

Sugar & Gur Domestic & International Fundamentals

Recent Update:

Mixed trend was observed in most of the prices in sugar market in Wednesday. The prices are expected to remain firm in the month of August. Kolhapur sugar prices stood same at Rs.3250 and in U.P's Khatauli market stood at Rs. 3450 INR.

Weather Forecast:

In the next 24 hours, moderate to heavy rainfall is likely over South and West Madhya Pradesh, adjoining parts of Southeast Rajasthan and parts of South Coastal Karnataka and North Kerala. Scattered light to moderate rains with one or two heavy spells can be seen over rest Madhya Pradesh, Konkan and Goa, Vidarbha, North Coastal Karnataka, South Kerala and adjoining parts of Interior Tamil Nadu, parts of Chhattisgarh and Telangana, Sub-Himalayan West Bengal and Sikkim, parts of Assam, Meghalaya, South Jammu and Kashmir, Himachal Pradesh, Uttarakhand and North Punjab. Whereas scattered light to moderate rains are likely over Haryana, West, and South Uttar Pradesh, East Rajasthan, parts of Punjab and some parts of East Bihar. Weather will be dry in West Rajasthan, and over 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 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.

The Agriculture Ministry has released the sugarcane sowing data on 8th 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 2nd 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 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.

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	318.6	Unch

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tue August 13, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-Oct	190813	11.6	11.83	11.5	11.72	0.16	66,255	536,057	-2,148
20-Mar	190813	12.7	12.88	12.61	12.77	0.1	29,495	279,826	1,659
20-May	190813	12.86	13.02	12.79	12.93	0.1	14,193	90,842	1,939
20-Jul	190813	12.91	13.12	12.91	13.05	0.1	5,795	53,238	1,982
20-Oct	190813	13.18	13.3	13.13	13.24	0.11	1,981	41,813	537
21-Mar	190813	13.68	13.81	13.68	13.76	0.1	785	24,401	196
21-May	190813	13.77	13.77	13.77	13.77	0.08	119	4,223	0
21-Jul	190813	13.78	13.78	13.78	13.78	0.07	96	3,836	79
Total Volume and Open Interest							118,722	1,036,331	4,247

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Tue August 13, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Oct	190813	315.2	318.3	312.6	317.2	3.2	6,830	48,978	-961
19-Dec	190813	325	327.6	322.1	326.6	2.8	3,359	31,311	826
20-Mar	190813	337.5	340	334.4	338.4	2.5	1,128	18,707	186
20-May	190813	345.3	346.9	343.2	345.8	2.5	162	5,527	71
20-Aug	190813	353.5	355.2	351.9	354.1	2.5	23	2,993	8
Total Volume and Open Interest							11,504	109,114	132

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			14-Aug-19	13-Aug-19	
Delhi	Delhi	M-Grade	3350	3300	50
	Delhi	S-Grade	3330	3280	50
Uttar Pradesh	Khatauli	M-Grade	3450	3450	Unch
	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	3600	3500	100
	Mumbai	S-Grade	3366	3366	Unch
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3250	3250	Unch
	Kolhapur	S-Grade	3150	3150	Unch
Assam	Guhawati	S-Grade	3461	3461	Unch
Meghalaya	Shillong	S-Grade	3470	3470	Unch
Andhra Pradesh	Vijayawada	M-Grade	3740	3700	40
	Vijayawada	S-Grade	3680	3640	40
West Bengal	Kolkata	M-Grade	3670	3660	10
Tamil Nadu	Chennai	S-Grade	3620	3620	Unch
	Dindigul	M-Grade	3600	3600	Unch
	Coimbatore	M-Grade	3600	3600	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)			14-Aug-19	13-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	4700	4600	100
		White	4100	4000	100
		Black	NA	NA	-
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	NA	-
	Mahalingapura	Penti (Average)	3566	3544	22
	Mandya	Achhu (Medium)	3400	3400	Unch
	Mandya	Kurikatu (Medium)	3050	3050	Unch
	Mandya	Other (Medium)	3050	3050	Unch
	Mandya	Yellow (Medium)	3400	3400	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	4050	-

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