Price Outlook:.

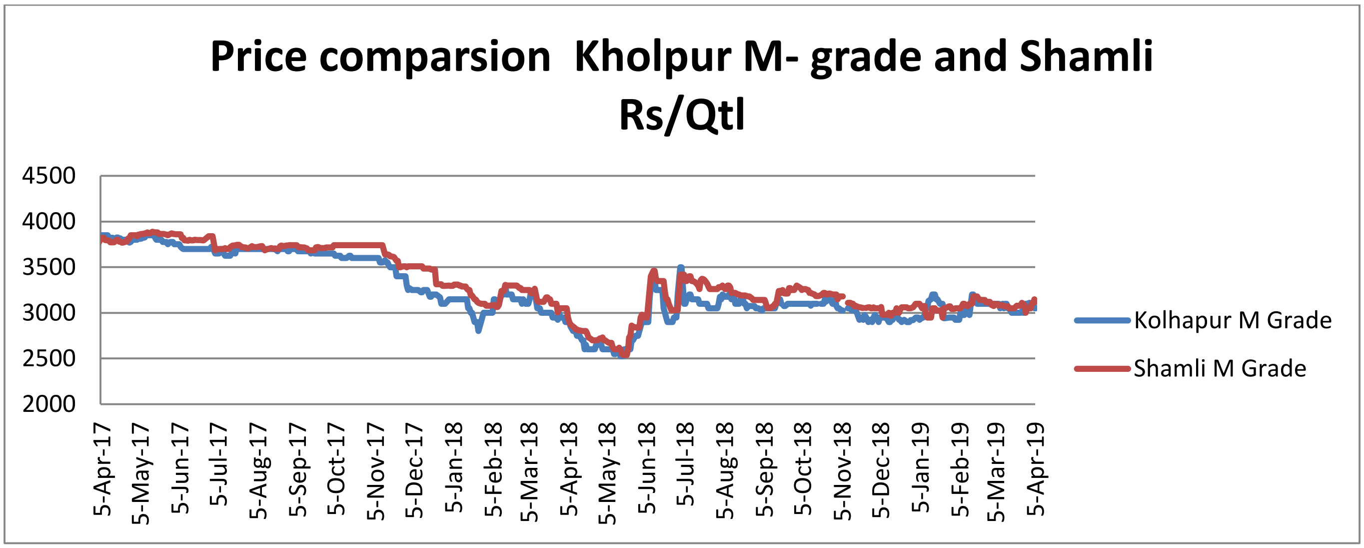
In the spot wholesale markets, sugar prices are hovering slightly higher than MSP for long because of supply surplus. We expect sugar prices may trade in range of 3100 to 3300 Rs/qtl in coming days.

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 3050 -3200 per quintal for next week.

Domestic Sugar Market Summary

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs.3087 per quintal this week prices were down by INR 84 from last week.; while spot sugar prices for the same grade in Shamli district is Rs.3065per quintal during the week, down by 25 INR against previous week's average price.



Fundamental summary:

Price Drivers	Impact
Sugar production during the current 2018-19 SS is estimated to be lower considering the adverse impact of weather and rainfall in the three largest sugarcane producing States.	Bullish
After announcement of the export incentives for sugar millers in the country	Bullish
Higher cane acreage for 2018-19	Bearish
Tightening of restriction on monthly sales	Bullish
MSP at MilL gate fixed at Rs 3100/ Qtl for refined Sugar	Bullish
Announcement for creation of 3 mn tonnes of buffer stock	Bullish

Domestic Market Highlights

Recent Updates:

