NEWS FLASH – 24th December, 2016

SUGAR

Sugar shares in demand

Fifteen sugar shares rose by 0.21% to 15.98% at 11:33 IST on BSE on renewed buying.

Oudh Sugar Mills (up 15.98%), Rana Sugars (up 13.22%), Upper Ganges Sugar & Industries (up 9.99%), Dwarikesh Sugar Industries (up 9.86%), Simbhaoli Sugars (up 9.28%), Sakthi Sugars (up 7.14%), Dhampur Sugar Mills (up 6.48%), DCM Shriram Industries (up 6.32%), Empee Sugars and Chemicals (up 5.64%), Triveni Engineering & Industries (up 5.04%), Balrampur Chini Mills (up 4.65%), Shree Renuka Sugar (up 4.24%), KCP Sugar & Industries Corporation (up 3.76%), EID Parry (India) (up 1.47%) and Bajaj Hindusthan Sugar (up 0.21%), edged higher.

The S&P BSE Sensex was down 5.24 points, or 0.02% at 25,974.36.

(Source-http://www.business-standard.com/article/news-cm/sugar-shares-in-demand-116122300271_1.html, published on 23rd December, 2016)

Sugar rebounds on demand

Sugar prices at Vashi extended gain by ₹ 15-30 a quintal supported by higher demand and firm futures. Mill tender rates and naka rates were up ₹ 10-20. Arrivals to the Vashi market were at 62-64 truck loads and local dispatches were at 61-62 loads.
The Bombay Sugar Merchants Association's spot rates: S-grade ₹ 3,582-3,762 (3,552-3,620) and M-grade ₹ 3,642-3,906 (3,630-3,892). Naka delivery rates: S-grade ₹ 3,530-3,600 (3,540-3,600) and M-grade ₹ 3,630-3,720 (3,610-3,700).

(Source-http://www.thehindubusinessline.com/markets/commodities/sugar-rebounds-on-demand/article9442243.ece, published on 23rd December, 2016)

Sweet tidings: sugar scrips soar as prices rise in commodities market

Shares of sugar companies climbed sharply on Friday, thanks to a rebound in raw sugar prices in the global commodities market.

Parrys Sugar Industries was the biggest gainer with its shares vaulting 20 per cent, followed by Oudh Sugar Mills (12.2 per cent), Uttam Sugar Mills (11.5 per cent) Dwarikesh Sugar Industries (10.86 per cent) and Upper Ganges Sugar (9.99 per cent).

Others such as Dharani Sugar & Chemicals, Mawana Sugars, Rajshree Sugars and Simbholi Sugars also scored impressive gains.

However, Bajaj Hindusthan and Shree Renuka Sugars closed a tad lower.

Raw sugar futures on ICE edged higher on Friday in thin pre-holiday trade as the market continued to consolidate just above last week's six-and-a-half-month low.

Pick-up in demand

Sugar prices shot up by ₹110 a quintal at the wholesale market in the national capital on Friday following brisk buying on pick-up in demand.

Indian Sugar Mills Association has said the country's sugar output stood at 23.4 million tonnes for the current sugar season ending September 2017, down from 25.1 million tonnes in 2015-16 and 28.3 million tonnes in 2014-15.

CARE Ratings in a September 2 report said the domestic sugar industry has started showing signs of a turnaround with surging prices and depletion in buffer stocks due to decrease in global as well as domestic production and steady growth in consumption.

"For the past two sugar seasons, the industry was witnessing a challenging phase, marked by extreme volatility in prices and lopsided margins for sugar mill owners," rating agency CARE said. It expects stable outlook for the industry in the medium term on the back of favourable developments in sugar season 2015-16 (SS15-16), running from October 1 to September 30," it added.

Firm trend likely

Analysts expect sugar prices are likely to remain firm over the next three to four quarters. Another positive factor, according to analysts, is that most State governments have increased cane prices only marginally. This augers well for the industry as profit outlook in the short term for mills looks bright, said an analyst at a Mumbai-based broking firm.

(Source-http://www.thehindubusinessline.com/markets/stock-markets/sweet-tidings-sugar-scrips-soar-as-prices-rise-in-commodities-market/article9442271.ece, published on 23rd December, 2016)

COGEN

India plans nearly 60% of electricity capacity from non-fossil fuels by 2027

Expansion of solar and wind power will help exceed Paris targets by almost half and negate need for new coal-fired power stations

The Indian government has forecast that it will exceed the renewable energy targets set in Paris last year by nearly half and three years ahead of schedule.

A draft 10-year energy blueprint published this week predicts that 57% of India's total electricity capacity will come from non-fossil fuel sources by 2027. The Paris climate accord target was 40% by 2030.

The forecast reflects an increase in private sector investment in Indian renewable energy projects over the past year, according to analysts.

The draft national electricity plan also indicated that no new coal-fired power stations were likely to be required to meet Indian energy needs until at least 2027, raising further doubts over the viability of Indian mining investments overseas, such as the energy company Adani's Carmichael mine in Queensland, the largest coalmine planned to be built in Australia.

India's energy minister, Piyush Goyal, has been appealing to wealthier nations to provide capital to invest in renewable energy projects to help the country reach and exceed the targets agreed in Paris in November 2015.

Significant state investment has not been forthcoming, but Tim Buckley, a director at the Institute for Energy Economics and Financial Analysis, said India had made up the shortfall with an influx of capital from the domestic and overseas private sectors in the past 12 months.

