

**TECHNO FUNDA REPORT ON**

21 January 2016

# **Sugar futures**

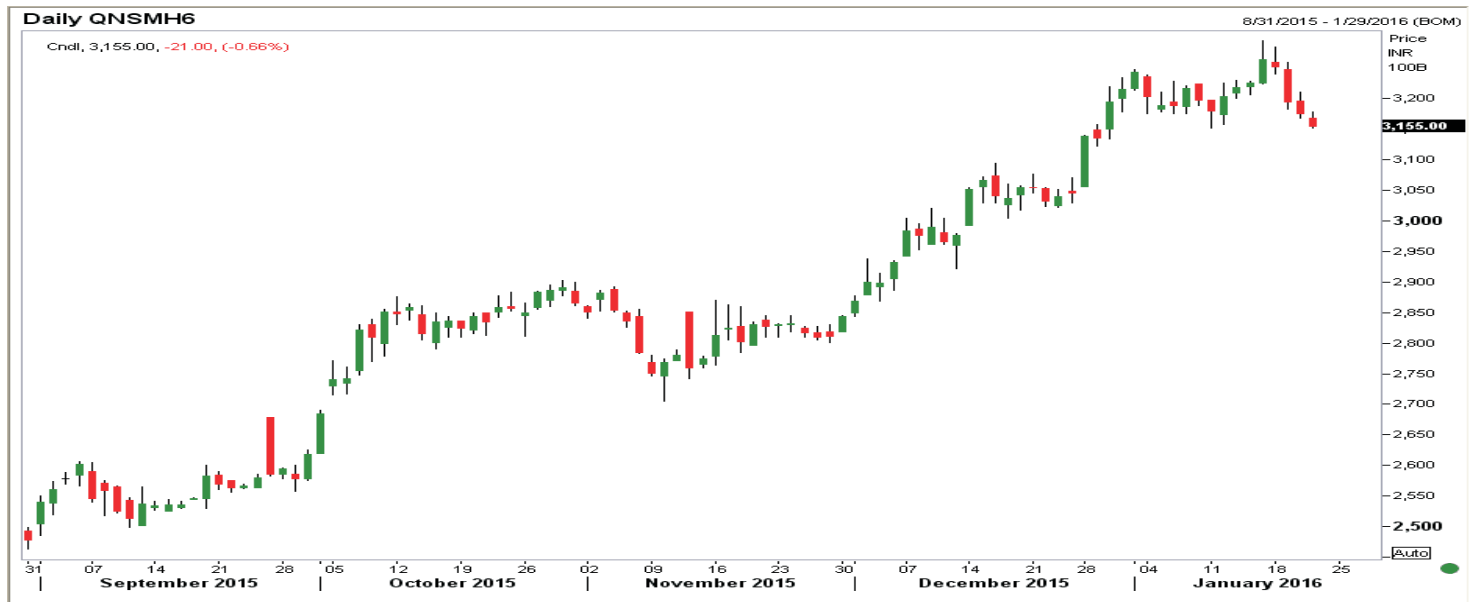
**March 2016**



**Presented by:  
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## TECHNO FUNDA REPORT ON SUGAR FUTURES (MARCH) – SELL



**Recommendation:** Investors are advised to take fundamental positional SELL position in Sugar futures (March) at current market price for the target of 3035 in long-term, with a closing stop loss above 3220 levels.

### Note:

- These long term fundamental calls are for duration of one to three weeks time frame and do not confuse these with intraday calls.
- It is assumed that investor takes position in two lots and square off position in one lot on partial profit booking and trail stop loss to buying/selling price for second lot.

### Fundamentals

- Mill level sugar prices, which had crossed Rs 30/kg, have now fallen to Rs 29/kg as sentiments have turned negative.
- Medium sugar eased further at the Vashi wholesale market due to poor demand from stockists and retailers amid ample stock position. Medium sugar (M-30) eased to Rs 3,176/3,322, Small sugar (S-30) quoted by 3,106/3,202 per quintal.
- Sugar production in the country is in full swing. Till 15th Jan, 2016, 488 mills in the country have produced 110.90 lakh tons of sugar, 7.08 lac tons higher than the sugar production of last year on the corresponding date.
- The sugar mills have started their cane crushing operations earlier this year, and, therefore, despite lower availability of sugarcane as compared to last year, sugar production till now is higher.
- Maharashtra has crushed about 415.9 lac tons of sugarcane with 168 sugar mills under crushing operation. Till 15th Jan, 2016, Maharashtra has produced 44 lac tons of sugar with 10.6% recovery.
- In Uttar Pradesh, 116 sugar mills are in operation during the current 2015-16 SS and these have produced 27.07 lac tons of sugar till 15th January, 2016.
- The other major sugar producing State viz. Karnataka has produced 21.12 lac tons of sugar till 15th January, 2016 and there are 64 sugar mills in operation as on that date.
- In Tamil Nadu, 25 sugar mills are in operation and they have produced 1.60 lac tons of sugar till 15th January, 2016. This is 0.50 lac tons higher than the sugar production of last year same period.

- Gujarat has produced 5.70 lac tons of sugar till 15th January 2016 with 20 sugar mills in operation.
- In Andhra Pradesh and Telangana, as compared to last year, 4 sugar mills have not started crushing operations during 2015-16 SS. As on 15th January 2016, 26 sugar mills have produced 3.27 lac tons of sugar as against 3.99 lac tons produced by 30 mills in 2014-15 SS on 15th January, 2015.
- As regards other States, as on 15th January 2016, similar number of mills are in operation during 2015-16 SS and they have produced 2.20 lac tons in Bihar, 1.05 lac tons in Uttarakhand, 1.70 lac tons in Punjab, 1.60 lac tons in Haryana, 1.40 lac tons in Madhya Pradesh.
- A greater share of Brazilian cane is expected to go to sugar in 2016/17 than in the previous season, providing a boost to tightening global supplies, with prices more remunerative for the sweetener than for cane-derived ethanol.

*For further any queries, please contact*

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