- The standstill mode of sugar sales has continued across the nation throughout the week. Mills are disparate to sell sugar stocks. In Kolhapur sugar market prices are trading at MSP level where as in Khatauli market prices were trading in range 3100 -3300 INR per quintal from last week.
- **Ethanol manufacturers have successfully supplied 75 crore litres in the first four months** of the contracted supply period started from 1st December, 2018 and will continue till November, 2019. This year the average blending hiked 8% in 10 states and more than 9% in Maharashtra, Uttar Pradesh and Uttarakhand this year.
- **India has a 55% chance of a below-normal monsoon, 30% probability of normal showers and a 15% chance of a drought.** The Pacific Ocean has become strongly warmer than average. The model projections call for an 80% chance of El Nino during March-May, dropping to 60% for June to August.
- **Sugar output in Maharashtra, India's second-largest sugar producing region, rose +3.7% y/y to 10.5 MMT** during Oct 1-Apr 1 data released by India's Sugar Factories Federation Ltd.
- **India has so far this season shipped out around 1.5 million tonnes of sugar** and contracts have been signed for 2.2 million tonnes. The sugar industry, however, expects to export 3-3.5 million tonnes of the sweetener in 2018-19 (Oct-Sept) against Government's target of 5 million tonnes of exports this season which seems unlikely due to the disparity between international and local prices. Sluggish exports from India is also a discouragement for sugar prices.

- **Brazil exported 1.133 mln tonnes of sugar, raw value, in March 2019,** down from 1.214 mln in February and the lowest level for the month of March since 2012 compared with 1.802 mln tonnes of sugar exported in March 2018.

Previous Updates

- **ICRA the rating agency released their revised prediction for total sugar production for 2019-20 at 30.7 million tonnes** from its earlier estimate of 31.5 mt due to a decline in Uttar Pradesh, the largest growing state. Also the production may be further hit due to the diversion of 'B' heavy molasses and sugarcane juice away from sugar into ethanol.
- **114 mills in India are expanding their ethanol capacities, which in the next 24 months will add 90-crore litres of capacity.** In 2018-19, Brazil converted 65 per cent of its cane into ethanol directly. This helped it to keep sugar production at the required level and also reduce significantly its oil import bill at a time when crude oil prices rose sharply.

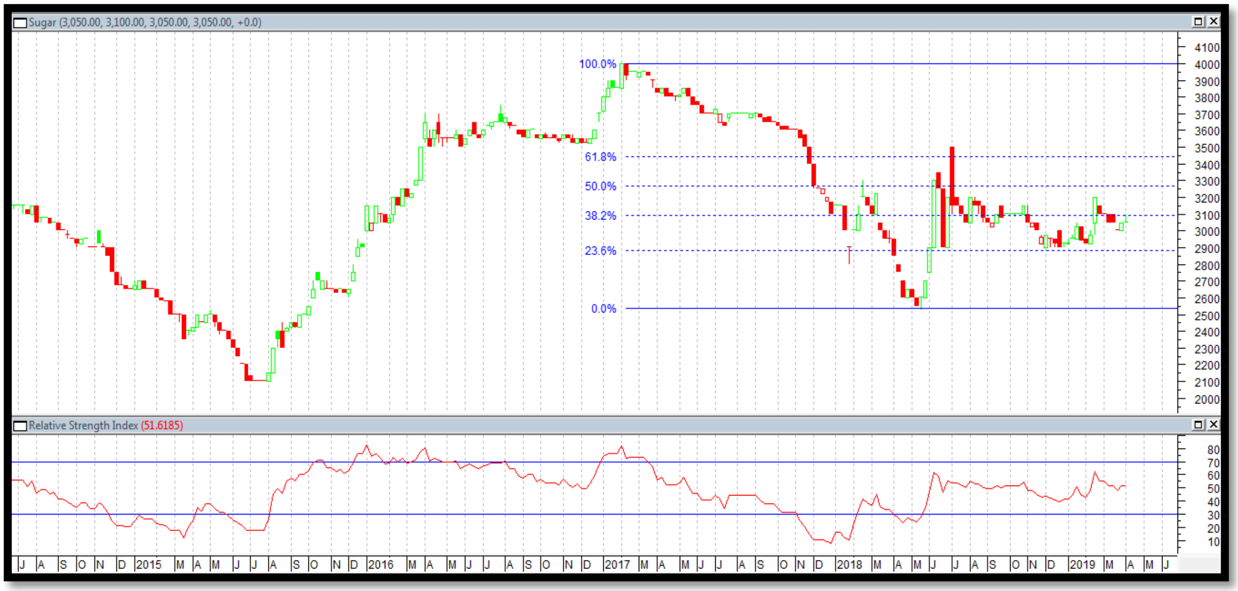
- **Only 27 mills were operating in the center-south region in the first half of March**, compared with 50 mills at this time last year according to Unica said on Tuesday. Center-south mills crushed 1.59 million tonnes of cane in the first half of March, 53 percent less than in the same period a year earlier. Due to dry spell in December and January, followed by ample March rains which delayed crushing in mills. Sugar production was marginal at 9,000 tonnes (80 percent less than previous year). Ethanol production was 142 million liters (23 percent less).
- P**akistan bagged an opportunity by winning a 300,000-tonne sugar export quota from China** taking a lead over India, according to traders. For which India has been waiting since long to bag the export quota from China.
- **Indian traders have contracted 2.2 million tonnes of sugar for exports as of March 7**, according to industry officials. Maharashtra has exported about 800,000 tonnes of sugar, including third-party exports. Uttar Pradesh has exported 300,000 tonnes and Karnataka too exported 300,000 tonnes.

