

**Sugar & Gur Domestic & International Fundamentals****Recent Update:**

**Indian sugar market across India was weak on Tuesday.** The prices are expected to remain down for coming few days due to less demand. Prices might gain support if government gives the final decision for the rise in the minimum support price and creates export opportunities to relieve the sugar millers from clearing the increasing 2 years mounting arrears to be paid to cane farmers. Kolhapur sugar market prices stood same at Rs.3110 whereas in U.P's Khatauli market at Rs.3360INR.

**Maharashtra sugar production is expected not to cross 63 lakh tonnes** according to the sugar survey conducted by Natural Sugars, Thombre's factory against Maharashtra Sugar Commissionerate estimation of 64 lakh tonnes. According to the survey, 10-15% of the cane has green stalk, 70-80% is devoid of any green stalk, and 50 % of the cane stand the possibility of revival in the event of rain.

**Weather Forecast:**

Moderate to heavy rains are expected over Manipur, Mizoram, and Nagaland. Light to moderate with one or two heavy spells are expected over Konkan and Goa, Coastal Karnataka and Kerala. Along with this, good rains are expected over parts of Chhattisgarh, Odisha, Sub-Himalayan West Bengal, and Sikkim and Andaman and Nicobar Islands. Scattered rains will be a sight over Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Southeast Rajasthan, and Gujarat. Dust storm with rain and thundershowers will be a sight at few places of Punjab, Haryana, Delhi, West Uttar Pradesh, North Rajasthan and parts of North Madhya Pradesh. Heat wave conditions might continue at isolated pockets of Bihar.

**Previous Updates:**

**Indian Sugar Mills Association that India's sugar mills expect to export a record 7 million MT of sugar in 2019/20 to reduce its huge stockpiles, up from 3 million MT in 2018/19.**

**There are rumours among the industry that government may take an action by raising the minimum support price by Rs.200 to Rs.3300** after the meeting held by Department of Food and Public Distribution on the hike of sugar prices to help the sugar industry to clear off the cane arrears and to discuss the long term reforms for the sugar sector.

**After the glut at global level, it is expected a deficit of around 2-4 million global sugar. International futures market is likely achieve further gains after India reports for delay in monsoon** which is highly affected in sugarcane producing states like Maharashtra and Karnataka. It is estimated that around 43% of India is affected by drought in 2019. Also the Brazilian real is getting stronger in Brazil which discourages exports from Brazil results in increase in international prices.

**Sugar output this season is expected to be 3 year low due to dry weather, may decline to 28-29 million tonnes** likely to support prices that drop around 20% last year. A lower harvest would trim a record domestic surplus, potentially curtailing exports and supporting global prices. The standing sugarcane crop in major producing states get rainfall at this phase of time but delay in monsoon in these states has hit the crop badly and deficient pre-monsoon rains has not supported the crop efficiently.

**The data released by the Ministry of Agriculture, till first week of June area sown in sugar season 2019-20 stands at 47.85 lakh hectares as compared to 47.91 lakh hectares sown at the same time last year. The sugarcane cultivation in Maharashtra has declined around 18% to 8 lakh hectares as compared to 9.49 lakh hectares sown last year. Other major cane producing states such as Uttar Pradesh and Karnataka has registered a growth in acreages by 3% and 24% respectively.**

**ISO's latest forecast depicted increase in global sugar surplus in 2018-19 to 1.83 million tonnes up from a previous estimate of 6,41,000 tonnes. This increase in surplus is majorly due to robust production India followed by Thailand along with fall off sugar consumption to 176.91 million tonnes from the previous forecast of 178.04 million tonnes in 2018-20.**

**According to the Maharashtra sources, in 2019-20 season, over 300LT less cane is expected for the crush to 650LT from 8.5 lakh hectares available cane as against 952LT from the 11 lakh hectares reported for 2018-19.**

**Maharashtra is likely to divert 25% of cane to ethanol production due to low prices of sugar, surplus stocks and pilling cane arrears. Maharashtra sugar commissioner has made a proposal to Chief Minister for the assistance of promotion of ethanol production from sugarcane juice in the state.**

#### Weekly Outlook:

**Indian Sugar markets remained steady during last week.** We expect sugar prices may trade firm due to good demand in the market. Prices will be supportive in coming days due to the expectation of weak cane crush this season in the key producing states of UP, Maharashtra and Karnataka which contribute 55% of sugar. As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3100–Rs 3250 per quintal for next week.

