

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

**Mixed trend was observed in most of the prices in sugar market in Tuesday.** The prices are expected to remain firm in the month of August. Kolhapur sugar prices increased at Rs.3250 and in U.P's Khatauli market stood at Rs. 3450 INR. The international sugar futures (LIFFE) were firm and down by 4.6 points yesterday due to weakness in Brazilian real which dropped by 0.89% against the dollar on Monday.

**The heavy rains in Kolhapur, Sangli and Satara resulted in more than 90,000 ha of sugarcane is under water since last 4 days.** According to Western India Sugar Mills Association (WISMA), 50% of Maharashtra has been hit by drought in the last two months and the remaining 50% has been affected by floods that hit western Maharashtra last week. More than 40% of crop could be affected as sugarcane is the main crop in the region according to the trade sources.

**Weather Forecast:**

In the next 24 hours, moderate to heavy rainfall is likely over Vidarbha, parts of South Madhya Pradesh, Odisha, South Chhattisgarh. Light to moderate rains with one or two heavy spells can be seen over North Odisha, Jharkhand, Gangetic West Bengal, North Chhattisgarh, Konkan, Goa, Coastal Karnataka, Kerala, parts of East Rajasthan, Himachal Pradesh, Uttarakhand, parts of Punjab, Haryana, Delhi, West Uttar Pradesh, Sub-Himalayan West Bengal and Sikkim. Weather will be dry over West Rajasthan, Rayalaseema, and many parts of Tamil Nadu. Scattered light rains with one or two moderate spells will be seen over rest parts of the country.

**Previous Updates:**

**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.

**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 Philippines 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 28<sup>th</sup> 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 29<sup>th</sup> 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 to slightly firm due to likely festive 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	318.6	Unch

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

Daily Futures Price Listing Fri August 12, 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>	190812	11.89	11.96	11.48	11.56	-0.3	60,325	538,205	3,479
<a href="#">20-Mar</a>	190812	12.96	12.98	12.59	12.67	-0.28	38,806	278,167	1,782
<a href="#">20-May</a>	190812	13.13	13.13	12.74	12.83	-0.28	17,433	88,903	5,175
<a href="#">20-Jul</a>	190812	13.24	13.27	12.86	12.95	-0.29	7,439	51,256	925
<a href="#">20-Oct</a>	190812	13.47	13.47	13.06	13.13	-0.31	1,791	41,276	55
<a href="#">21-Mar</a>	190812	14.01	1014.	13.57	13.66	-0.32	349	24,205	45
<a href="#">21-May</a>	190812	14.04	14.04	13.62	13.69	-0.32.	0	4,223	0
<a href="#">21-Jul</a>	190812	14.07	14.07	13.64	13.71	-0.33	0	3,757	0
Total Volume and Open Interest							126,131	1,032,084	11461

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

Daily Futures Price Listing Fri August 12, 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>	190812	318.7	321.2	312.1	314	-4.6	6,913	49,939	-1,285
<a href="#">19-Dec</a>	190812	3728.	330.9	322	323.8	-4.8	3,965	30,485	1,205
<a href="#">20-Mar</a>	190812	340.5	342.2	334.1	335.9	-4.4	1,276	18,521	142
<a href="#">20-May</a>	190812	346.5	348.5	341.3	343.3	-4.2	102	5,456	-17
<a href="#">20-Aug</a>	190812	356.8	356.8	351.1	351.6	-4.5	97	2,985	28
Total Volume and Open Interest							12,513	108,982	140

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			13-Aug-19	12-Aug-19	
Delhi	Delhi	M-Grade	3300	3300	Unch
	Delhi	S-Grade	3280	3280	Unch
Uttar Pradesh	Khatauli	M-Grade	3450	3440	10
	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	3500	3570	-70
	Mumbai	S-Grade	3366	3330	36
	Nagpur	M-Grade	3375	Closed	-70
	Nagpur	S-Grade	3275	Closed	36
	Kolhapur	M-Grade	3250	Closed	-
	Kolhapur	S-Grade	3150	Closed	-
Assam	Guhawati	S-Grade	3461	Closed	-
Meghalaya	Shillong	S-Grade	3470	Closed	-
Andhra Pradesh	Vijayawada	M-Grade	3700	Closed	-
	Vijayawada	S-Grade	3640	Closed	-
West Bengal	Kolkata	M-Grade	3660	3650	10
Tamil Nadu	Chennai	S-Grade	3990	3990	Unch
	Dindigul	M-Grade	3785	3780	5
	Coimbatore	M-Grade	3765	3740	25
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)		Prices (Rs/Qtl)
Jaggery(Gur)			13-Aug-19	12-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	4600	Unch
		White	4000	4300	-300
		Black	NA	2900	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	NA	Unch
	Belgaum	Mudde (Average)	NA	2900	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3544	NA	-
	Mandya	Achhu (Medium)	3400	NA	-
	Mandya	Kurikatu (Medium)	3050	NA	-
	Mandya	Other (Medium)	3050	NA	-
	Mandya	Yellow (Medium)	3400	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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