- **According to data compiled by the Cane Commissioner's Office in Lucknow, as on March 22, the state's sugar mills have bought cane worth Rs 24,888.65 crore during the current 2018-19** crushing season (October-September) at the state government's fixed ("advised") price of Rs.315 per quintal for normal and Rs.325 per quintal for early-maturing varieties. They were to pay Rs.22,175.21 crore within the stipulated 14-day period of taking cane delivery. But the actual payments have been only Rs.12,339.04 crore, translating into arrears of Rs.9,836.17 crore. Adding the dues of Rs.238.81 crore from the previous 2017-18 season takes the total to Rs.10,074.98 crore. Of the Rs 10,074.98 crore, as much as Rs.4,547.97 crore, or over 45 per cent, is due from mills in just six constituencies: Meerut, Baghpat, Kairana, Muzaffarnagar, Bijnor and Saharanpur.

- **Sugar mills across the country have produced 273.47 lakh tonnes (LT) of sugar till March 15,** nearly 6 per cent more than 258.2 LT produced during the corresponding period in the previous sugar season, said a release from the Indian Sugar Mills Association (ISMA) on Monday. While 154 mills have closed crushing operations whereas 373 are still crushing.

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

- Sugar spot prices at benchmark Kolhapur market closed at Rs 3050 quintal this week.
- Next resistance and support level for the coming month has been seen at Rs 3200 and Rs 3000 per quintal respectively.
- RSI is in the neutral region.



Technical Analysis - Chaku Sukha-gur (fresh) at Spot (Muzaffarnagar) market.

Gur Market Scenario

- Prices of Chaku variety of gur in key Muzaffarnagar market closed slightly higher at Rs 2860/quintal this week.
- Next resistance and support level for the coming month has been seen at Rs 3200 and Rs 2700 per quintal respectively.
- RSI likely to show upward trend.

Domestic Sugar Market Technical Analysis (Future Market)

Commodity: Sugar **Exchange: NCDEX**
Contract: Sugar 1 M Con (Dec)

Strategy: Wait							
Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Dec	2850	2900	2989	3200	3250
Intraday Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Wait				

* Do not carry-forward the position next day

Technical Commentary:

- There is no trade volume in near month future contract. Market participants are advised to wait until trade in volume starts.
- In the daily chart the prices has gained but there is no bullish reversal pattern has evolved.
- Seems that the prices are to consolidate in the range with good probability of touching the recent lows again.
- RSI showing some strength with prices remaining below 9 and 18 days EMA.

Sugar Domestic Balance Sheet

SUGAR BALNCE SHEET 2018-19(LT)	2016-17	2017-18	2018-19	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Carry in stock	77	34.1	67.95	67.95	87.35	183.85	143.57
Estimated sugar production	202.85	321	310	98.2	160.2	44.42	17.18
Imports	4.46	2.85	0	0	0	0	0
Estimated sugar availability (A + B + C)	284.31	357.95	387.95	166.15	247.55	228.27	160.75
Exports	4.6	30	30	3	10	7	10
Availability for domestic consumption (D - E)	279.71	327.95	357.95	163.15	237.55	221.27	150.75

