

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.

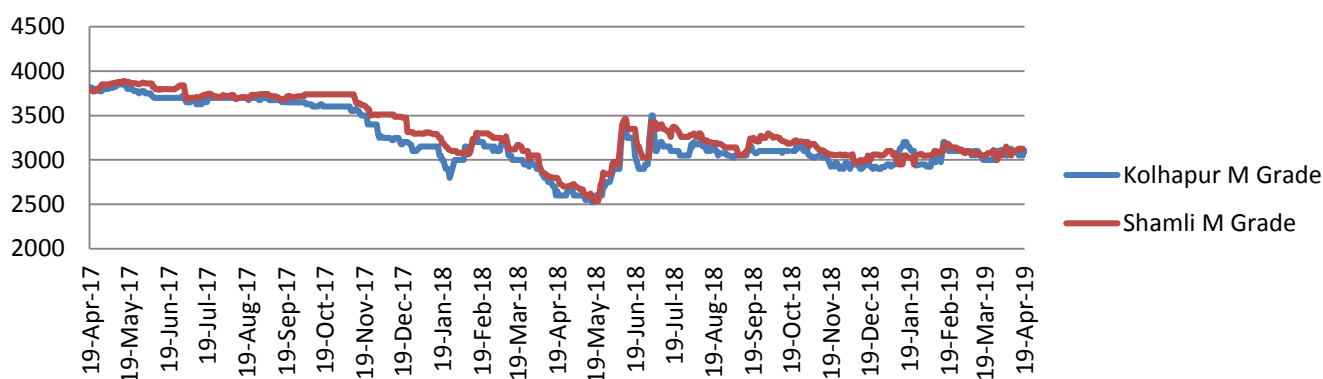
Price Projection for the Next week

As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3050 -3150 per quintal for next week.

Domestic Sugar Market Summary

Notably, the average price for sugar 'M' grade in key Kolhapur market settled at Rs.3070 per quintal this week prices were down by INR19 from last week.; while spot sugar prices for the same grade in Shamli district is Rs.3120 per quintal during the week, up by 17 INR against previous week's average price.

**Price comparsion Kholpur M- grade and Shamli
Rs/Qtl**

**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 -3290 INR per quintal from last week.
- **This year's recovery rate up by 0.05% at 11.05% against last year recovery rate of 11%.** This year the cooperative mills witnessed a hike in the recovery rate at 11.14% whereas private mills registered at 10.80% this sugar season.
- **Sugar prices sold off to 2-week lows Wednesday on the projection for larger global sugar supplies along with weakness in the Brazilian real.** EU 2019/20 sugar output rising 4% y/y to 18.3 MMT The European Commission on Wednesday. Also, the Brazilian real fell to a 2-week low against the dollar, which encourages export selling by Brazil's sugar producers.
- **Till Tuesday, of the 195 mills that have taken crushing in the season, only 27 mills are functional and at least three are expected to continue the season till May.** The state has reported crushing of 949.01 lakh tonne cane and produced 106.71 lakh tonne of sugar in SS 2018-19 against 107 lakh tonne sugar, an all-time high production figure last year.
- **SME mills constitute one-third of the Rs.102,500 crore sugar market in India, as of SS 2018.** Small and medium sugar mills might see an improvement in profitability because of the hike in MSP raised by the government in February and it is expected to have lower production in SS 2020, which will push up prices by the end of SS 2020.
- **Mills in the state owed cane farmers Rs. 4,600 crore due to the low price of sugar** and lack of liquidity with the mills by the March end in Maharashtra. The centre announced a soft loan scheme of 2,500 crore in February but actual disbursal of money is yet to take place.

