

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

**Indian sugar prices showed mixed trend in almost all over markets on Wednesday.** The prices are expected to remain steady to low for coming few days due to less demand and higher sales quota as per the consumption. Kolhapur sugar market prices stood unchanged at Rs.3100 and may move below MSP whereas in U.P's Khatauli market at Rs.3250INR.

**Weather Forecast:**

Heavy to very heavy rains are likely over Assam, Arunachal Pradesh, parts of Nagaland. Light to moderate with heavy rains will be seen over Sub-Himalayan West Bengal, Sikkim, Bihar, Uttar Pradesh, East Madhya Pradesh, Uttarakhand, Himachal Pradesh, Konkan and Goa, and Coastal Karnataka. Scattered light to moderate rains are likely over Kerala, Jharkhand, Gangetic West Bengal, parts of Chhattisgarh and parts of Odisha. Light rain stands a chance at few places of Interior Maharashtra, Punjab, Haryana, Delhi, East Rajasthan, Gujarat, Interior Karnataka, West Madhya Pradesh, Odisha and parts of Telangana. Weather will be dry over West Rajasthan, Rayalaseema and Tamil Nadu.

**Previous Updates:**

**According to All India Sugar Trade Association,** the Central Government should introduce dual MSP where Central Northern states MSP to be higher than that of Central Southern states or Maharashtra State Government gives transport subsidy for the difference of transportation cost which can enable Maharashtra to sell the allotted quota allotted every month.

**Since Oct'18 to May'19, the Central Government has allocated 60.50 LMT to sugar mills in Maharashtra and mills are able to sale only approximately 46 LMT** failing to sell 14 LMT and hence falling short of cash liquidity worth Rs. 4350 crores. There is excess transportation cost difference of Rs.1800 to Rs.2000 per MT which Maharashtra seeks help from the Government.

**Kharif sowing of sugarcane crop was delayed in key growing states like Maharashtra, Karnataka.** The total Kharif planting reached 49.98 lakh hectare as on 4th July'19, 1.66 lakh ha higher than last week and down by 1.43 lakh ha compared to previous year (51.41 lakh ha) in 2018-19 season.

**Brazil CS sugar production for 2019-20 season reached 42.4 mln tonnes till first half of June** whereas by June 30th, 2.451 mln tonnes of cane have been crushed by Australia compared to 3.77 mln tonnes crushed by July last year.

**Brazil expects rise in sugar and ethanol exports demand from European Union.** It was announced recently that an agreement has been reached on different terms, allowing 562 million liters of ethanol to enter the EU without a tariff every year, and 250 million liters to receive lower tariffs. Also, the tariff will be zero for 180,000 tonnes of sugar imports per year. This could bring the value of annual exports from Brazil to the EU to BRL 2 billion, up from BRL 600 million in the past.

**Kisan Cooperative Sugar Mill from Uttar Pradesh has got permission from Central government to export 59,000 quintals sugar to Sri Lanka.** The government is planning over framing new sugar export policy to reduce surplus and address the concerns of the glut in sugar industry.

**Kharif sowing of sugarcane crop was delayed in key growing states like Maharashtra, Karnataka.** The total Kharif planting reached 49.81 lakh hectare as on 28th June'19 down by 1.46 lakh ha compared to previous year (50.68 lakh ha) in 2018-19 season. It is expected to pick up the pace due to onset of monsoon in major growing states and the revival of standing sugarcane crop is now on positive side.

**Export demand for sugar has been decreasing since last month, exporting around 31LT till May'19.** Exports are expected to reach upto 33-35LT till the end of this season (2018-19 SS). Domestic sugar prices are dwindling at or below MSP due to lack of demand against the huge stacks of sugar piles.

**The food ministry has allocated July month's sales quota at 20.5 LT to each 534 mills in India lower than 21.5 LT in previous month.** Due to unsold stocks in the previous month and due to the possibility of less demand in July because of arrival of monsoon, less sales quota has been decided for this month.

**May month sugar exports of Brazil stood at 17.5 LT higher than previous month which was 12.2 LT (April)** due to supportive Brazilian real at 308 \$/ton. The major export destination for Brazil were Algeria, China, Saudi Arabia, UAE and Bangladesh in the current season (April'19-Mar'20) for Brazil.

