

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

**Indian sugar prices stood firm in almost all over markets on the back of lower quota this month. The prices are expected to remain firm in the month of August. Kolhapur sugar prices increased at Rs.3200 and in U.P's Khatauli market stood at Rs. 3450 INR.**

**According to Australian Sugar report released by Australian sugar milling council, the weekly crush in the week ending on 28th July'19 jumped to 1.473 lakh tonnes reaching 6.82 lakh tonnes (21.7%) total crush from the beginning of the season. The crush as on 29th July'18, was around 3 lakh tonnes higher at 9.82 lakh tonnes compared to 2019-20 crushing.**

**Weather Forecast:**

**During the next 24 hours, heavy rainfall activities are likely to continue over Konkan and Goa, Coastal Karnataka, North Kerala, parts of North Madhya Pradesh, Northeast Rajasthan, Northern parts of Uttar Pradesh, Uttarakhand and in pockets of Chhattisgarh. Light to moderate rainfall would be affecting at many places over rest eastern parts of Rajasthan, entire Madhya Pradesh, Uttar Pradesh, Delhi, Bihar, Jharkhand, Chhattisgarh, Odisha, North Andhra Pradesh, Telangana, Madhya Maharashtra, Gujarat, Vidarbha, South Kerala, Andaman and Nicobar Islands and at scattered places over Northeast states. Light rains are likely at scattered places over Jammu and Kashmir, at isolated places over Punjab, Haryana, West Rajasthan, Saurashtra and Kutch, Karnataka and Lakshadweep Islands. Dry and very warm weather with humid conditions is likely to prevail over Tamil Nadu, West Rajasthan, parts of Punjab and Lower Assam.**

**Previous Updates:**

**The Agriculture Ministry has released the sugarcane sowing data on 2<sup>nd</sup> Aug'19. Sugarcane acreage remained same at 52.30 lakh ha from last week. The area is higher by 4.56 lakh ha compared to the normal area and lagging behind by 3.15 lakh ha from that in corresponding period previous year. Largest decrease in acreage is seen in Maharashtra, Tamil Nadu, UP and Gujarat by 2.6 lakh ha, 0.81 lakh ha, 0.56 lakh ha and 0.47 lakh ha respectively from last year.**

**Maharashtra millers demanded the central government's nod to convert existing sugar to ethanol, an alternate to C- Heavy Molasses, B Heavy Molasses and juice into ethanol. As oil companies are expecting 110 crore liters of ethanol from Maharashtra to meet E10 fuel (gasoline containing 10 percent ethanol). The crop in 2019-20 season is estimated lower in Maharashtra due to unavailability of water, therefore, the shortfall of B- heavy molasses may occur. The availability of ethanol will get restricted to 70 crore litre, 5 crore litre totalling 75 crore litre through the B Heavy Molasses and Juice routes separately.**

**Heavy rains in Maharashtra filled up the existing desiccated dams and received a surplus rainfall of 7% whereas Marathwada region is still deficit of rain by around 27 to 30%. Heavy rains in Satara and Sangli districts have ensured a healthy water stock in dams. The Koyna dam the largest source of water of the state has filled up to 74.89 TMC of its 105 TMC capacity.**

**Farmers are more likely to send the cane for fodder as they are getting better prices instead of selling to the sugar mills. A lot of dried cane in the last month is sent for fodder. In Maharashtra, the**

Marathwada regions rainfall since June has been 29% lower than normal, while Vidarbha saw rains that were 19% below average, according to IMD. But the arrival of monsoon has brought some relief but several area are still suffering from scanty rainfall.

**Brazilian Sugar exports has slumped down to 21% in the first half of the new season (2019-20) compared to the same period of 2018-19 season.** Demand continues to be weaker as the buyers have already enough unsold stock. Due to which the departure of sugar from the ports of Brazil is slacking at the time when the exports increases as Brazil is approaching in its peak season.

