

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

**Mixed trend was seen in Indian sugar prices on Friday.** The prices are expected to remain firm in the month of August. Kolhapur sugar prices increased at Rs.3220 and in U.P's Khatauli market stood at Rs. 3425 INR. The international sugar futures were weaker and up by 2.7 points yesterday due to support gained by crude prices.

**Sugarcane belts of Maharashtra; Sangli, Satara and Kolhapur under severe conditions of floods.** Maharashtra' CM took the review of flood situation in Kolhapur, Sangli & Satara. The sugarcane crop would mostly get affected which will eventually affect the state's sugar production.

**Weather Forecast:**

During the next 24 hours, heavy to very heavy rainfall is likely in parts of Gujarat, Southwest Madhya Pradesh and along the West Coast. Moderate rains are likely over Southern parts of Rajasthan, Western parts of Madhya Pradesh, Maharashtra, North Interior Karnataka, and in adjoining parts of Kerala. Few spells of moderate rains might affect Northeast states, Bihar, North West Bengal, Sikkim, hills of Himachal Pradesh and Uttarakhand. Mainly dry weather will prevail over Rayalaseema, adjoining Tamil Nadu, parts of Jharkhand and adjoining North Chhattisgarh.

**Previous Updates:**

**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.

**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 6<sup>th</sup> Aug'19 and 10<sup>th</sup> Aug'19. Loading in vessel (NEGAR) has already completed on 5<sup>th</sup> 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 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.**

## 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	313.0	5.2

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

Daily Futures Price Listing Thu August 08, 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>	190808	11.37	11.5	11.33	11.43	0.09	49,684	511,618	2,661
<a href="#">20-Mar</a>	190808	12.55	12.62	12.48	12.56	0.08	30,119	271,612	3,364
<a href="#">20-May</a>	190808	12.67	12.76	12.64	12.71	0.07	11,838	78,827	3,624
<a href="#">20-Jul</a>	190808	12.81	12.91	12.78	12.86	0.09	6,687	48,568	-541
<a href="#">20-Oct</a>	190808	13.05	13.12	13	13.07	0.08	2,252	41,260	859
<a href="#">21-Mar</a>	190808	13.59	13.66	13.55	13.62	0.08	643	24,276	442
<a href="#">21-May</a>	190808	13.65	13.65	13.65	13.65	0.07	107	3,922	71
<a href="#">21-Jul</a>	190808	13.67	13.67	13.67	13.67	0.06	6	3,561	0
Total Volume and Open Interest							101,353	985,687	10,480

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

Daily Futures Price Listing Thu August 08, 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>	190808	310.6	312.2	308.9	310.5	2.7	5,603	50,779	236
<a href="#">19-Dec</a>	190808	320	322.2	318.4	320	1.6	2,044	27,978	376
<a href="#">20-Mar</a>	190808	333	334.4	330.9	332.1	1.2	1,032	18,374	-26
<a href="#">20-May</a>	190808	341.7	341.7	339.4	339.7	0.9	238	5,493	3
<a href="#">20-Aug</a>	190808	349	349.3	348.1	348.4	0.9	194	2,863	134
Total Volume and Open Interest							9,129	106,922	726

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			9-Aug-19	8-Aug-19	
Delhi	Delhi	M-Grade	3300	3350	-50
	Delhi	S-Grade	3280	3330	-50
Uttar Pradesh	Khatauli	M-Grade	3425	3425	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3300	3300	Unch
	Dhampur	S-Grade Ex-Mill	3280	3280	Unch
	Dhampur	L-Grade Ex-Mill	3350	3350	Unch
Maharashtra	Mumbai	M-Grade	3656	3600	56
	Mumbai	S-Grade	3350	3320	30
	Nagpur	M-Grade	3345	3295	50
	Nagpur	S-Grade	3245	3225	20
	Kolhapur	M-Grade	3220	3170	50
	Kolhapur	S-Grade	3120	3100	20
Assam	Guhawati	S-Grade	3431	3410	20
Meghalaya	Shillong	S-Grade	3440	3420	20
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)			9-Aug-19	8-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	Chaurisa	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	4200	4300	-100
		White	NA	NA	-
		Black	3700	3500	200
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)	3320	3300	20
	Mahalingapura	Penti (Average)	NA	3472	-
	Mandya	Achhu (Medium)	3350	3250	100
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	3000	2950	50
	Mandya	Yellow (Medium)	3350	3250	100
	Shimoga/Shivamogga	Achhu (Average)	3600	3600	Unch

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