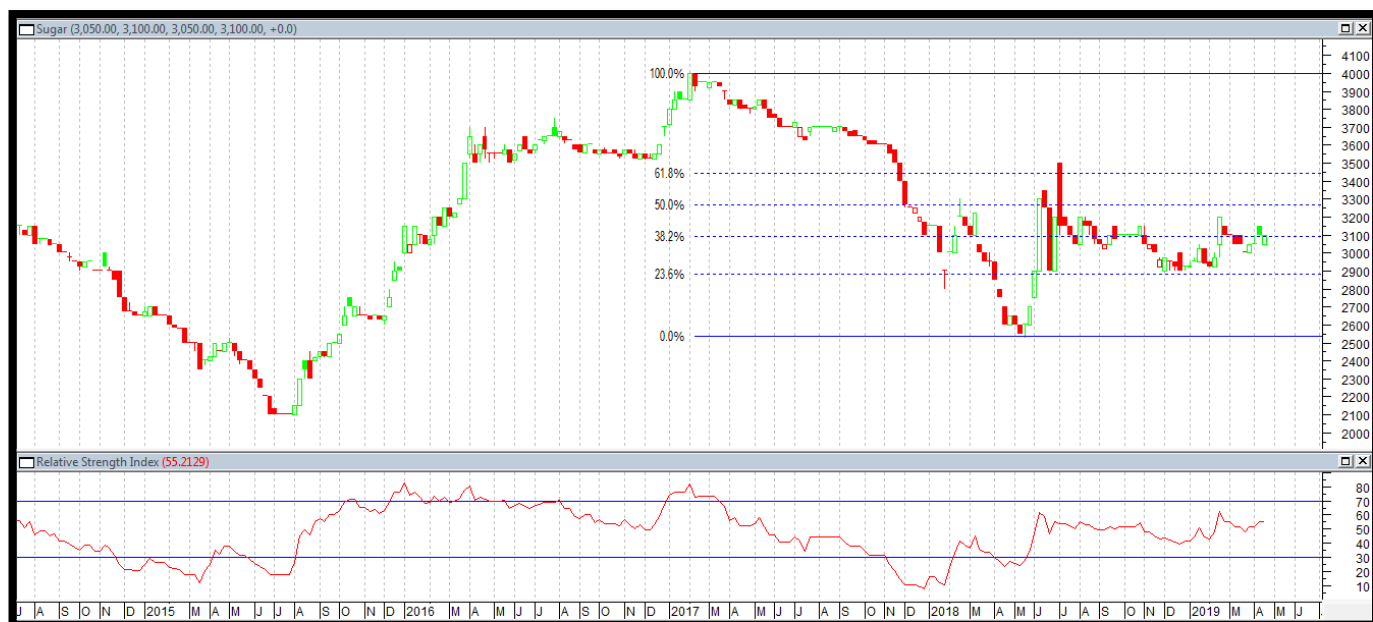
Previous Updates

- **Indian mills get contracts to export 2.7 mt sugar and another 4.3 lakh tonnes are in the export pipeline.** Mills have already shipped out 1.7 million tonnes till April 6th as against 5 lakh tonnes shipped in the entire 2017-18 of the sweetener to the top destinations are Bangladesh, Sri Lanka, Somalia, Iran and Sudan. This year's Government's target of 5 million tonnes of exports seems unlikely due to the disparity between international and local prices. Sluggish exports from India is also a discouragement for sugar prices.

- Maharashtra's sugar output is likely to touch 10.7 mln tonnes from 10.5 mln tonnes in March in the current 2018/19 season, with 63 sugar mills in the state continuing to crush cane, according to local press reports.
- Ethanol blending with petrol is estimated to touch 7.2 per cent in 2018-19 marketing year as record 237 million litre of supplies have been contracted which was 4.22 per cent in 2017-18 marketing year (December to November) with supply of 150 crore litres according to ISMA.
- The payments ratio logged a massive dip to about 57% in the current sugarcane season 2018-19. According to the latest data, Sugarcane payments notched up to more than 71% at the end of March 2018. The current outstanding close to Rs.12,700 crore and the payments ratio is at 52%.