Estimates sugar consumption	245.61	260	263	75.8	53.7	77.7	55.8
Carry out stock (F - G)	34.1	67.95	94.95	87.35	183.85	143.57	94.95

Source: Agriwatch and ISMA

- **Note:** Indian sugar marketing year begins from October – September**.**
- As per the Agriwatch latest estimate, India's sugar production is expected to be 310 LT in 2018/19 then 321 last year. A couple of major cane growing regions of Maharashtra, including Marthawada, had poor rainfall this season. And mild white grub infestation has been reported in States of Karnataka and few parts of Maharashtra. Apart from from that, cane yield and sugar recovery are expected to decline in Uttar Pradesh due to water logging in the fields.
- On the other hand, sugar domestic consumption is expected to rise to 263 lakh tonnes in 2018-19 (01st October, 2018 – 30th September, 2019).
- At the same time, with a higher domestic sugar production and an urge to earn more foreign exchange, the country's exports are expected to rise from 30 LT in 2018-19

International Market Highlights

Recent Updates:

May NY world sugar #11 (SBK19) on Friday settled up +0.05 (+0.39%) and May ICE London white sugar #5 (SWK19) closed up by +0.30 (+0.09%). Monday's data from India's Sugar Factories Federation Ltd showed that sugar output in Maharashtra, India's second-largest sugar producing region, rose +3.7% y/y to 10.5 MMT during Oct 1st -Apr 1st.

ISO's forecast that global 2018/19 sugar production will rise +0.6% y/y to a record 185.2 MMT and that there will be a 2018/19 sugar surplus of 2.2 MMT (vs 2017/18's 7.3 MMT), and USDA's FAS forecast for 2018/19 sugar production in India, the world's second-largest sugar producer, to climb +5.3% y/y to a record 35.9 MMT,

In 2018-19, Brazil converted 65 per cent of its cane into ethanol directly. This helped it to keep sugar production at the required level and also reduce significantly its oil import bill at a time when crude oil prices rose sharply. The first three months of the current year's supply period, about 12 crore litre of ethanol, made from B heavy/sugarcane juice, have been supplied. This has, in turn, reduced sugar production by 1 lakh tonnes so far in the current season.

India is struggling with the situation of sugar surplus production. In this way neighboring countries seem to get relief. Bangladesh has emerged as the largest importer of Indian Sugar. Sri Lanka is also buying Indian sugar in large quantities and it is second only after Bangladesh as importer. Since last month, Iran has also been importing Indian sugar in a considerable quantity. Indian sugar mills have so far made an agreement to export 22 lakhs of sugar. Of this, 15 lakh tonnes of sugar has been sent. Sugar industry estimates that till the end of the 2018-19 season the export of sugar will be 30-35 lakh tonnes.

Pakistan bagged an opportunity by winning a 300,000-tonne sugar export quota from China in March taking a lead over India, according to traders. For which India has been waiting since long to bag the export quota from China.

Brazil exported 1.133 mln tonnes of sugar, raw value, in March 2019, down from 1.214 mln in February and the lowest level for the month of March since 2012 compared with 1.802 mln tonnes of sugar exported in March 2018. As only 27 mills were operating in the center-south region of Brazil in the first half of March, compared with 50 mills at this time last year according to Unica. Center-south mills crushed 1.59 million tonnes of cane in the first half of March, 53 percent less than in the same period a year earlier. Due to dry spell in December and January, followed by ample March rains which delayed crushing in mills. Sugar production was marginal at 9,000 MT (80 percent less than previous year) from 48,000MT in the earlier period.

Previous Updates

A stronger real encourages exports from Brazil's sugar producers. Gains in sugar prices were limited Friday by the slide in the Brazilian real to a 2-week low against the dollar. Also, weakness in crude prices is another negative for sugar prices. Lower crude oil prices undercut ethanol prices and may prompt Brazil's sugar mills to divert more cane crushing to sugar production than ethanol production, thus boosting sugar supplies.

According to Unica, Brazil's Center South 2018/19 sugar production will fall -28% y/y to 26 MMT, (2) increased demand from Indonesia, the world's largest sugar importer.

