	NR	NR	NR
<b>Karnataka</b>	Bangalore	Mudde (Average)	4400	4400	4500	4550
	Belgaum	Mudde (Average)	NA	NA	NA	3500
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	2725	2970	NA
	Gulbarga	Other (Average)	2700	2725	3700	3450
	Mahalingapura	Penti (Average)	NA	3153	3650	3674
	Mandya	Achhu (Medium)	3350	3600	3900	4250
	Mandya	Kurikatu (Medium)	3200	3300	3600	3900
	Mandya	Other (Medium)	3000	3450	3700	3900
	Mandya	Yellow (Medium)	3450	NA	3680	4150
	Shimoga	Achhu (Average)	NA	3800	3950	NA

<b>International Sugar Prices (Weekly)</b>				
	<b>Contract Month</b>	<b>11-Apr-18</b>	<b>4-Apr-18</b>	<b>Change</b>
<b>ICE Sugar #11 (US Cent/lb)</b>	<b>18-May</b>	12.06	12.27	<b>-0.21</b>
	<b>18-Jul</b>	12.12	12.43	<b>-0.31</b>
	<b>18-Oct</b>	12.40	12.76	<b>-0.36</b>
<b>LIFFE Sugar (US \$/MT)</b>	<b>18-May</b>	346.20	351.20	<b>-5.00</b>
	<b>18-Aug</b>	335.20	343.20	<b>-8.00</b>
	<b>18-Oct</b>	333.20	339.70	<b>-6.50</b>

\*\*\*\*\*

### 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.