

Sugar & Gur Domestic & International Fundamentals

Recent Update:

March NY world sugar #11 (SBH19) on Thursday closed down -0.20 (-1.55%) and March ICE London white sugar (SWH19) closed down -3.60 (-1.04%). Sugar prices moved lower Thursday on weakness in crude oil prices, which undercuts ethanol and may prompt Brazil's sugar mills to divert more cane crushing toward sugar production rather than ethanol, thus boosting sugar supplies.

India's sugar exports are likely to be far lower than a 5 million-tonne target set by government as a strengthening rupee and falling global prices make shipments unattractive despite a government push for overseas sales. As Agriwatch expected that India is likely to export to 3.0 million tonnes of sugar in the 2018/19 marketing year that started on Oct. 1

Weather Forecast for tomorrow:

During the next 24 hours, light to moderate rain and snow is expected over many places of Jammu and Kashmir, Himachal Pradesh and isolated pockets of Uttarakhand and Arunachal Pradesh. Isolated rains may also occur over North Punjab. Minimums are expected to rise over the northwestern plains and maximums may drop over Jammu and Kashmir, Himachal Pradesh, Uttarakhand and parts of Punjab. Pollution levels over Delhi-NCR will remain unchanged.

Previous Updates:

The Government of Punjab has released Rs 35 crore to the cooperative sugar mills of the state towards the payment for sugarcane dues for the year 2017-18. The same has been credited into the accounts of the sugarcane farmers. The cooperative sugar mills had dues amounting to Rs 182.26 crore pending towards the government as of December 31, 2018, out of which Rs 151.82 crores remain due following the payment of Rs 35 crore. Out of these Rs 151.82 crore, a sum of Rs 65 crore has been released by the Punjab Rural Development Board, which would be paid soon. This was stated by the state cooperation minister, S Sukhjinder Singh Randhawa.

The Centre is likely to revise the sugar minimum selling price (MSP) by 10 per cent from its current level of Rs 29 a kg to Rs 32 a kg in the weeks ahead. Last year, the Union food ministry had fixed the ex-factory sugar sale price at Rs 29 a kg to help domestic sugar mills amid falling retail sugar prices and the export-market squeeze owing to a global glut in the sector.

According to the latest data from the Maharashtra government's Commissionerate of Sugar, mills in the state, as on December 31, were to have paid growers Rs 7,450.90 crore for cane at the "fair and remunerative price" or FRP of about Rs 245 per quintal declared by the Centre for the 2018-19 season (average rate, after deducting harvesting and transport charges from field). But they had only managed to pay Rs 2,875.37 crore, which translates into arrears of Rs 4,575.53 crore. For Uttar Pradesh the current season, they have, till January 4, bought cane worth Rs 10,051.02 crore at the state government's average state "advised" price or SAP of around Rs 320 per quintal. Out of this, they were to pay Rs 7,210.11 crore within the stipulated 14-day period from the date of cane delivery. But payments so far have been just Rs 2,857.03 crore, with the resulting arrears at Rs 4,353.08 crore, and Rs 6,123.26 crore overall.

India's sugar production till December 31, 2018 is up by 6.7% y-o-y. As on 31st December, 2018, 501 sugar mills were in operation in the country and have produced 110.52 lakh tonnes of sugar, as compared to 103.56 lakh tons produced by 505 sugar mills as on 31st December 2017. The slightly higher production of 6.96 lakh tonnes is because Maharashtra and Karnataka sugar mills started their crushing earlier this year. However, due to substantially lower rainfall and white grub infestation, Maharashtra will produce significantly lower quantity this year as compared to last year. Overall, the country is expected to produce much less sugar this season as compared to last year.

Weekly Outlook:

Indian Sugar market witnessed a mixed trend during last week. On hopes of increase in floor price which is currently at Rs 2,900 per quintal. We expect sugar prices may trade down on good physical supplies from mills are continuing in the physical market due to imposed stock limit on mills. Prices are supportive after Jan due to the expectation of weak cane crush this season in the key producing states of UP, Maharashtra and Karnataka. The release quota for January month of 18.50 LMT little lower than December month, since UP and Maharashtra states demanding extra sales quota, due to the low sales quota, mills are unable to sell their sugar and repay the farmers on time.