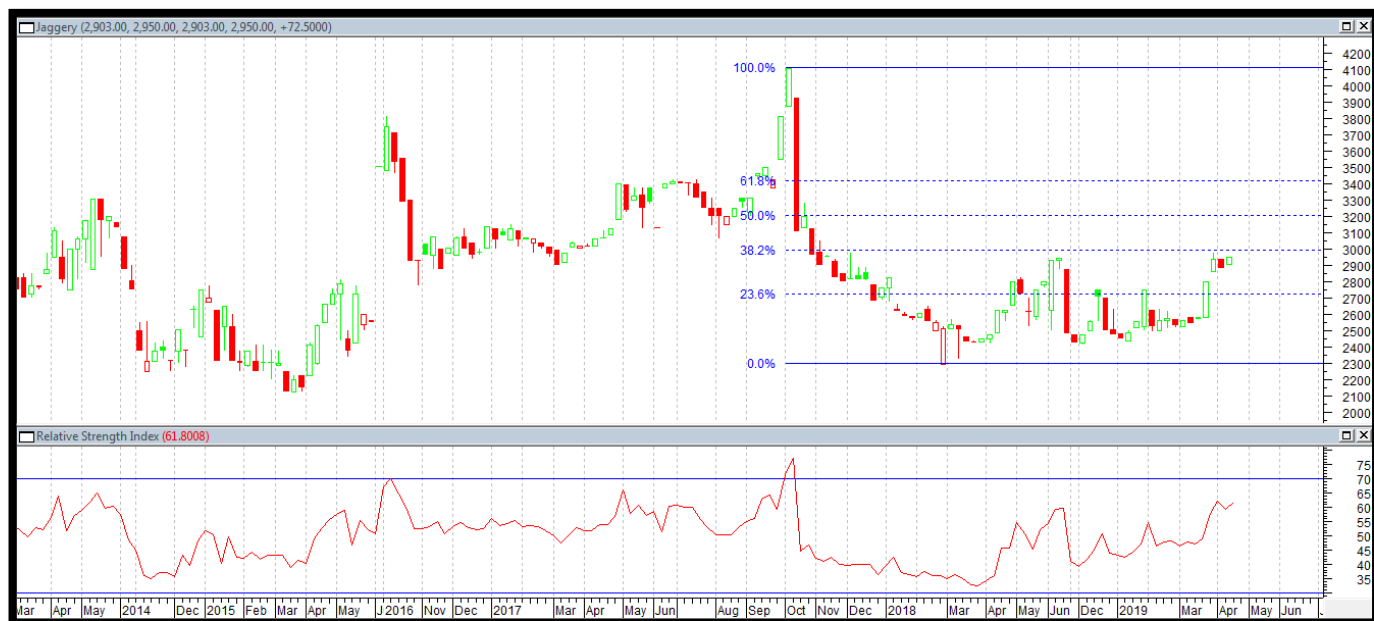
Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

- Sugar spot prices at benchmark Kolhapur market closed at Rs 3100 quintal this week.
- Next resistance and support level for the coming month has been seen at Rs 3200 and Rs 3050 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 2950/quintal this week.
- Next resistance and support level for the coming month has been seen at Rs 3200 and Rs 2900 per quintal respectively.
- RSI is in neutral region.

**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	81.7	67.95	87.35	183.85	134.25
Estimated sugar production	202.85	321	310	98.2	160.2	36.6	15
Imports	4.46	2.85	0	0	0	0	0
Estimated sugar availability (A + B + C)	284.31	357.95	377.95	166.15	247.55	220.45	149.25
Exports	4.6	16.25	30.5	3	10	8.5	9
Availability for domestic consumption (D - E)	279.71	327.95	347.45	163.15	237.55	211.95	140.25
Estimates sugar consumption	245.61	260	263	75.8	53.7	77.7	55.8
Carry out stock (F - G)	34.1	81.7	84.45	87.35	183.85	134.25	84.45

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 30.5 LT in 2018-19.

International Market Highlights

Recent Updates:

July NY world sugar #11 (SBN19) on Thursday closed up +0.45 (+3.59%). Sugar prices on Friday followed crude prices higher. Stronger crude oil prices are supportive for ethanol prices and may prompt Brazil's sugar mills to divert more cane crushing toward ethanol production rather than sugar production, thus reducing sugar supplies.

Further in international market, ICE futures also seen weaker as weak crude oil prices are undercutting sugar prices since weaker crude oil prices are negative for ethanol prices and may prompt Brazil's sugar mills to divert more cane crushing toward sugar production rather than ethanol production, thus boosting sugar supplies.

