

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

Mixed trend was seen in Indian sugar market on Thursday. Overall the prices are expected to be firm in Indian markets. Kolhapur sugar prices stood at Rs.3250 and in U.P's Khatauli market stood at Rs. 3420 INR.

Indian domestic sugar prices has gained support by Rs.80-100 in last few days as the festive season begins and the demand for sugar has increased. This will provide relief to those sugar mills who are suffering due to low sugar rate. Also due floods in Kolhapur, Sangli, the sugarcane crop has been destroyed in the area, and the mills here have not been able to sell sugar due to the flood. Due to this, the demand for sugar from the mills in the district has increased. The sugar output in MH was expected to around 66-70 lakh tonnes which might be reduced further by 10-15% more.

According to Australian Sugar report released by Australian sugar milling council, the weekly crush in the week ending on 11th Aug'19 stood at 1.43 lakh tonnes reaching 97.11 lakh tonnes (31.2%) total crush from the beginning of the season. The crush as on 12th Aug'18, was around 129.44 lakh tonnes higher by 32.33 lakh tonnes (25%) compared to 2019-20 crushing.

Weather Forecast:

In the next 24 hours, light to moderate rain with one or two heavy spells can be seen over West Madhya Pradesh, parts of Andhra Pradesh, Kerala and Interior Tamil Nadu. Scattered light to moderate rains can be seen over Coastal Karnataka, Marathwada, parts of Telangana, rest Madhya Pradesh, East and Central Uttar Pradesh, Chhattisgarh, parts of Odisha, Sub-Himalayan West Bengal and Sikkim, Assam, Nagaland, Manipur, and parts of Arunachal Pradesh. The weather of West Rajasthan, Punjab, Haryana, and Jammu and Kashmir 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:

Excessive rainfall in Haryana also on verge to damage of sugarcane crop after the Maharashtra and Karnataka. According to the trade sources, the crop is under submerged condition after the excess water released from the Hathnikund barrage. Mainly Yamunanagar, Karnal, Panipat and Sonipat districts in the state are affected till now.

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.

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.

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	307.9	-1.2

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed August 21, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-Oct	190821	11.44	11.54	11.37	11.39	-0.05	47,703	519,422	2,101
20-Mar	190821	12.52	12.62	12.46	12.48	-0.04	23,376	284,554	1,706
20-May	190821	12.66	12.76	12.63	12.64	-0.02	8,498	94,323	423
20-Jul	190821	12.78	12.88	12.76	12.78	unch	4,249	60,202	1,060
20-Oct	190821	13.02	13.1	12.97	13.01	0.02	1,291	44,492	171
21-Mar	190821	13.54	13.64	13.52	13.57	0.03	195	26,976	78
21-May	190821	13.65	13.65	13.61	13.61	0.03	26	4,374	14
21-Jul	190821	13.64	13.64	13.63	13.63	0.02	7	3,838	0
Total Volume and Open Interest							85,345	1,040,275	5,553

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Wed August 21, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Oct	190821	309.3	310.3	307.6	307.9	-1.2	4,000	46,451	-51
19-Dec	190821	319.7	320.4	317.3	317.6	-1.2	2,202	34,163	640
20-Mar	190821	329	331.1	327.8	328	-1.1	371	20,650	29
20-May	190821	337	338.6	336	336.2	-0.7	293	6,100	179
20-Aug	190821	345	345	344.7	344.7	-0.9	84	3,204	37
Total Volume and Open Interest							7,039	112,299	892

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			22-Aug-19	21-Aug-19	
Delhi	Delhi	M-Grade	3380	3350	30
	Delhi	S-Grade	3360	3330	30
Uttar Pradesh	Khatauli	M-Grade	3420	3440	-20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3380	3390	-10
	Dhampur	S-Grade Ex-Mill	3360	3370	-10
	Dhampur	L-Grade Ex-Mill	3430	3440	-10
Maharashtra	Mumbai	M-Grade	3620	3620	Unch
	Mumbai	S-Grade	3356	3356	Unch
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3250	3300	-50
	Kolhapur	S-Grade	3200	3200	Unch
Assam	Guhawati	S-Grade	3512	3512	Unch
Meghalaya	Shillong	S-Grade	3520	3520	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	3660	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)			22-Aug-19	21-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	4800	-100
		White	4500	4500	Unch
		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	3350	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3400	-
	Mahalingapura	Penti (Average)	3573	3479	94
	Mandya	Achhu (Medium)	3550	3500	50
	Mandya	Kurikatu (Medium)	3200	3200	Unch
	Mandya	Other (Medium)	3250	3200	50
	Mandya	Yellow (Medium)	3650	3550	100
	Shimoga/Shivamogga	Achhu (Average)	4150	4200	-50

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