International Sugar Market Summary:

Bullish and Bearish factors for International sugar

Factors	Impact
Brazil 2018/19 ethanol production estimate to a record 32.2 bln liters (+18.6% y/y), citing the action by Brazil's sugar millers to divert less cane juice to produce sugar.	Bullish
ISO's forecast that global 2018/19 sugar production will rise +0.6% y/y to a record 185.2 MMT and that there will be a 2018/19 sugar surplus of 2.2 MMT (vs 2017/18's 7.3 MMT),.	Bearish
Concern about smaller global production after Unica forecasted that Brazil's Center South 2018/19 sugar production will fall -28% y/y to 26 MMT	Bullish
USDA's FAS forecast for 2018/19 sugar production in India, the world's second-largest sugar producer, to climb +5.2% y/y to a record 35.87 MMT,	Bearish
The recent plunge in crude oil prices to a 17-month low, which is negative for ethanol prices and may prompt Brazil's sugar mills to divert less cane to making ethanol,	Bearish

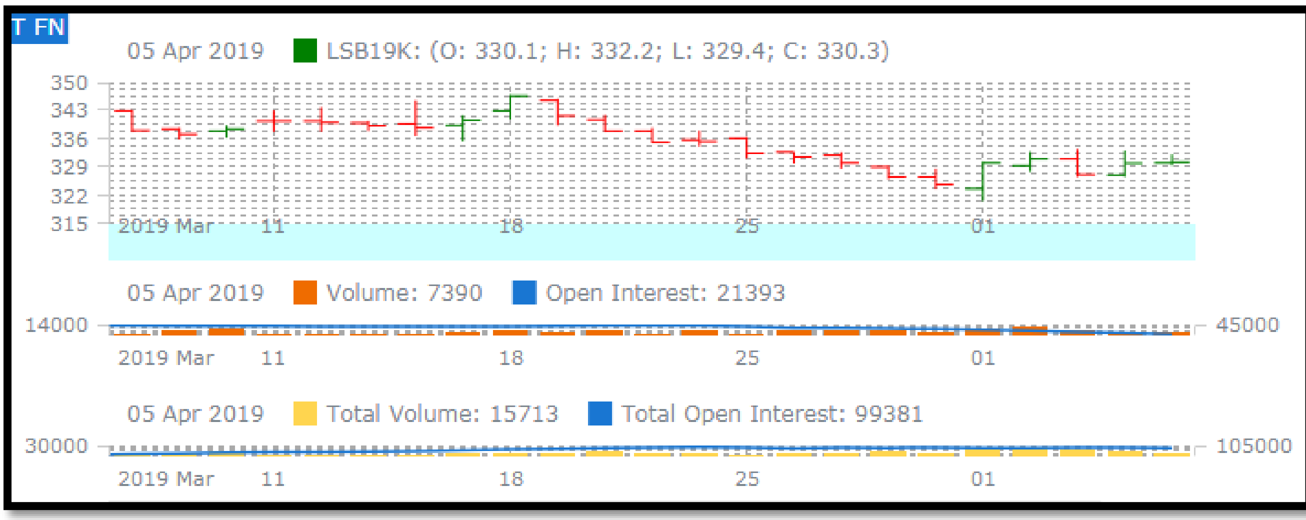
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (May 19 Contract)

Technical Commentary

- LIFFE future market trends firm for the week.
- Last candlestick of the week depicts bearish in the market.
- Strategy: sell below 330,T1 350

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US $/MT)	**May'19**	330.3	320-340