573.07 MMT of cane crushed, down 3.9% from the 596.33MMT crushed during 2017-18 reported by UNICA. Total sugar production of 26.5MMT during this season fell by 26.5% from a year ago in Centre-South Brazil as the sugar season came to a close on March 31.

Previous Updates

Brazil's center-south region produced 26.500 million tonnes of sugar in the 2018/2019 crop (Oct 1-Mar 31), down from 36.060 million tonnes in the previous harvest with the percentage of cane crushed for sugar down to 35.2% from 45.5% last year and the percentage of cane crushed for ethanol production up to 64.8% from 53.5% last year.

USDA lowers 2018-19 sugar supply forecast to 13.93 mln tonnes, down about 43,000 tonnes from March and down by 3.6% from 14.44 mln tonnes last year.

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.

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 +5.3% y/y to a record 35.9 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

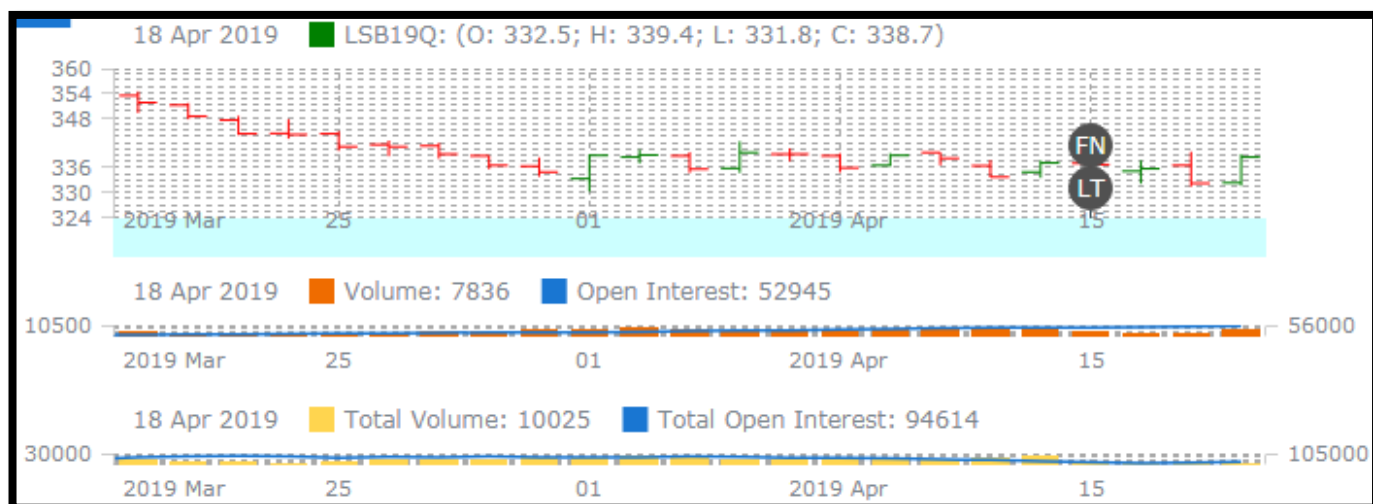
International Sugar Futures Price Projection

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

Technical Commentary

- LIFFE future market were firm for the week.
- Last candlestick of the week depicts bullish in the market.
- Strategy: sell below 331,T1 340