**August month's sugar quota have been fixed at 19 LT to each 535 mills in India** along with added incentivised quota to those mills who have completed their export targets under MIEQ Quota. The government has increased the buffer stock to 40 LT that would help to maintain the supply and demand. Also, the festive demand will help the sugar mills to liquidate the stocks in the August month.

**According to the Thailand government, the tax on sugar has been surged again second time this year which is going to take effect from 1<sup>st</sup> October'19.** Also, third increase is scheduled for 1<sup>st</sup> Oct'21. This will impact the sugar consumption so as to promote a better and healthy life. Many countries, like the United Kingdom, France, Ireland, Saudi Arabia, & Portugal have introduced a tax on sugary drinks over the past few years.

**The Agriculture Ministry has released sowing data as on 26<sup>th</sup> July, the area progressed slightly to 52.30 lakh ha.** The area is higher by 3.98 lakh ha against the normal area and lagging behind by 3.15 lakh ha from the corresponding period in the previous year. Largest decrease in area is seen in Tamil Nadu, Maharashtra and Gujarat by 28.22%, 23.64% and 25.68% respectively from last year. The south India and some parts of Maharashtra have been affected adversely due to bad rainfall scenario in the current monsoon.

## 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 2900–Rs 3150 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	323.5	0.9

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

Daily Futures Price Listing Fri August 02, 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>	190802	12.11	12.12	11.89	12.02	-0.1	37,245	498,479	3,918
<a href="#">20-Mar</a>	190802	13.11	13.13	12.92	13.03	-0.11	20,623	267,976	2,104
<a href="#">20-May</a>	190802	13.28	13.28	13.06	13.17	-0.11	9,326	66,678	2,300
<a href="#">20-Jul</a>	190802	13.38	13.38	13.2	13.28	-0.12	5,130	52,722	704
<a href="#">20-Oct</a>	190802	13.58	13.58	13.4	13.48	-0.13	1,028	40,147	145
<a href="#">21-Mar</a>	190802	14.11	14.11	14	14	-0.16	385	23,608	195
<a href="#">21-May</a>	190802	14.02	14.02	13.99	13.99	-0.17	125	3,833	0
<a href="#">21-Jul</a>	190802	14.01	14.01	13.98	13.98	-0.18	130	3,545	82
Total Volume and Open Interest							74,099	959,021	9,394

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

Daily Futures Price Listing Fri August 02, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">19-Oct</a>	190802	323.3	324.4	321.4	323.7	-1.9	3,870	54,441	-556
<a href="#">19-Dec</a>	190802	332.3	333.2	330.7	332.2	-2.4	2,399	25,552	446
<a href="#">20-Mar</a>	190802	343.5	343.8	341.7	343.1	-2.4	1,140	17,039	335
<a href="#">20-May</a>	190802	351	351	348.8	349.8	-2.2	246	5,188	100
<a href="#">20-Aug</a>	190802	356.9	358.4	356.3	357.7	-1.6	102	2,668	-15
Total Volume and Open Interest							7,758	106,244	311

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			5-Aug-19	3-Aug-19	
Delhi	Delhi	M-Grade	3300	3320	-20
	Delhi	S-Grade	3280	3300	-20
Uttar Pradesh	Khatauli	M-Grade	3450	3400	50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3325	3300	25
	Dhampur	S-Grade Ex-Mill	3305	3280	25
	Dhampur	L-Grade Ex-Mill	3375	3350	25
Maharashtra	Mumbai	M-Grade	3396	3396	Unch
	Mumbai	S-Grade	3246	3246	Unch
	Nagpur	M-Grade	3325	3325	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3200	3200	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	3600	3580	20
	Vijayawada	S-Grade	3540	3520	20
West Bengal	Kolkata	M-Grade	3640	3620	20
Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	Dindigul	M-Grade	3590	3540	50
	Coimbatore	M-Grade	3520	3520	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)			5-Aug-19	3-Aug-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	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	4300	4200	100
		White	NA	NA	-
		Black	4000	3800	200
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	4350	300
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3420	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3400	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3300	3250	50
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2900	2950	-50
	Mandya	Yellow (Medium)	3250	3200	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

## Disclaimer

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