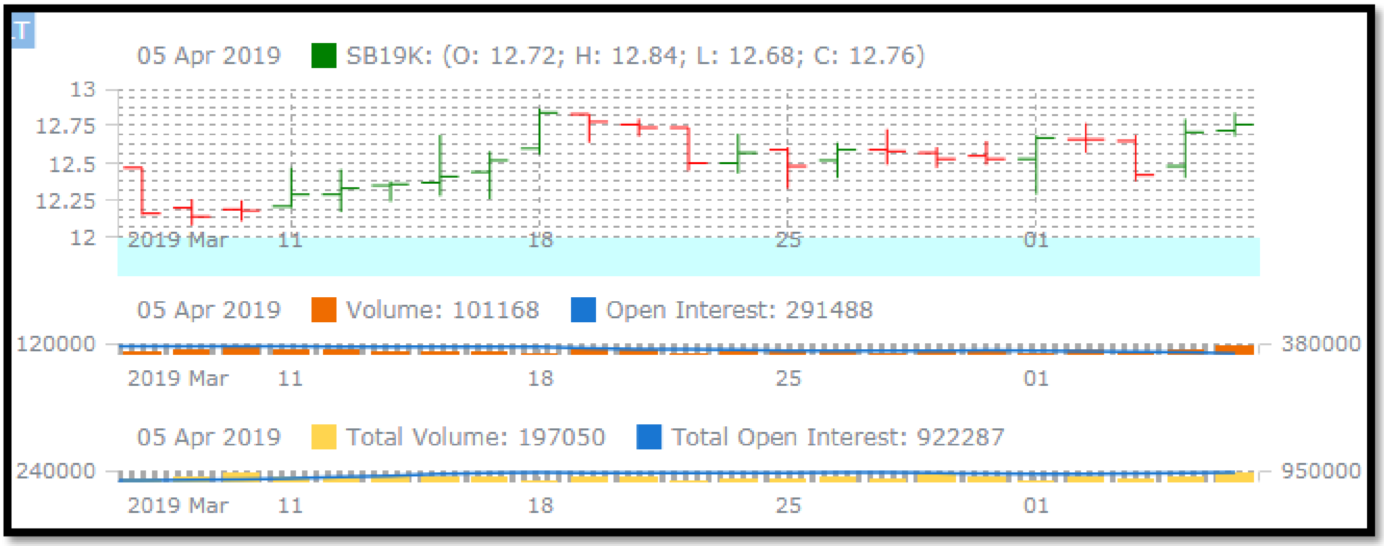


ICE (Raw Sugar Exchange) Future Market Scenario (Mar'19 Contract)

Technical Commentary:

- ICE raw sugar futures trend upward for the week.
- Last candlestick of the week depicts bearishness in the market.
- Strategy: sell at 12.55 Targeting 14.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	**May'19**	12.76	11.5-13.5



Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			29th March to 4th April 2019	22nd March to 28th March 2019	
Delhi	Delhi	M-Grade	3098	3104	-6
	Delhi	S-Grade	3078	3084	-6
Uttar Pradesh	Khatauli	M-Grade	3171	3157	14
	Ramala	M-Grade	0	0	Unch
	Dhampur	M-Grade Ex-Mill	3118	3120	-2
	Dhampur	S-Grade Ex-Mill	3098	3100	-2
	Dhampur	L-Grade Ex-Mill	3168	3170	-2
Maharashtra	Mumbai	M-Grade	3328	3296	32
	Mumbai	S-Grade	3211	3178	33
	Nagpur	M-Grade	3175	3129	46
	Nagpur	S-Grade	3115	3079	36
	Kolhapur	M-Grade	3050	3004	46
	Kolhapur	S-Grade	2990	2954	36
Assam	Guhawati	S-Grade	3299	3262	37
Meghalaya	Shillong	S-Grade	3310	3274	36
Andhra Pradesh	Vijayawada	M-Grade	3496	3428	68
	Vijayawada	S-Grade	3436	3368	68
West Bengal	Kolkata	M-Grade	3412	3432	-20
Tamil Nadu	Chennai	S-Grade	3476	3432	44
	Dindigul	M-Grade	3480	3480	Unch
	Coimbatore	M-Grade	3520	3536	-16
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3480	3600	-120

