

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

**Mixed trend was observed in Indian Sugar market on Tuesday.** Overall the prices are expected to be steady to firm in Indian markets. Kolhapur sugar market price stood at Rs.3250 and in U.P's Khatauli market stood at Rs. 3450 INR.

**The sugar mills are all set to export the sugar stock piles from 1<sup>st</sup> Oct'19** instead of waiting for the new sugar crop to become available to utilize the time until April, when supplies from rival Brazil start to flood in the market. India is likely to export sugar to China, East Africa, Bangladesh, Iran and Sri Lanka with the shipments starting from next month. As the accelerating exports might affect the global prices, therefore, Australia, Brazil and Guatemala have jointly asked the WTO to set up a panel to challenge India's subsidies. But from the point of view of India, the ever since 2 years piled sugar stocks can be relieved in the new season to clear off the cane arrears.

**Weather Forecast:**

During the next 24 hours, light to moderate rains with one or two heavy spells is expected over Madhya Pradesh, Gujarat region, Coastal Karnataka, North Kerala, parts of East Uttar Pradesh, Bihar, Sub-Himalayan West Bengal, and Sikkim, Assam, Nagaland, and parts of Himachal Pradesh. Scattered light to moderate rains can be seen over Andaman and Nicobar Islands, Central and South Uttar Pradesh, Southeast Rajasthan, parts of Gangetic West Bengal and Odisha. Weather will be dry over Jammu and Kashmir, most parts of Himachal Pradesh, Punjab, Haryana, Delhi, North and West Rajasthan with isolated light rains over rest parts of the country.

**Previous Updates:**

**The higher cost of production of sugar in China and some countries are exporting the sugar below the cost prices has hampered the domestic sugar prices.** The ministry of commerce has been urged to increase the tariffs on sugar imports. According to the reports, the plan to request an extension of the tariffs was discussed at a meeting organized by the China Sugar Association on September 5. China in 2017 to protect the domestic industry imposed 15 per cent tariffs on sugar imports within 1.94 million tonnes, and 50 per cent levy on Imports beyond 1.94 million tonnes. China's trade measures on sugar imports, set to expire on May 21, 2020.

**According to Thai Sugar Millers Corporation, Thailand exported 71,782 tonnes of white sugar and 4.82 lakh tonnes of raw sugar in July'19.** Total of 4.03 lakh tonnes of white sugar at an average FOB \$320/tonne and 32.26 lakh tonnes of raw sugar at an average FOB \$292.5/tonne has been exported so far till July'19 from January'19.

**There is likely to be global sugar deficit of nearly 4.76 mln tonnes in 2019-20 driven partly by lower production in India and Thailand.** According to the report, Global production is falling by 2.35 per cent to 171.98 million tonnes, while consumption will rise by 1.34 per cent to 176.74 mt in 2019-20 (FY20) season which begins on 1<sup>st</sup> Oct'19.

**According to Australian Sugar report released by Australian sugar milling council, the weekly crush in the week ending on 1<sup>st</sup> Sep'19 jumped to 1.534 lakh tonnes reaching 14.33 lakh tonnes (46.5%) total**

crush from the beginning of the season. The crush as on 2<sup>nd</sup> Sep'18, was around 3.26 lakh tonnes higher at 17.59 lakh tonnes compared to 2019-20 crushing.

**The Conab projects Brazil's 2019-2020 crop to reach 31.8 million tonnes of sugar, up 9.5% from the previous one.** The current crop started last April and runs till March 2020. There is an increase of 0.3% in sugarcane planting from the last crop, with a harvest of 622.3 million tonnes. In ethanol, Brazil will see 30.3 billion litres from sugarcane, as well as 1.35 billion of corn ethanol. Overall, it is expected to reach 31.6 billion litres. From the cane ethanol, anhydrous (which is mixed into gasoline) will see a 10.5 billion litres production, while hydrated ethanol (used pure as a fuel) will reach 19.8 billion litres.

