

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

Mixed trend was seen in Indian sugar market on Tuesday. Overall the prices are expected to be steady in Indian markets. Kolhapur sugar prices stood lower at Rs.3220 and in U.P's Khatauli market stood at Rs. 3405 INR.

According to the sources, the government would set the lower sale quota around (18-19 lakh tonne) for the next month so as to protect the prices to fall further. The month started with higher sugar prices due to lower sales quota (19 lakh tonne) allotted by the government which supported the prices by Rs.50-80 in all over Indian markets. But by the last week of the month, the millers are in urge to sell their unsold stock as soon as possible of the month which made a fall in prices by Rs.10-20 in last 2-3 days.

Maharashtra millers have requested to delay crushing in the coming season which usually starts from 1st of October and likely to start from second week of November'19. Sugarcane which has survived from recent floods will require time to revive (around 75,000 ha in Kolhapur, Sangli & Satara) and similarly the drought affected cane also requires time to mature as these areas have received sufficient amount of rainfall. The number of days for crushing is also expected to reduce by 30-35 days from 160 to 130 days and around 50 mills are unlikely to crush cane for 2019-20 season due to lack of availability.

Weather Forecast:

During the next 24 hours, light to moderate rains with few heavy spells are possible over Southeast Rajasthan and adjoining Gujarat region, parts of Andaman and Nicobar Islands. Scattered light to moderate rains with isolated heavy spells can be seen over Kutch, East Rajasthan, North and Northeast Madhya Pradesh, adjoining parts of south Uttar Pradesh, Konkan and Goa, Coastal Karnataka, Kerala, parts of Tamil Nadu, parts of Jammu and Kashmir, Himachal Pradesh and Uttarakhand along with parts of Assam and Meghalaya. Scattered light rains with one or two moderate spells are likely over rest parts of the country.

Previous Updates:

All India sugarcane sowing progress released by Government of India, as on 22nd 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.

According to Australian Sugar report released by Australian sugar milling council, the weekly crush in the week ending on 18th 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 19th 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 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 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 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.

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	310.4	-1.7

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon August 26, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
19-Oct	190826	11.45	11.61	11.41	11.43	-0.04	40,850	520,474	-2,973
20-Mar	190826	12.51	12.65	12.46	12.48	-0.04	22,350	291,681	-340
20-May	190826	12.65	12.75	12.57	12.59	-0.05	9,093	98,739	1,921
20-Jul	190826	12.75	12.84	12.66	12.68	-0.07	4,261	60,548	-114
20-Oct	190826	12.95	13.04	12.85	12.87	-0.08	2,498	46,327	730
21-Mar	190826	13.48	13.55	13.39	13.4	-0.09	739	27,692	354
21-May	190826	13.51	13.58	13.43	13.44	-0.08	44	4,390	1
21-Jul	190826	13.52	13.53	13.44	13.46	-0.06	0	3,840	0
Total Volume and Open Interest							79,835	1,055,785	-421

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Mon August 26, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Oct	190823	312.7	313.4	309.6	310.4	-1.7	4,699	45,788	-258
19-Dec	190823	322.7	323.1	319.2	320	-2.1	2,979	35,777	277
20-Mar	190823	333.2	333.4	329	329.7	-2.7	1,413	21,236	348
20-May	190823	340.2	340.8	336.7	337.5	-2.9	363	6,263	118
20-Aug	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			27-Aug-19	26-Aug-19	
Delhi	Delhi	M-Grade	3350	3340	10
	Delhi	S-Grade	3330	3320	10
Uttar Pradesh	Khatauli	M-Grade	3405	3400	5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3335	3325	10
	Dhampur	S-Grade Ex-Mill	3315	3305	10
	Dhampur	L-Grade Ex-Mill	3385	3375	10
Maharashtra	Mumbai	M-Grade	3620	3620	Unch
	Mumbai	S-Grade	3326	3350	-24
	Nagpur	M-Grade	3345	3375	-30
	Nagpur	S-Grade	3245	3325	-80
	Kolhapur	M-Grade	3220	3250	-30
	Kolhapur	S-Grade	3120	3200	-80
Assam	Guhawati	S-Grade	3431	3512	-81
Meghalaya	Shillong	S-Grade	3440	3520	-80
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	3620	Unch
	Coimbatore	M-Grade	3600	3600	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3550	3550	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)			27-Aug-19	26-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	4600	100
		White	4400	4400	Unch
		Black	3700	3700	Unch
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	3400	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3460	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3600	3650	-50
	Mandya	Kurikatu (Medium)	3200	3200	Unch
	Mandya	Other (Medium)	3150	3250	-100
	Mandya	Yellow (Medium)	3650	3700	-50
	Shimoga/Shivamogga	Achhu (Average)	4250	4250	Unch

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