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)			29th March to 4th April 2019	22nd March to 28th March 2019	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2809	2649	160
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6400	6600	-200
	Muzaffarnagar	Khurpa (Fresh)	2543	2404	139
	Muzaffarnagar	Laddoo (Fresh)	2836	2640	196
	Muzaffarnagar	Rascut (Fresh)	2278	2140	138
	Hapur	Chaursa	2472	2439	33
	Hapur	Balti	2453	2394	59
Andhra Pradesh	Chittur	Gold	4140	4220	-80
		White	3660	3560	100
		Black	3140	3000	140
Maharashtra	Latur	Lal Variety	0	0	Unch
Karnataka	Bangalore	Mudde (Average)	4200	4200	Unch
	Belgaum	Mudde (Average)	2800	2150	650
	Belthangadi	Yellow (Average)	#DIV/0!	0	-
	Bijapur	Achhu	3067	3000	67
	Gulbarga	Other (Average)	2830	2680	150
	Mahalingapura	Penti (Average)	3108	3058	50
	Mandya	Achhu (Medium)	3624	3525	99
	Mandya	Kurikatu (Medium)	3288	3225	63
	Mandya	Other (Medium)	3338	3275	63
	Mandya	Yellow (Medium)	3550	3400	150
	Shimoga	Achhu (Average)	3590	3650	-60

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			5-Apr-19	28-Mar-19	6-Mar-19	5-Apr-18
Delhi	Delhi	M-Grade	3100	3170	3100	3087
	Delhi	S-Grade	3080	3150	3080	3067
Uttar Pradesh	Khatauli	M-Grade	3220	3140	3174	3150
	Ramala	M-Grade	NA	0	0	0
	Dhampur	M-Grade Ex-Mill	3100	3125	3100	2950
	Dhampur	S-Grade Ex-Mill	3080	3105	3080	2930
	Dhampur	L-Grade Ex-Mill	3150	3175	3150	3000

Maharashtra	Mumbai	M-Grade	3330	3320	3360	3302
	Mumbai	S-Grade	3206	3206	3202	3030
	Nagpur	M-Grade	3175	3125	3225	3025
	Nagpur	S-Grade	3125	3075	3225	2925
	Kolhapur	M-Grade	3050	3000	3100	2900
	Kolhapur	S-Grade	3000	2950	3100	2800
Assam	Guhawati	S-Grade	3309	3258	3410	3106
Meghalaya	Shillong	S-Grade	3320	3270	3420	3120
Andhra Pradesh	Vijayawada	M-Grade	3540	3480	3480	3500
	Vijayawada	S-Grade	3480	3420	3420	3440
West Bengal	Kolkata	M-Grade	3420	3420	3520	3260
Tamil Nadu	Chennai	S-Grade	3500	3460	3200	3200
	Dindigul	M-Grade	3510	3480	3620	0
	Coimbatore	M-Grade	3520	3520	3450	0
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3400	3600	3600	0
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)						

Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			**5-Apr-19**	**28-Mar-19**	**6-Mar-19**	**5-Apr-18**
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2515	2615	2520	2438
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	2000	5000	14000
	Muzaffarnagar	Khurpa	2428	2303	2200	2175
	Muzaffarnagar	Laddoo	2645	2553	2456	2395
	Muzaffarnagar	Rascut	2000	1988	1978	2000
	Hapur	Chaursa	2350	2250	2250	2088
	Hapur	Balti	2250	2200	2200	2100
Andhra Pradesh	Chittur	Gold	3600	3700	3700	0
		White	3200	3200	3200	0
		Black	2900	2900	2850	0
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	4200	4200	4200	4400
	Belgaum	Mudde (Average)	NA	2800	2900	3500
	Belthangadi	Yellow (Average)	NA	NA	0	0
	Bijapur	Achhu	3050	2965	NA	2725
	Gulbarga	Other (Average)	NA	NA	NA	2725
	Mahalingapura	Penti (Average)	NA	3103	NA	3153
	Mandya	Achhu (Medium)	3600	3550	3150	3600
	Mandya	Kurikatu (Medium)	3300	3250	2900	3300
	Mandya	Other (Medium)	3200	3400	2900	3450
	Mandya	Yellow (Medium)	3500	3500	3250	NA

	Shimoga	Achhu (Average)	NA	3600	3250	3800

International Sugar Prices (Weekly)				
	Contract Month	4-Apr-19	28-Mar-19	Change
ICE Sugar #11 (US Cent/lb)	19-May	12.71	12.53	0.18
	19-Jul	12.81	12.63	0.18
	19-Oct	13.11	12.92	0.19
LIFFE Sugar (US $/MT)	19-May	330.00	326.6	3.40
	19-Aug	339.80	336.7	3.10
	19-Oct	346.30	344.6	1.70