

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

**Indian sugar market was unchanged on Saturday.** The prices are expected to remain firm in Indian markets. Kolhapur sugar prices stood same at Rs.3300 and in U.P's Khatauli market stood at Rs. 3470 INR. Also the demand has picked up the pace in Delhi and other consuming markets due to festivals supporting the sugar prices.

**All India sugarcane sowing progress released by Government of India, as on 16<sup>th</sup> Aug'19, the sowing has almost been completed under sugarcane.** Total area stood at 52.30 lakh ha this year lower by 3.15 lakh ha (5.6%) but higher by 9.5% than normal area as on date. The acreage in Tamil Nadu, Maharashtra, Telangana, AP, and UP declined this year by 28%, 24%, 18%, 8% and by 2% respectively due to unfavourable prolonged drought conditions in all the states.

**Surplus sugar stocks in Myanmar has urged the country to export as much as possible. China is likely to buy Myanmar sugar** after inspecting the sugar quality, mills and warehouses of the country. China used to import sugar from Myanmar between 2015 to mid-2017 and China was one of the top sugar importers of Myanmar. But soon after China barred the sugar import, the country's sugar glut has been rising.

**Mexico sugar production is estimated to decline by 4% for 2019-20 season** compared to the production in 2018-19. According to country's cane growers association Union Nacional de Caneros, Mexico is expected to produce 6.2 MMT of sugar in 2019-20 season with the 50 sugar mills in operation. In the 2018-19 season, the country had produced 6.4 MMT of sugar. The decline is expected as few cane producing regions in Mexico are suffering from drought, which will hamper the sugar output.

**Weather Forecast:**

During the next 24 hours, light to moderate rain with few heavy spells may occur over parts of Jammu and Kashmir, Himachal Pradesh and Uttarakhand. While moderate to heavy rains will be seen at few places of Punjab, Haryana and Northeast Rajasthan. Delhi, West Uttar Pradesh, South Konkan, and Goa, Coastal Karnataka, and Coastal Andhra Pradesh will witness light to moderate rains with isolated heavy showers. West Bengal, Sikkim, parts of Assam, eastern parts of Bihar and Jharkhand, Odisha and parts of Chhattisgarh and Tamil Nadu along with North Kerala will get scattered light to moderate rains. Remaining parts of the country will only receive scattered light rains with one or two moderate spells.

**Previous Updates:**

**As on 14th Aug'19, 78% sugarcane area in AP is sown, covering 1.06 lakh ha which is 9.6% less from corresponding period last year (0.97 lakh ha).** In Telangana also, 64% area of the season normal has been sown under sugarcane and declined on large scale compared to previous year by 9,295 ha this year covering only 21,932 ha. The crop in both the states are in vegetative phases.

**The government is likely to announce the sugar export policy by the end of this month of 60 to 80 LMT** as the millers are not able to export as per the MIEQ quota allocated to the mills. Also, the Indian sugar millers seek export and transport subsidy of Rs.1030 to Rs.1200 per quintal. Although lakhs of hectares is on verge of damage due to recent floods in Satara, Sangli, Kolhapur, Karad, Belgaum which are also prominent cane areas. Despite of that, there is surplus sugar in the mills and a quick decision is necessary

to clear the stocks. Of the existing policy, 37 LMT to 38 LMT has been contracted and is likely to get exported by 30th Sept 2019 which actually running behind of 12 LMT.

**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 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.

## Weekly Outlook:

**Indian Sugar markets remained weak during last week.** We expect sugar prices may trade steady to firm due to growth in demand in the market. As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range between Rs 3200–Rs 3380 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	314.7	Unch

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

Daily Futures Price Listing Fri August 16, 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>	190816	11.62	11.69	11.56	11.64	0.01	39,182	530,890	-2,453
<a href="#">20-Mar</a>	190816	12.68	12.74	12.62	12.69	0.01	24,780	279,996	-2,615
<a href="#">20-May</a>	190816	12.81	12.88	12.77	12.83	unch	5,677	93,816	-6
<a href="#">20-Jul</a>	190816	12.93	13.01	12.9	12.94	-0.01	4,382	59,041	1,283
<a href="#">20-Oct</a>	190816	13.12	13.18	13.1	13.14	unch	1,656	43,436	141
<a href="#">21-Mar</a>	190816	13.64	13.71	13.64	13.67	0.02	246	26,470	49
<a href="#">21-May</a>	190816	13.69	13.7	13.69	13.7	0.03	45	4,358	-19
<a href="#">21-Jul</a>	190816	13.71	13.71	13.71	13.71	0.02	16	3,834	11
Total Volume and Open Interest							75,990	1,043,936	-3,612

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

Daily Futures Price Listing Fri August 16, 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>	190816	312.6	315.1	311.9	314.1	0.6	3,551	46,661	-108
<a href="#">19-Dec</a>	190816	322.6	324.4	321.9	323.5	0.2	1,988	32,952	-9
<a href="#">20-Mar</a>	190816	334.1	335.1	333.1	334.3	0.2	1,207	20,159	259
<a href="#">20-May</a>	190816	340.4	341.7	340.1	341.2	0.2	303	5,757	161
<a href="#">20-Aug</a>	190816	349.5	349.9	349	349.1	0.1	162	3,138	56
Total Volume and Open Interest							7,267	110,324	383

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			17-Aug-19	16-Aug-19	
Delhi	Delhi	M-Grade	3400	3400	Unch
	Delhi	S-Grade	3380	3380	Unch
Uttar Pradesh	Khatauli	M-Grade	3470	3470	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3350	3350	Unch
	Dhampur	S-Grade Ex-Mill	3330	3330	Unch
	Dhampur	L-Grade Ex-Mill	3400	3400	Unch
Maharashtra	Mumbai	M-Grade	3620	3620	Unch
	Mumbai	S-Grade	3366	3366	Unch
	Nagpur	M-Grade	3425	3425	Unch
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3300	3300	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	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3670	3670	Unch
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)			17-Aug-19	16-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	4400	4400	Unch
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	Unch
	Belgaum	Mudde (Average)	NA	3200	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	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)	4100	4100	Unch

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