

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

Mixed trend was seen in Indian sugar market on Tuesday. 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. 3450 INR. Also the demand has picked up the pace in Delhi and other consuming markets due to festivals supporting the sugar prices.

Since the beginning of this month, around 15 days the sugarcane crop remained in water logging (submerged) conditions upto 5-5.5 ft of muddy water after the continuous heavy rainfall in Kolhapur, Sangli and Satara. East Kolhapur and south Sangli were the most affected areas (around 75000 ha sugarcane area) accounting more than 50% loss in crop, overall crop loss is estimated to be around 40-50% till date in Maharashtra. Eventually in this condition, the average sugar recovery of the state is likely to reduce by approximately 20-30% to 8-10% recovery rate. The Adsali crop planted during May-June'19 for 2020-21 crushing season is also been destroyed according to the trade sources.

Weather Forecast:

In the next 24 hours, light to moderate rain with one or two heavy spells can be seen over Jharkhand, Chhattisgarh, parts of Vidarbha, East Uttar Pradesh, South Interior Karnataka and parts of Tamil Nadu. Scattered light to moderate rains can be seen over Odisha, Andhra Pradesh, parts of Telangana, Himachal Pradesh, Uttarakhand, Assam, Meghalaya, Arunachal Pradesh, Coastal Karnataka, and Kerala. The weather of West Rajasthan will be dry while scattered light rains with one or two moderate spells will be a sight over rest parts of the country.

Previous Updates:

According to the Maharashtra state government, 10-15% sugar 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.

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 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 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.

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	314.1	0.6

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon August 19, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-Oct	190819	11.6	11.61	11.41	11.47	-0.17	46,295	520,275	-10,615
20-Mar	190819	12.66	12.66	12.5	12.54	-0.15	24,492	283,683	3,687
20-May	190819	12.81	12.81	12.65	12.68	-0.15	6,294	93,414	-402
20-Jul	190819	12.9	12.9	12.77	12.8	-0.14	6,309	58,906	-135
20-Oct	190819	13.07	13.07	12.98	13.01	-0.13	2,320	43,963	527
21-Mar	190819	13.64	13.64	13.54	13.54	-0.13	593	26,750	280
21-May	190819	13.62	13.62	13.57	13.57	-0.13	39	4,360	2
21-Jul	190819	13.64	13.64	13.59	13.59	-0.12	7	3,832	-2
Total Volume and Open Interest							86,349	1,037,278	-6,658

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Mon August 19, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Oct	190819	313.1	313.3	310	310.4	-3.7	2,550	46,629	-32
19-Dec	190819	322.5	323.1	319.8	320.1	-3.4	2,089	32,903	-49
20-Mar	190819	333.7	333.9	330.6	330.8	-3.5	1,887	20,543	384
20-May	190819	340.6	340.9	337.8	338.1	-3.1	325	5,870	113
20-Aug	190819	349	349	346	346.4	-2.7	126	3,158	20
Total Volume and Open Interest							6,996	110,771	447

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			20-Aug-19	19-Aug-19	
Delhi	Delhi	M-Grade	3390	3410	-20
	Delhi	S-Grade	3370	3390	-20
Uttar Pradesh	Khatauli	M-Grade	3450	3455	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3390	3350	40
	Dhampur	S-Grade Ex-Mill	3370	3330	40
	Dhampur	L-Grade Ex-Mill	3440	3400	40
Maharashtra	Mumbai	M-Grade	3620	3620	Unch
	Mumbai	S-Grade	3330	3320	10
	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	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3680	3680	Unch
Tamil Nadu	Chennai	S-Grade	3660	3620	40
	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)			20-Aug-19	19-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	4800	4600	200
		White	4500	4400	100
		Black	NA	3400	-
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	3500	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3457	-
	Mandya	Achhu (Medium)	3450	3400	50
	Mandya	Kurikatu (Medium)	3100	3050	50
	Mandya	Other (Medium)	3150	3050	100
	Mandya	Yellow (Medium)	3500	3400	100
	Shimoga/Shivamogga	Achhu (Average)	NA	4150	-

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