

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

Mixed trend was seen in Indian sugar prices on Thursday. 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. 3425 INR. The international sugar futures were weaker and down by 8.4 points yesterday due to weakness in the Brazilian real and crude oil.

Heavy rainfall in Kolhapur since last 3 days is on verge of waterlogging conditions in the standing sugarcane crop if the heavy rain continues. Although the crop area is declined by 22-25% in Maharashtra and Kolhapur contributing the major crop area around 60-70% of total sugarcane area in Maharashtra would affect the crop yield adversely in the coming sugar season.

Weather Forecast:

During the next 24 hours, heavy to very heavy rains are expected over Vidarbha, South Madhya Pradesh and in isolated pockets of Chhattisgarh, South Konkan and Goa, Coastal Karnataka and North Kerala. Light to moderate rains with one or two heavy spells may occur over South Gujarat and in adjoining parts of North Konkan and Goa. Scattered light to moderate rains with one or two heavy spells are likely over parts of Jammu and Kashmir, Himachal Pradesh, Uttarakhand, East Rajasthan, rest Gujarat region, Madhya Pradesh, Madhya Maharashtra, remaining parts of Chhattisgarh, North Coastal Andhra Pradesh, South Odisha, Sub-Himalayan West Bengal, Sikkim, Western parts of Assam and in eastern parts of Bihar and Jharkhand. Light rain with one or two moderate spells are likely over rest parts of the country.

Previous Updates:

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.

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.

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	307.8	-7.6

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed August 07, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-Oct	190807	11.75	11.78	11.27	11.34	-0.39	63,413	508,957	4,714
20-Mar	190807	12.8	12.81	12.43	12.48	-0.29	35,128	268,248	1,066
20-May	190807	12.98	12.98	12.6	12.64	-0.27	15,500	75,203	4,583
20-Jul	190807	13.05	13.06	12.72	12.77	-0.26	6,897	49,109	-1,092
20-Oct	190807	13.27	13.27	12.93	12.99	-0.23	900	40,401	286
21-Mar	190807	13.73	13.79	13.48	13.54	-0.19	669	23,834	51
21-May	190807	13.8	13.8	13.53	13.58	-0.16	22	3,851	-3
21-Jul	190807	13.81	13.82	13.59	13.61	-0.13	15	3,561	13
Total Volume and Open Interest							122,557	975,207	9,629

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Wed August 07, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Oct	190807	316.6	316.6	306.7	307.8	-8.4	10,044	50,543	-2,030
19-Dec	190807	326.6	326.8	317.3	318.4	-8	3,942	27,602	688
20-Mar	190807	338.1	339.3	330.1	330.9	-7.2	1,707	18,400	670
20-May	190807	344.7	346.6	338	338.8	-6.5	407	5,490	172
20-Aug	190807	353.1	354.7	346.8	347.5	-5.9	141	2,729	63
Total Volume and Open Interest							16,285	106,196	-409

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			8-Aug-19	7-Aug-19	
Delhi	Delhi	M-Grade	3350	3345	5
	Delhi	S-Grade	3330	3325	5
Uttar Pradesh	Khatauli	M-Grade	3425	3430	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3300	3325	-25
	Dhampur	S-Grade Ex-Mill	3280	3305	-25
	Dhampur	L-Grade Ex-Mill	3350	3375	-25
Maharashtra	Mumbai	M-Grade	3600	3580	20
	Mumbai	S-Grade	3320	3310	10
	Nagpur	M-Grade	3295	3295	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3170	3170	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	3620	3620	Unch
	Vijayawada	S-Grade	3560	3560	Unch
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)			8-Aug-19	7-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	4300	Unch
		White	NA	NA	-
		Black	3500	4000	-500
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)	NA	3350	-
	Mahalingapura	Penti (Average)	NA	3258	-
	Mandya	Achhu (Medium)	3250	3250	Unch
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2950	2950	Unch
	Mandya	Yellow (Medium)	3250	3250	Unch
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.