

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

Mixed trend was seen in Indian sugar market on Monday. Overall the prices are expected to be firm in Indian markets. Kolhapur sugar prices stood same at Rs.3250 and in U.P's Khatauli market stood at Rs. 3455 INR. Also the demand has picked up the pace in Delhi and other consuming markets due to festivals supporting the sugar prices.

According to the Maharashtra state government, 10-15% reduction after floods is likely to be observed in the coming crushing season 2019-20 as only around 570 lakh tonnes of sugarcane would be available for crushing from 8.40 lakh ha in Maharashtra. Sugarcane has been damaged by excessive waterlogging. Therefore, it is expected that this may have an impact on sugar production in the state. Once the water level recedes, clarity of total crop loss can be assessed by the end of this week.

Weather Forecast:

In the next 24 hours, moderate rain and thundershowers with strong winds will be affecting at many places over Madhya Pradesh, Uttar Pradesh, Vidarbha, Chhattisgarh, Uttarakhand, Odisha, Jharkhand, West Bengal, Bihar, Andhra Pradesh, Telangana, Tamil Nadu, South Interior Karnataka, Kerala, Arunachal Pradesh, Sikkim, Assam, and in pockets of Himachal Pradesh, East Rajasthan and rest Northeast states. Light rains are expected in scattered places over rest parts of the country except West Rajasthan, Punjab, Haryana, western parts of Himachal Pradesh and South Jammu and Kashmir which remained mainly dry.

Previous Updates:

All India sugarcane sowing progress released by Government of India, as on 16th 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.

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 miller's 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 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.

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 3350 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	313.5	-1.2

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)									
19-Oct	190816	11.62	11.69	11.56	11.64	0.01	39,182	530,890	-2,453
20-Mar	190816	12.68	12.74	12.62	12.69	0.01	24,780	279,996	-2,615
20-May	190816	12.81	12.88	12.77	12.83	unch	5,677	93,816	-6
20-Jul	190816	12.93	13.01	12.9	12.94	-0.01	4,382	59,041	1,283
20-Oct	190816	13.12	13.18	13.1	13.14	unch	1,656	43,436	141
21-Mar	190816	13.64	13.71	13.64	13.67	0.02	246	26,470	49
21-May	190816	13.69	13.7	13.69	13.7	0.03	45	4,358	-19
21-Jul	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)									
19-Oct	190816	312.6	315.1	311.9	314.1	0.6	3,551	46,661	-108
19-Dec	190816	322.6	324.4	321.9	323.5	0.2	1,988	32,952	-9
20-Mar	190816	334.1	335.1	333.1	334.3	0.2	1,207	20,159	259
20-May	190816	340.4	341.7	340.1	341.2	0.2	303	5,757	161
20-Aug	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			19-Aug-19	17-Aug-19	
Delhi	Delhi	M-Grade	3410	3400	10
	Delhi	S-Grade	3390	3380	10
Uttar Pradesh	Khatauli	M-Grade	3455	3470	-15
	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	3320	3366	-46
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3250	3300	-50
	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	3680	3670	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)			19-Aug-19	17-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	3400	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	3500	3575	-75
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3457	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)	4150	4100	50

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