#### **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 start.

Commodity		Change
Thai Sugar FOB 45 Icumsa	331.50	-3.1

**International Sugar Futures ICE (US Cent/lb)**

Daily Futures Price Listing Mon June 17, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">19-Jul</a>	190617	12.75	12.77	12.61	12.66	-0.09	143,148	195,880	-46,293
<a href="#">19-Oct</a>	190617	12.91	12.93	12.75	12.84	-0.08	140,196	436,780	22,441
<a href="#">20-Mar</a>	190617	13.77	13.78	13.62	13.71	-0.06	20,898	196,640	989
<a href="#">20-May</a>	190617	13.77	13.81	13.68	13.76	-0.05	6,435	45,309	-703
<a href="#">20-Jul</a>	190617	13.85	13.86	13.75	13.83	-0.02	4,698	32,391	-444
<a href="#">20-Oct</a>	190617	13.98	14.01	13.93	13.97	-0.01	2,013	32,096	175
<a href="#">21-Mar</a>	190617	14.47	14.5	14.43	14.46	unch	159	16,669	28
<a href="#">21-May</a>	190617	14.45	14.46	14.42	14.42	0.01	27	3,393	-4
Total Volume and Open Interest							317,609	963,612	-23,812

**International Sugar Futures LIFFE (US \$/MT)**

Daily Futures Price Listing Mon June 17, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">19-Aug</a>	190617	335.1	336.4	331.8	333.1	-1.9	5,647	55,053	-90
<a href="#">19-Oct</a>	190617	343.5	343.5	339.1	339.8	-3.2	3,500	31,843	595
<a href="#">19-Dec</a>	190617	354	354.2	349.9	350.3	-3.2	935	14,825	-186
<a href="#">20-Mar</a>	190617	361.2	361.8	359.2	359.9	-2.8	424	9,531	44
<a href="#">20-May</a>	190617	368	368.7	366.8	366.8	-2.5	101	2,257	44
Total Volume and Open Interest							10,659	115,972	427

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			18-Jun-19	17-Jun-19	
Delhi	Delhi	M-Grade	3250	3250	Unch
	Delhi	S-Grade	3230	3230	Unch
Uttar Pradesh	Khatauli	M-Grade	3360	3370	-10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3250	3250	Unch
	Dhampur	S-Grade Ex-Mill	3230	3230	Unch
	Dhampur	L-Grade Ex-Mill	3300	3300	Unch
Maharashtra	Mumbai	M-Grade	3342	3342	Unch
	Mumbai	S-Grade	3246	3246	Unch
	Nagpur	M-Grade	3235	3245	-10
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3110	3120	-10
	Kolhapur	S-Grade	3100	3100	Unch
Assam	Guhawati	S-Grade	3410	3410	Unch
Meghalaya	Shillong	S-Grade	3420	3420	Unch
Andhra Pradesh	Vijayawada	M-Grade	3620	3620	Unch
	Vijayawada	S-Grade	3560	3560	Unch
West Bengal	Kolkata	M-Grade	3660	3650	10
Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	Dindigul	M-Grade	3600	3600	Unch
	Coimbatore	M-Grade	3650	3650	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3350	3350	Unch
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)					

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			18-Jun-19	17-Jun-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-

	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	3000	Closed	-
	Hapur	Balti	NA	Closed	-
Andhra Pradesh	Chittur	Gold	4000	4100	-100
		White	NA	3700	-
		Black	3300	3500	-200
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3000	3000	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3091	2973	118
	Mandya	Achhu (Medium)	NA	3150	-
	Mandya	Kurikatu (Medium)	NA	2900	-
	Mandya	Other (Medium)	NA	2850	-
	Mandya	Yellow (Medium)	NA	3100	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

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