Japan's Softbank has committed to invest $20bn (£16.2bn) in the Indian solar energy sector, in conjunction with Taiwanese company Foxconn and Indian business group Bharti Enterprises.

In September the largely French state-owned energy company EDF announced it would invest $2bn in Indian renewable energy projects, citing the country's enormous projected demand and "fantastic" potential of its wind and solar radiation.

Adani opened the world's largest solar plant in Tamil Nadu earlier this year, and in October the energy conglomerate Tata announced that it would aim to generate as much as 40% of its energy from renewable sources by 2025.

Buckley said India's "absolutely transformational" forecast was also driven by technological advancements that have led to the price of solar energy falling by 80% in the past five years.

"India is moving beyond fossil fuels at a pace scarcely imagined only two years ago," he said. "Goyal has put forward an energy plan that is commercially viable and commercially justified without subsidies, so you have big global corporations and utilities committing to it."

In the 2027 forecasts, India aims to generate 275 gigawatts of total renewable energy, in addition to 72GW of hydroenergy and 15GW of nuclear energy. Nearly 100GW would come from "other zero emission" sources, with advancements in energy efficiency expected to reduce the need for capacity increases by 40GW over 10 years.

About 50GW of coal power projects being developed in India would be "largely stranded" under the forecast, Buckley said, with official modelling showing that "none of these plants are required before 2022 and only possible before 2027".

(Source-https://www.theguardian.com/world/2016/dec/21/india-renewable-energy-paris-climate-summit-target, published on 21st December, 2016)

ETHANOL

Govt to set up first 2G ethanol bio-refinery in Punjab

To be set up by Hindustan Petroleum Corp at Bathinda in Punjab at a cost of Rs 600 crore

The foundation stone for India's first second generation ethanol bio-refinery to be set up by Hindustan Petroleum Corp (HPCL) at Bathinda in Punjab at a cost of Rs 600 crore will be laid on December 25, an official said on Friday.

The foundation stone laying ceremony will be held at village Tarkhanwala, in Bathinda district of Punjab, a Petroleum Ministry release here said.

"The government is encouraging production of second generation ethanol from agricultural residues to provide additional sources of remuneration to farmers, address the growing environmental concerns and support the Ethanol Blended Petrol (EBP) programme," it said.

The Bathinda bio-refinery will produce 100 kilolitres of ethanol per day, or 3.20 crore litres per annum, which may be sufficient to meet the 26% of the ethanol blending requirement of Punjab, it added.

According to the Ministry, the proposed bio-refinery will generate employment for about 1,200-1,300 persons in the biomass supply chain and generate an additional income of approximately Rs 20 crore per annum for farmers through purchase of their agriculture residues like sugarcane.

"The project shall also help in reducing CO2 emissions from the paddy straw which currently is being burnt after harvesting," it said.

The bio-refinery will also produce about 30,000 tonnes of bio-fertiliser per annum that can be used as soil nutrient.

It will also produce more than 1 lakh kilograms of Bio-CNG per annum which can cater to transport and clean cooking requirements.

HPCL and other state-run oil firms are setting up 12 2G ethanol bio-refineries across 11 states at an estimated cost of Rs 10,000 crore, the statement said.

"These Bio-refineries shall produce around 35-40 crore litres of ethanol annually, thus contributing significantly towards the EBP programme," it added.

(Source-http://www.business-standard.com/article/economy-policy/govt-to-set-up-first-2g-ethanol-bio-refinery-in-punjab-116122301190_1.html, published on 23rd December, 2016)

Praj Industries hopes government investment to boost bio-fuel sector in 2017

The government's thrust on cutting emission, backed by investments committed by public sector enterprises would lead to an action packed 2017 for the sector, Pramod Chaudhari, Executive Chairman, Praj Industries, told ET.

State run-oil marketing companies Indian Oil Corporation and Bharat Petroleum Corporation are in pact with the Pune-headquartered engineering company Praj Industries to set up plants to manufacture the so-called second generation (2G) ethanol from non-edible agricultural waste.

The two OMCs along with Hindustan Petroleum Corporation are expected to set up multiple ethanol units based on this technology with an aggregate investment pegged at around Rs 5,000 crore, according to industry executives.

"The year 2017 will see a lot of action in the bio-fuel space. The government is taking firm action to reduce the carbon emission and the PSUs have already signed memorandum of understanding which is a game changer. Private sector will wait for the final policy on bio-fuels, until then, public sector will drive growth," Chaudhari told ET in an interview.

He said the two units to be set up for IPC and BPCL will be commissioned by early 2019.

Earlier this year, the government has said that it is working on a new policy for non-conventional resources that would increase ethanol blending in petrol to 22.5% and in diesel to 15%, and could potentially save the country Rs 7 trillion on its crude oil imports.

Chaudhari said that Indian automobiles can easily run on 10% ethanol blended petroleum but scaling up ethanol capacity in the country would be crucial to it.

"This is just the beginning for second generation ethanol manufacturing in the country. Even to go up to 10% of ethanol blend would be an uphill task as it will need additional 150-160 crore litres of ethanol," Chaudhari said.

(Source- http://sugarnews.in/praj-industries-hopes-government-investment-to-boost-bio-fuel-sector-in-2017/, published on 22nd December, 2016)

Quote of the day

'You must learn to be still in the midst of activity and to be vibrantly alive in repose.'

-Indira Gandhi