**Crushing licenses in 2019-20 season will be issued to the same sugar mills in Maharashtra, which have paid 100% of the crushing season 2018-19 of the farmers.** State sugar commissioner Shekhar Gaikwad told that there is still a balance of Rs 589.59 crore left on the state's sugar mills. He said that out of 195 sugar mills in the state, 130 sugar mills have paid 100 percent so far. He said that sugar mills have time till 31 September 2019 to pay the dues.

**The world sugar prices is on declining trend after the announcement made by the Indian government for export subsidy incentive spending Rs.6268 crores in an effort to cut the nation's record stock piles.** Already the world inventory is on high and addition to this, recently the Brazil government last week agreed to increase tariff-free U.S. ethanol imports to 800 mln liters per year from the current 600 mln liters per year. The increased imports from the U.S. may prompt Brazil's sugar mills to decrease ethanol output in favor of increased sugar production. Also, Mexico will likely try to export as much as 500,000 metric tons into the world market to clear some storage space before the next season begins on 1<sup>st</sup> Oct'19.

## 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	303.3	-0.8

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

Daily Futures Price Listing Mon September 09, 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>	190909	11.05	11.1	10.9	10.92	-0.1	95,741	472,642	-14,776
<a href="#">20-Mar</a>	190909	11.96	12.03	11.88	11.9	-0.07	73,630	329,161	10,478
<a href="#">20-May</a>	190909	12.1	12.13	12.01	12.03	-0.06	21,613	113,997	4,652
<a href="#">20-Jul</a>	190909	12.27	12.31	12.18	12.2	-0.07	12,790	72,128	2,050
<a href="#">20-Oct</a>	190909	12.57	12.61	12.48	12.5	-0.07	9,043	52,453	797
<a href="#">21-Mar</a>	190909	13.12	13.16	13.06	13.08	-0.06	1,740	30,580	210
<a href="#">21-May</a>	190909	13.17	13.17	13.12	13.12	-0.07	361	4,884	71
<a href="#">21-Jul</a>	190909	13.19	13.19	13.15	13.15	-0.06	157	4,346	-10
Total Volume and Open Interest							215,214	1,083,312	3,524

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

Daily Futures Price Listing Mon September 09, 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>	190909	303.6	305.3	301.9	303.3	-0.8	11,929	25,655	-3,571
<a href="#">19-Dec</a>	190909	309.6	309.6	306.1	307.6	-2	7,339	43,368	981
<a href="#">20-Mar</a>	190909	315.7	316.5	313.5	315.3	-1.4	3,126	28,197	1,116
<a href="#">20-May</a>	190909	323	323	319.9	321.8	-1.6	495	7,712	242
<a href="#">20-Aug</a>	190909	331.5	331.5	328	330	-1.5	94	3,662	17
Total Volume and Open Interest							23,055	110,848	-1,153

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Sep-19	9-Sep-19	
Delhi	Delhi	M-Grade	3370	3380	-10
	Delhi	S-Grade	3350	3360	-10
Uttar Pradesh	Khatauli	M-Grade	3450	3455	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3385	3390	-5
	Dhampur	S-Grade Ex-Mill	3365	3370	-5
	Dhampur	L-Grade Ex-Mill	3435	3440	-5
Maharashtra	Mumbai	M-Grade	3560	3576	-16
	Mumbai	S-Grade	3370	3370	Unch
	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	3800	3800	Unch
	Vijayawada	S-Grade	3740	3740	Unch
West Bengal	Kolkata	M-Grade	3700	3700	Unch
Tamil Nadu	Chennai	S-Grade	Closed	3700	-
	Dindigul	M-Grade	3700	3700	Unch
	Coimbatore	M-Grade	3690	3690	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)			10-Sep-19	9-Sep-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	4300	4600	-300
		White	NA	4300	-
		Black	3500	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4650	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3100	-
	Mandya	Kurikatu (Medium)	NA	3050	-
	Mandya	Other (Medium)	NA	3100	-
	Mandya	Yellow (Medium)	NA	3150	-
	Shimoga/Shivamogga	Achhu (Average)	NA	4000	-

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