NCDEX Sugar (M grade) Future Quotes (At 05:00 p.m. as on 20-12-2018)

Contract	+/-	Open	High	Low	close	Volume	O.I
Cont. (DEC)	-	2989	2989	2989	2989	-	-
Spread	Cont Dec(C1)						
Spot							

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

NCDEX Stock & Fed Position					
Stocks	Grade	Demat	In-Process	Total	FED
		13-Jan-19	13-Jan-19	13-Jan-19	13-Jan-19
Delhi	M	3828	0	3828	3828
Sangli	M	759	0	759	759
Sholapur	M	-	-	-	-
Kolhapur	M	7953	0	7953	7953
Belgaum	M	1959	0	1959	1959
Delhi	S	149	0	149	149
Sangli	S	1199	0	1199	1949
Sholapur	S	2358	0	2358	2359
Kolhapur	S	10275	0	10275	10275
Belgaum	S	3328	0	3328	3827

Sugar Futures ICE& LIFFE as on 26 Aug,2016					
ICE Sugar Futures (In Cents/Pound)					
Contract	Open	High	Low	Close	+/-
16-May	20.66	20.72	20.32	20.61	0.06
16-Jul	21.17	21.17	20.80	21.09	0.07
16-Oct	20.49	20.52	20.21	20.49	0.08
LCE Sugar Futures (In US\$/MT)					
Contract	Open	High	Low	Close	+/-
16-Aug	541.10	541.90	533.50	540.20	1.50
16-Oct	548.80	550.20	542.80	549.10	2.40
16-Dec	552.60	554.10	547.10	553.70	2.90

Commodity		Change
Thai Sugar FOB 45 Icumsa	344.1	-3.6

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/QtI)		Change
			14-Jan-19	12-Jan-19	
Delhi	Delhi	M-Grade	3087	3050	37
	Delhi	S-Grade	3067	3030	37
Uttar Pradesh	Khatauli	M-Grade	3360	3300	60
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3100	3050	50
	Dhampur	S-Grade Ex-Mill	3080	3030	50
	Dhampur	L-Grade Ex-Mill	3150	3100	50
Maharashtra	Mumbai	M-Grade	3180	3180	Unch
	Mumbai	S-Grade	3076	3070	6
	Nagpur	M-Grade	3075	3075	Unch
	Nagpur	S-Grade	3025	3025	Unch
	Kolhapur	M-Grade	2950	2950	Unch
	Kolhapur	S-Grade	2900	2900	Unch
Assam	Guhawati	S-Grade	3207	3207	Unch
Meghalaya	Shillong	S-Grade	3220	3220	Unch

Andhra Pradesh	Vijayawada	M-Grade	3440	3440	Unch
	Vijayawada	S-Grade	3400	3400	Unch
West Bengal	Kolkata	M-Grade	3500	3420	80
Tamil Nadu	Chennai	S-Grade	3100	3110	-10
	Dindigul	M-Grade	3450	3450	Unch
	Coimbatore	M-Grade	3450	3450	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3500	3500	Unch

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

Jaggery (Gur) Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/QtI)		Change
			14-Jan-19	12-Jan-19	
Jaggery(Gur)	Muzaffarnagar	Chaku Fresh	2438	2445	-8
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	7000	1000
	Muzaffarnagar	Khurpa (Fresh)	2303	2278	25
	Muzaffarnagar	Laddoo (Fresh)	2553	2553	Unch
	Muzaffarnagar	Rascut (Fresh)	2053	2053	Unch
	Hapur	Chaurasa	Closed	2150	-
	Hapur	Balti	Closed	2113	-
Andhra Pradesh	Chittur	Gold	Closed	3900	-
		White	Closed	3400	-
		Black	Closed	2900	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4150	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	2720	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2800	NA	-
	Mandya	Kurikatu (Medium)	2750	NA	-
	Mandya	Other (Medium)	2650	NA	-
	Mandya	Yellow (Medium)	3000	NA	-
Shimoga/Shivamogga	Achhu (Average)	NA	NA	-	

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