

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

**Most of the prices in sugar market in India stood unchanged on Saturday.** 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 firm and up by 8.1 points yesterday due to smaller sugar production in Brazil as reported by Unica on Friday and on higher crude oil prices.

**The Agriculture Ministry has released the sugarcane sowing data on 8<sup>th</sup> Aug'19. Sugarcane acreage remained at 52.30 lakh ha.** 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. Higher area is reported in the state of UP (3.96 lakh ha), and Karnataka (1.12 lakh ha) and largest decrease in acreage is seen in Tamil Nadu, Gujarat and Maharashtra by 0.64 lakh ha, 0.51 lakh ha, 0.27 lakh ha respectively from last year.

**According to Unica report released by Brazil on Friday reported that nearly 50 mln tonnes of cane were processed in 2<sup>nd</sup> half of July'19, 4.25% above the same time last year in Center-South region.** The Sugar production in Brazil's Center-South region in the second half of July fell by -5.5% y/y to 2.478 MMT, with cumulative production in the 2019-20 marketing year through July falling -9.9% y/y to 13.334 MMT.

**Weather Forecast:**

During the next 24 hours, Moderate rains with one or two heavy spells are expected over Andaman and Nicobar Islands, Saurashtra and Kutch, Coastal Karnataka, Kerala, South Konkan, and Goa. Light to moderate rains with one or two heavy spells can be seen over parts of Bihar, Jharkhand, Sub-Himalayan West Bengal, and Sikkim, Lakshadweep Islands and Northeast India. Scattered light rains with one or two moderate spells can be seen in the Gujarat region, and South Rajasthan. Light rains at few places of Madhya Pradesh, Chhattisgarh, Interior Maharashtra, and Interior Karnataka with isolated spells over Telangana and interior Tamil Nadu will be a sight.

**Previous Updates:**

**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.

**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.**

## 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 Fri August 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>	190809	11.43	11.9	11.43	11.86	0.43	123,705	534,726	23,108
<a href="#">20-Mar</a>	190809	12.56	12.98	12.56	12.95	0.39	67,178	276,385	4,773
<a href="#">20-May</a>	190809	12.71	13.14	12.71	13.11	0.4	23,432	83,728	4,901
<a href="#">20-Jul</a>	190809	12.86	13.27	12.86	13.24	0.38	11,165	50,331	1,763
<a href="#">20-Oct</a>	190809	13.04	13.47	13.04	13.44	0.37	4,296	41,221	-39
<a href="#">21-Mar</a>	190809	13.67	14.01	13.66	13.98	0.36	2,090	24,160	-116
<a href="#">21-May</a>	190809	13.84	14.04	13.83	14.01	0.36	691	4,223	301
<a href="#">21-Jul</a>	190809	13.87	14.07	13.86	14.04	0.37	324	3,757	196
Total Volume and Open Interest							233,010	1,020,623	34,936

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

Daily Futures Price Listing Fri August 09, 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>	190809	313.5	320.1	311.4	318.6	8.1	11,088	51,224	445
<a href="#">19-Dec</a>	190809	321.3	329.9	320.8	328.6	8.6	5,625	29,280	1,302
<a href="#">20-Mar</a>	190809	333	341.5	332.9	340.3	8.2	2,597	18,379	5
<a href="#">20-May</a>	190809	341.2	348.5	341.2	347.5	7.8	428	5,473	-20
<a href="#">20-Aug</a>	190809	349.9	356.1	349.9	356.1	7.7	224	2,957	94
Total Volume and Open Interest							20,108	108,842	1,920

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Aug-19	9-Aug-19	
Delhi	Delhi	M-Grade	3360	3300	60
	Delhi	S-Grade	3340	3280	60
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	3600	3656	-56
	Mumbai	S-Grade	3356	3350	6
	Nagpur	M-Grade	3345	3345	Unch
	Nagpur	S-Grade	3245	3245	Unch
	Kolhapur	M-Grade	3220	3220	Unch
	Kolhapur	S-Grade	3120	3120	Unch
Assam	Guhawati	S-Grade	3431	3431	Unch
Meghalaya	Shillong	S-Grade	3440	3440	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)			10-Aug-19	9-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	4600	4200	400
		White	4300	NA	-
		Black	NA	3700	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4650	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3320	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3350	-
	Mandya	Kurikatu (Medium)	NA	3000	-
	Mandya	Other (Medium)	NA	3000	-
	Mandya	Yellow (Medium)	NA	3350	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

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