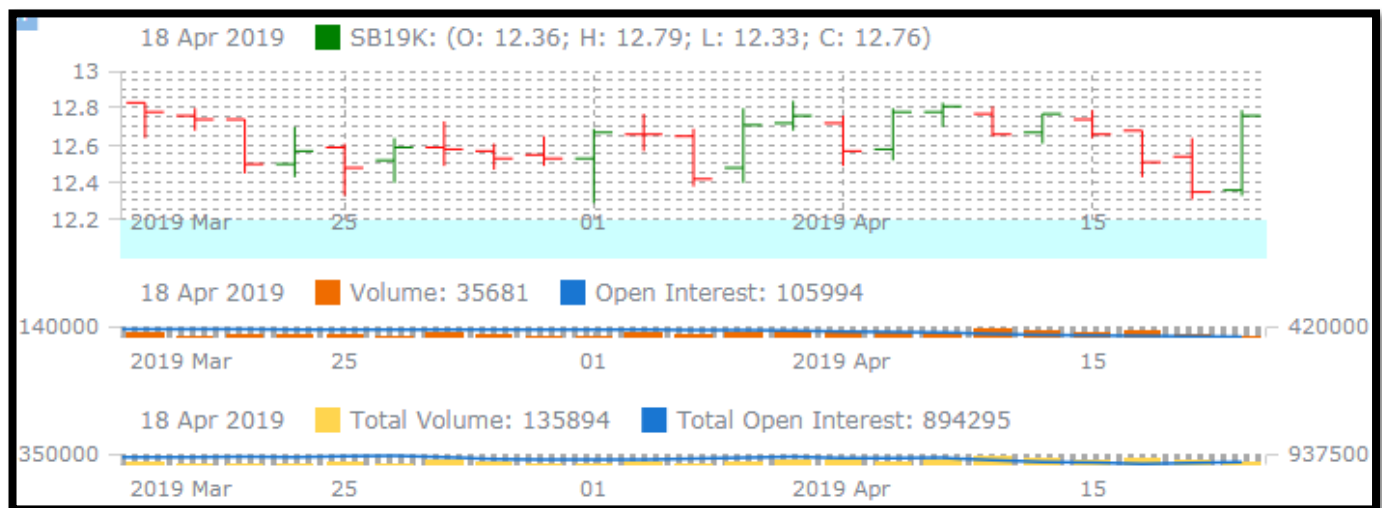
International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'19	338.7	330-340



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 bullish in the market.
- Strategy: sell at 12.4 Targeting 13.8.

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	12-14



Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			12th April to 18th April 2019	5th April to 11th April 2019	
Delhi	Delhi	M-Grade	3119	3120	-1
	Delhi	S-Grade	3099	3100	-1
Uttar Pradesh	Khatauli	M-Grade	3227	3230	-3
	Ramala	M-Grade	#DIV/0!	0	-
	Dhampur	M-Grade Ex-Mill	3060	3063	-3
	Dhampur	S-Grade Ex-Mill	3040	3043	-3
	Dhampur	L-Grade Ex-Mill	3110	3113	-3
Maharashtra	Mumbai	M-Grade	3306	3330	-24
	Mumbai	S-Grade	3212	3212	Unch
	Nagpur	M-Grade	3195	3195	Unch
	Nagpur	S-Grade	3125	3135	-10

	Kolhapur	M-Grade	3070	3070	Unch
	Kolhapur	S-Grade	3000	3010	-10
Assam	Guwahati	S-Grade	3309	3319	-10
Meghalaya	Shillong	S-Grade	3320	3330	-10
Andhra Pradesh	Vijayawada	M-Grade	3540	3540	Unch
	Vijayawada	S-Grade	3480	3480	Unch
West Bengal	Kolkata	M-Grade	3520	3468	52
Tamil Nadu	Chennai	S-Grade	2808	3492	-684
	Dindigul	M-Grade	3600	3528	72
	Coimbatore	M-Grade	3520	3520	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3400	3400	Unch

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)			12th April to 18th April 2019	5th April to 11th April 2019	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2857	2836	21
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7400	8500	-1100
	Muzaffarnagar	Khurpa (Fresh)	2525	2601	-76
	Muzaffarnagar	Laddoo (Fresh)	2901	2933	-32
	Muzaffarnagar	Rascut (Fresh)	2279	2291	-12
	Hapur	Chaurasa	2413	2388	26
	Hapur	Balti	2400	2378	22
Andhra Pradesh	Chittur	Gold	4260	4050	210
		White	3780	3575	205
		Black	3320	3150	170
Maharashtra	Latur	Lal Variety	#DIV/0!	0	-
Karnataka	Bangalore	Mudde (Average)	4200	4200	Unch
	Belgaum	Mudde (Average)	2825	2850	-25
	Belthangadi	Yellow (Average)	#DIV/0!	#DIV/0!	-
	Bijapur	Achhu	2975	3083	-108
	Gulbarga	Other (Average)	3123	3020	103
	Mahalingapura	Penti (Average)	3190	3077	112
	Mandya	Achhu (Medium)	3783	3613	171
	Mandya	Kurikatu (Medium)	3383	3275	108
	Mandya	Other (Medium)	3617	3050	567
	Mandya	Yellow (Medium)	3700	3333	367
	Shimoga	Achhu (Average)	3863	3975	-113

