

Sugar Prices Stay Weak Despite Stock Limit Easing

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Pune: Despite removal of stock limit on sugar on Tuesday, sugar prices have not improved much.

Lack of demand due to winter season and expectations of higher production are keeping prices subdued. Sugar prices have declined by ₹3-4/kg during past two months, the central government removed stock limit on traders on Wednesday. The trade does not expect substantial increase in sugar prices.

"Sugar prices increased by only ₹20/quintal to ₹30/quintal on Wednesday," said Ashok Jain, president, Bombay Sugar Merchants' Association. Prices of S-30 grade sugar are ruling around ₹31/kg in Maharashtra. However, removal of stock limit is likely to help the sector by improving sales and stabilising prices.

"There was increase in sales at mill tenders. There could be some demand around Sankranti," said Jain. The Indian Sugar Mills Association in its release on December 18 had said, "With buying interest improving and the stock holding limit on traders being removed, the market is expected to increase their buying, which can have a positive impact on the sales and market sentiments, which in turn is already having a stabilising effect."

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