

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

Mixed trend was seen in Indian sugar prices on Wednesday. The prices are expected to remain firm in the month of August. Kolhapur sugar prices increased at Rs.3170 and in U.P's Khatauli market stood at Rs. 3430 INR.

The export target of 5 million tonnes set by the government for sugar season 2018-19 seems like not possible to achieve. Although government has offered many incentives this year to boost the export sales included transport subsidies of between Rs.1000/tonne to Rs. 3000/tonne depending on the distance to ports. According to Agriwatch, India has exported around 35 LT of sugar till July'19 from the beginning of the season in Sep'18. With this pace, India is expected to export only 2-2.5 LT in the two months left for the current season.

The Sugar Regulatory Administration (SRA) has approved Phillipines sugar industry to import 2,50,000 tonnes of refined sugar to meet the increase in demand amid low domestic production. The concerns over increase in domestic prices and to meet the rising demand made SRA to take step forward for importation.

Weather Forecast:

During the next 24 hours, moderate to heavy rains with one or two heavy spells will be seen over Odisha, South Chhattisgarh, South Madhya Pradesh, and South Konkan and Goa. Moderate rains with one or two heavy spells would be affecting rest Odisha, rest Chhattisgarh, rest Madhya Pradesh, Coastal Karnataka, and Kerala. Light to moderate rains will be seen over Gangetic West Bengal, South Jharkhand, parts of Vidarbha, Marathwada, North Konkan and Goa, East Rajasthan, Delhi, West Uttar Pradesh, Himachal Pradesh, Uttarakhand, parts of Punjab and Haryana. Light rains with one or two spells can be seen over rest parts of the country except Coastal Tamil Nadu and West Rajasthan where weather is nearly dry.

Previous Updates:

According to trade sources, 3 Sugar vessels are lined up in the Kandla port for loading and is expected for departure in coming days. Estimated time of completion of loading the vessel (ALLIANCE) with 26804 tonnes and vessel (ASSOSA) with 25000 tonnes is on 6th Aug'19 and 10th Aug'19. Loading in vessel (NEGAR) has already completed on 5th Aug'19.

Brazil Sugar exports reached 1.82 mln tonnes in July according to the Ministry of trade (Brazil) up from previous month since the beginning of the season from April'19. Total exports so far this season at 6.38 mln tonnes down from 6.89 mln tonnes.

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.

The Agriculture Ministry has released the sugarcane sowing data on 2nd 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.

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 Icmsa	315.4	-4.2

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tue August 06, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-Oct	190806	11.78	12	11.7	11.73	-0.09	48,703	504,243	4,494
20-Mar	190806	12.83	13	12.74	12.77	-0.09	27,816	267,182	872
20-May	190806	13	13.14	12.89	12.91	-0.09	14,769	70,620	3,735
20-Jul	190806	13.1	13.25	13.01	13.03	-0.08	7,958	50,201	-1,637
20-Oct	190806	13.31	13.44	13.2	13.22	-0.09	1,777	40,115	128
21-Mar	190806	13.92	13.92	13.7	13.73	-0.09	455	23,783	158
21-May	190806	13.91	13.91	13.71	13.74	-0.09	46	3,854	15
21-Jul	190806	13.73	13.74	13.73	13.74	-0.09	13	3,548	3
Total Volume and Open Interest							101,595	965,578	7,767

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Tue August 06, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Oct	190806	318.8	322.9	316	316.2	-1.6	4,031	52,573	-986
19-Dec	190806	328.5	332.2	326.1	326.4	-1.3	2,441	26,914	863
20-Mar	190806	338.7	343.3	337.7	338.1	-1.2	918	17,730	282
20-May	190806	347.1	348.5	345	345.3	-1.1	242	5,318	49
20-Aug	190806	355.8	356.5	353.2	353.4	-1	40	2,666	-19
Total Volume and Open Interest							7,737	106,605	235

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			7-Aug-19	6-Aug-19	
Delhi	Delhi	M-Grade	3345	3350	-5
	Delhi	S-Grade	3325	3330	-5
Uttar Pradesh	Khatauli	M-Grade	3430	3420	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3325	3325	Unch
	Dhampur	S-Grade Ex-Mill	3305	3305	Unch
	Dhampur	L-Grade Ex-Mill	3375	3375	Unch
Maharashtra	Mumbai	M-Grade	3580	3520	60
	Mumbai	S-Grade	3310	3290	20
	Nagpur	M-Grade	3295	3305	-10
	Nagpur	S-Grade	3225	3245	-20
	Kolhapur	M-Grade	3170	3180	-10
	Kolhapur	S-Grade	3100	3120	-20
Assam	Guhawati	S-Grade	3410	3431	-20
Meghalaya	Shillong	S-Grade	3420	3440	-20
Andhra Pradesh	Vijayawada	M-Grade	3620	3600	20
	Vijayawada	S-Grade	3560	3540	20
West Bengal	Kolkata	M-Grade	3650	3650	Unch
Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	Dindigul	M-Grade	3590	3590	Unch
	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)			7-Aug-19	6-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	Chaursa	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	4300	4300	Unch
		White	NA	NA	-
		Black	4000	4000	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3350	NA	-
	Mahalingapura	Penti (Average)	3258	NA	-
	Mandya	Achhu (Medium)	3250	3250	Unch
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2950	2900	50
	Mandya	Yellow (Medium)	3250	3250	Unch
	Shimoga/Shivamogga	Achhu (Average)	3600	NA	-

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