

**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 at Rs.3250 and in U.P's Khatauli market stood at Rs. 3400 INR.

**All India sugarcane sowing progress released by Government of India, as on 22<sup>nd</sup> Aug'19, the sowing has almost been completed under sugarcane.** Total area stood at 52.37 lakh ha this year lower by 3.1 lakh ha (5.5%) but higher by 9.6% than normal area as on date. Sugarcane crop is expected to be lower due to the havoc caused by the floods in Maharashtra and few parts of Karnataka.

**Weather Forecast:**

During the next 24 hours, light to moderate with one or two heavy spells are likely over West Madhya Pradesh, adjoining Southeast Rajasthan, parts of Odisha and Gangetic West Bengal, parts of Coastal Karnataka and Kerala along with Andaman and Nicobar Islands. Scattered light to moderate rains are likely over parts of Himachal Pradesh and Uttarakhand, rest Madhya Pradesh, Chhattisgarh, rest Odisha, parts of Jharkhand, coastal Andhra Pradesh, parts of Telangana, South Interior Karnataka, Rayalaseema, and Interior Tamil Nadu. Weather will remain dry over West Punjab, West Haryana, West Rajasthan, and Kutch. Rest all places may receive scattered light rains with one or two moderate spells.

**Previous Updates:**

**According to Australian Sugar report released by Australian sugar milling council, the weekly crush in the week ending on 18<sup>th</sup> Aug'19 stood at 1.53 lakh tonnes** reaching 112.48 lakh tonnes (36.1%) total crush from the beginning of the season. The crush as on 19<sup>th</sup> Aug'18, was around 145.44 lakh tonnes higher by 32.96 lakh tonnes (43.2%) compared to 2019-20 crushing.

**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.

**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 Sonapat 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 damaged 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 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.

## 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	312.1	4.2

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

Daily Futures Price Listing Fri August 23, 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>	190823	11.61	11.65	11.44	11.47	-0.11	33,865	523,447	2,180
<a href="#">20-Mar</a>	190823	12.69	12.7	12.51	12.52	-0.13	22,150	292,021	5,261
<a href="#">20-May</a>	190823	12.81	12.82	12.63	12.64	-0.13	6,801	96,818	2,127
<a href="#">20-Jul</a>	190823	12.9	12.94	12.74	12.75	-0.14	3,001	60,662	243
<a href="#">20-Oct</a>	190823	13.14	13.15	12.93	12.95	-0.15	2,133	45,597	426
<a href="#">21-Mar</a>	190823	13.68	13.69	13.46	13.49	-0.15	954	27,338	381
<a href="#">21-May</a>	190823	13.65	13.65	13.5	13.52	-0.15	17	4,389	1
<a href="#">21-Jul</a>	190823	13.66	13.66	13.5	13.52	-0.17	1	3,840	0
Total Volume and Open Interest							68,923	1,056,206	10,619

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

Daily Futures Price Listing Fri August 23, 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>	190823	312.7	313.4	309.6	310.4	-1.7	4,699	45,788	-258
<a href="#">19-Dec</a>	190823	322.7	323.1	319.2	320	-2.1	2,979	35,777	277
<a href="#">20-Mar</a>	190823	333.2	333.4	329	329.7	-2.7	1,413	21,236	348
<a href="#">20-May</a>	190823	340.2	340.8	336.7	337.5	-2.9	363	6,263	118
<a href="#">20-Aug</a>	190823	347.9	347.9	344.7	345.6	-3	126	3,251	44
Total Volume and Open Interest							9,585	114,072	534

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			26-Aug-19	23-Aug-19	
Delhi	Delhi	M-Grade	3340	3340	Unch
	Delhi	S-Grade	3320	3320	Unch
Uttar Pradesh	Khatauli	M-Grade	3400	3410	-10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3325	3350	-25
	Dhampur	S-Grade Ex-Mill	3305	3330	-25
	Dhampur	L-Grade Ex-Mill	3375	3400	-25
Maharashtra	Mumbai	M-Grade	3620	3636	-16
	Mumbai	S-Grade	3350	3366	-16
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3250	3250	Unch
	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	3620	3600	20
	Coimbatore	M-Grade	3600	3600	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3550	3350	200
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)			26-Aug-19	23-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	4700	-100
		White	4400	4400	Unch
		Black	3700	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)	3460	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3550	-
	Mandya	Kurikatu (Medium)	NA	3200	-
	Mandya	Other (Medium)	NA	3250	-
	Mandya	Yellow (Medium)	NA	3700	-
	Shimoga/Shivamogga	Achhu (Average)	4250	4250	Unch

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