

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

**Mixed trend was seen in Indian sugar market on Wednesday.** 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 1<sup>st</sup> 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 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.

**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 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 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.

## 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 27, 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>	190826	11.45	11.61	11.41	11.43	-0.04	40,850	520,474	-2,973
<a href="#">20-Mar</a>	190826	12.51	12.65	12.46	12.48	-0.04	22,350	291,681	-340
<a href="#">20-May</a>	190826	12.65	12.75	12.57	12.59	-0.05	9,093	98,739	1,921
<a href="#">20-Jul</a>	190826	12.75	12.84	12.66	12.68	-0.07	4,261	60,548	-114
<a href="#">20-Oct</a>	190826	12.95	13.04	12.85	12.87	-0.08	2,498	46,327	730
<a href="#">21-Mar</a>	190826	13.48	13.55	13.39	13.4	-0.09	739	27,692	354
<a href="#">21-May</a>	190826	13.51	13.58	13.43	13.44	-0.08	44	4,390	1
<a href="#">21-Jul</a>	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 27, 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			28-Aug-19	26-Aug-19	
Delhi	Delhi	M-Grade	3320	3340	-20
	Delhi	S-Grade	3300	3320	-20
Uttar Pradesh	Khatauli	M-Grade	3440	3400	40
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3340	3325	15
	Dhampur	S-Grade Ex-Mill	3320	3305	15
	Dhampur	L-Grade Ex-Mill	3390	3375	15
Maharashtra	Mumbai	M-Grade	3620	3620	Unch
	Mumbai	S-Grade	3326	3350	-24
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3245	3325	-80
	Kolhapur	M-Grade	3250	3250	Unch
	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	3690	3680	10
Tamil Nadu	Chennai	S-Grade	3660	3660	Unch
	Dindigul	M-Grade	3700	3620	80
	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)			28-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	NA	3700	-
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)	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)	3600	3700	-100
	Shimoga/Shivamogga	Achhu (Average)	4150	4250	-100

## Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.