**Unica reported last Wednesday that Brazil's Center-South mills sold 902 mln liters of hydrous ethanol in the domestic market in the first half of June, down -1.5% y/y.** Weaker ethanol demand may encourage Brazil's mills to crush less cane for ethanol and more for sugar, thus increasing sugar supplies.

**ISMA estimates production of about 282 lakh tons of sugar in the season 2019-20, which is about 47 lakh tonnes lower than the current 2018-19 SS production of around 329.5 lakh tonnes, down 14.26%.** Uttar Pradesh is estimated to have sugarcane area at 23.60 lakh ha, as against 24.11 lakh ha in 2018-19. Maharashtra's cane area has estimated down by about 30% for 2019-20 SS, due to poor rainfall from September'2018 onwards and lack of pre-monsoon rainfall, followed by low reservoir levels, which adversely affected sowing of 15 month and 12 month crops. Sugarcane area in Karnataka has also decreased for 2019-20 sugar season to be about 4.20 lakh ha as against 5.02lakh ha in 2018-19, which is lower by about 16%. Sugarcane area in Tamil Nadu for 2019-20 has also decreased to about 2.30 lakh hectare as against 2.60 lakh hectare in 2018-19 SS.

## Weekly Outlook:

**Indian Sugar markets remained weak during last week.** We expect sugar prices may trade steady due to no demand in the market. As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3100–Rs 3200 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	320.70	1.7

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

Daily Futures Price Listing Tue July 09, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">19-Oct</a>	190709	12.43	12.43	12.26	12.35	-0.1	49,389	471,323	3,253
<a href="#">20-Mar</a>	190709	13.41	13.41	13.24	13.34	-0.07	19,309	235,405	4,016
<a href="#">20-May</a>	190709	13.46	13.49	13.33	13.43	-0.05	5,242	50,013	-96
<a href="#">20-Jul</a>	190709	13.53	13.58	13.44	13.52	-0.06	3,543	46,366	1,228
<a href="#">20-Oct</a>	190709	13.7	13.73	13.61	13.68	-0.06	1,495	35,186	401
<a href="#">21-Mar</a>	190709	14.12	14.22	14.11	14.17	-0.06	527	21,311	-156
<a href="#">21-May</a>	190709	14.12	14.14	14.12	14.14	-0.07	5	3,555	0
<a href="#">21-Jul</a>	190709	14.11	14.11	14.11	14.11	-0.07	2	2,960	-2
Total Volume and Open Interest							79,512	867,713	8,644

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

Daily Futures Price Listing Tue July 09, 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>	190709	320	320.5	318.2	319.3	-2.2	9,441	38,253	-2,177
<a href="#">19-Oct</a>	190709	325.8	326.2	324	325.4	-1.8	9,697	50,561	2,302
<a href="#">19-Dec</a>	190709	334.2	334.3	332.1	333.1	-2.1	1,753	19,689	21
<a href="#">20-Mar</a>	190709	344.5	344.6	342.2	343.3	-2	1,416	13,483	616
<a href="#">20-May</a>	190709	351.9	352.2	350.3	351.1	-2.3	237	3,255	55
Total Volume and Open Interest							22,598	128,432	845

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Jul-19	9-Jul-19	
Delhi	Delhi	M-Grade	3150	3170	-20
	Delhi	S-Grade	3130	3150	-20
Uttar Pradesh	Khatauli	M-Grade	3250	3275	-25
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3160	3160	Unch
	Dhampur	S-Grade Ex-Mill	3140	3140	Unch
	Dhampur	L-Grade Ex-Mill	3210	3210	Unch
Maharashtra	Mumbai	M-Grade	3312	3312	Unch
	Mumbai	S-Grade	3230	3230	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3100	3100	Unch
	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	3560	3560	Unch
	Vijayawada	S-Grade	3500	3500	Unch
West Bengal	Kolkata	M-Grade	3650	3640	10
Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	Dindigul	M-Grade	3560	3580	-20
	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)			10-Jul-19	9-Jul-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	3000	Unch
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	0	0	Unch
		White	0	0	Unch
		Black	0	0	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4350	4350	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3100	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3250	-
	Mahalingapura	Penti (Average)	3208	3207	1
	Mandya	Achhu (Medium)	2950	2900	50
	Mandya	Kurikatu (Medium)	2800	2800	Unch
	Mandya	Other (Medium)	2800	2800	Unch
	Mandya	Yellow (Medium)	3100	2900	200
	Shimoga/Shivamogga	Achhu (Average)	3500	3600	-100

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