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			19-Apr-19	11-Apr-19	20-Mar-19	19-Apr-18
Delhi	Delhi	M-Grade	3140	3110	3100	3040
	Delhi	S-Grade	3120	3090	3080	3020
Uttar Pradesh	Khatauli	M-Grade	Closed	Closed	3105	2845
	Ramala	M-Grade	Closed	Closed	0	0
	Dhampur	M-Grade Ex-Mill	3120	Closed	3050	2800
	Dhampur	S-Grade Ex-Mill	3100	Closed	3030	2780
	Dhampur	L-Grade Ex-Mill	3170	Closed	3100	2850
Maharashtra	Mumbai	M-Grade	3302	3330	3280	3100
	Mumbai	S-Grade	3212	3216	3166	2782
	Nagpur	M-Grade	3225	3225	3125	2775
	Nagpur	S-Grade	3175	3125	3075	2675
	Kolhapur	M-Grade	3100	3100	3000	2650
	Kolhapur	S-Grade	3050	3000	2950	2550
Assam	Guhawati	S-Grade	3360	3309	3258	2852
Meghalaya	Shillong	S-Grade	3370	3320	3270	2870
Andhra Pradesh	Vijayawada	M-Grade	3540	3540	3420	3320
	Vijayawada	S-Grade	3480	3480	3360	3260
West Bengal	Kolkata	M-Grade	3520	3520	3470	3080
Tamil Nadu	Chennai	S-Grade	0	3500	3400	3200
	Dindigul	M-Grade	NR	3600	3520	0
	Coimbatore	M-Grade	NR	3520	3540	0
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3400	3400	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)			19-Apr-19	11-Apr-19	20-Mar-19	19-Apr-18
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2515	2615	2578	2588
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	2000	5000	7000
	Muzaffarnagar	Khurpa	2428	2303	2200	2313
	Muzaffarnagar	Laddoo	2645	2553	2456	2575
	Muzaffarnagar	Rascut	2000	1988	2100	1975
	Hapur	Chaurasa	2350	2250	2250	2125
	Hapur	Balti	2250	2200	2200	2125
Andhra Pradesh	Chittur	Gold	3600	3700	4300	0
		White	3200	3200	3200	0
		Black	2900	2900	2850	0

Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	NA	4200	4200	4400
	Belgaum	Mudde (Average)	NA	2850	2900	NA
	Belthangadi	Yellow (Average)	NA	NA	0	0
	Bijapur	Achhu	NA	3000	NA	2700
	Gulbarga	Other (Average)	NA	3050	NA	2850
	Mahalingapura	Penti (Average)	NA	3131	3172	3032
	Mandya	Achhu (Medium)	NA	3850	NA	3300
	Mandya	Kurikatu (Medium)	NA	3300	NA	3200
	Mandya	Other (Medium)	NA	NA	NA	3100
	Mandya	Yellow (Medium)	NA	NA	NA	3350
	Shimoga	Achhu (Average)	NA	NA	3700	3700

International Sugar Prices (Weekly)				
	Contract Month	18-Apr-19	11-Apr-19	Change
ICE Sugar #11 (US Cent/lb)	19-May	12.76	12.66	0.10
	19-Jul	12.98	12.82	0.16
	19-Oct	13.25	13.13	0.12
LIFFE Sugar (US \$/MT)	19-May	375.60	323.00	52.60
	19-Aug	338.70	333.90	4.80
	19-Oct	344.80	342.60	2.20

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