

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

***Steady trend is seen in the sugar market across India on Friday.*** Overall the prices are expected to be steady to firm in the coming week in Indian markets on the occasion of Diwali. Kolhapur sugar market price stood unchanged at Rs.3300 and in U.P's Khatauli market stood at same price at Rs. 3395 INR.

**Weather Forecast:**

Light to moderate rains with one or two heavy spells are expected over Andhra Pradesh, Tamil Nadu, Kerala, and South Interior Karnataka. Scattered light to moderate rains with one or two heavy spells are likely over Rayalaseema, and parts of Telangana. Scattered light to moderate rains are expected over Chhattisgarh, Odisha, South Konkan and Goa and South Madhya Maharashtra. Scattered light showers with one or two moderate spells over Vidarbha, East Madhya Pradesh, Jharkhand, Andaman and Nicobar Islands, Jammu and Kashmir, and parts of Punjab.

**Previous Updates:**

***India is driving towards exporting as much sugar possible in 2019-20 after the announced subsidy by the government which will move down the global sugar prices.*** India has been exporting old season sugar stock to Iran. India have contracted to export to Iran about 350,000 tonnes of sugar for shipments in October to December at about \$302/tonne FOB. And contracted another 150,000 tonnes from Sri Lanka, Afghanistan and African countries at around \$315/ tonne for shipments in the last quarter of 2019.

***Malaysia is looking forward to enhance the bilateral trade with India and reducing the trade tensions between the two countries.*** Malaysia is planning to import more raw sugar in the coming year 2020 amid reports India is considering restricting imports of palm oil from Malaysia. Malaysia's exports to India were worth \$10.8 billion in the fiscal year that ended on March 31, while imports totalled \$6.4 billion which shows that India is one of the major revenue generator for Malaysia.

***In UP, the mills are all set to start crushing after 20<sup>th</sup> Oct'19 whereas some mills are intended to start crushing in 2<sup>nd</sup> week of Nov'19.*** Farmer organization have started demanding for hiking (State advised price) SAP from Rs. 325 to 450 per quintal. The 119 sugar mills in the state are ready to begin operations. Last year, these mills across the state collectively owe the cane farmers dues to the tune Rs 4,600 crore. The farmers have two demands: first sugarcane prices be hiked and secondly, payment with interest be made in time.

***India is expecting good export trade deals this year. Brazil has estimated to produce around 25 mln tonnes of sugar slightly lower than India's sugar production.*** Thailand, Australia, EU, Pakistan and India are expected to produce less sugar in 2019-20. Therefore, India with ending stock this year has good opportunity to capture markets for raw sugar in China, Indonesia, Iran, Bangladesh and Sri Lanka. Indonesia has already reduced the import tariffs to 5% from 13% for India recently.

***After the Chinese officials visited India for trade deal on 10<sup>th</sup> Oct'19, China signed an MOU with India to purchase 50,000 tonnes of raw sugar in this marketing year.*** As China is likely to produce 10 mln tonnes of sugar and their annual consumption is 15 mln tonnes, so the country have a shortfall of 5 mln

tonnes. India's trade relation with China is likely to improve with this move. Recently, India has also signed trade deals to export 100,000-150,000 tn sugar to Iran, Sri Lanka and Afghanistan.

**With the domestic output and imports under the quota, China's domestic demand can be met.** Supply and demand is balanced. China has set the 2020 sugar import quota at 1.945 million tonnes. Among the total import quota for the commodity, 70% would be allocated to state-owned firms. Companies applying for the quota must have processed 600 tonnes and more raw sugar per day in 2018, or sold 450 million yuan (\$63.73 million) and more worth of sugar during the year.

**Brazil's center-south region crushed 35.08 million tonnes, 26% more, while ethanol output increased 32% to 2.18 billion liters in the second half of September.** Total cane crush so far reached 472.8 mln tonnes by October 1, according to UNICA. This is 2.71% above the same time last year. Sugar production is down by 2.39% so far (Till 1<sup>st</sup> Oct'19) compared to 22.33 mln tonnes in 2018-19 in the same period. Mills in the state reported that crushing season could end earlier than usual in the season 2019-20 mainly due to the dry weather that has been favoring a faster pace of the harvest.

**Syrian state agency has issued an international tender to purchase and import 80,000 tonnes of white refined sugar.** According to the reports, the deadline mentioned in the tender from the General Foreign Trade Organisation is November 11. Out of 80,000 tonnes consignments, shipment is sought in two 40,000 tonne consignments. The first consignment being shipped 60 days after the letter of credit opening on the deal and the other one 180 days after supply of the first shipment. Indian sugar millers would definitely gain some advantage in exporting its refined sugar helping to clear off some stock from India.

**Crushing in Maharashtra is delayed and would likely to commence from 2<sup>nd</sup> week of November** as the mills in the state are facing difficulty in getting the crushing licenses this year. As to ensure the early payment for sugarcane farmers, Maharashtra government has decided that sugar mills would be issued crushing licences only if they agree to pay fair and remunerative price (FRP) dues to cane growers within 14 days.

## 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	339	-2.7

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

Daily Futures Price Listing Thu October 17, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">20-Mar</a>	191017	12.34	12.46	12.21	12.24	-0.11	59,154	508,415	1,060
<a href="#">20-May</a>	191017	12.45	12.55	12.31	12.34	-0.1	16,241	148,492	1,105
<a href="#">20-Jul</a>	191017	12.58	12.67	12.45	12.47	-0.1	10,270	105,985	-550
<a href="#">20-Oct</a>	191017	12.82	12.91	12.7	12.72	-0.09	7,621	73,970	-54
<a href="#">21-Mar</a>	191017	13.4	13.46	13.29	13.31	-0.07	3,129	43,128	481
<a href="#">21-May</a>	191017	13.49	13.5	13.36	13.37	-0.07	1,577	7,246	111
<a href="#">21-Jul</a>	191017	13.52	13.53	13.4	13.41	-0.06	776	7,405	276
<a href="#">21-Oct</a>	191017	13.67	13.67	13.54	13.55	-0.05	286	4,904	203
Total Volume and Open Interest							99,074	902,099	2,643

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

Daily Futures Price Listing Thu October 17, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">19-Dec</a>	191017	341.5	343.3	338.4	339	-2.7	5,108	39,511	-939
<a href="#">20-Mar</a>	191017	337.7	339.6	334.9	335.2	-2.4	3,578	39,835	407
<a href="#">20-May</a>	191017	342	343.8	339.3	339.5	-2.3	1,292	12,037	111
<a href="#">20-Aug</a>	191017	346.2	347.4	343.5	343.6	-2.4	138	5,183	40
<a href="#">20-Oct</a>	191017	350.3	351.1	347.1	347.3	-2.6	35	2,226	4
Total Volume and Open Interest							10,174	101,007	-354

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			18-Oct-19	17-Oct-19	
Delhi	Delhi	M-Grade	3300	3300	Unch
	Delhi	S-Grade	3280	3280	Unch
Uttar Pradesh	Khatauli	M-Grade	3395	3395	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3290	3290	Unch
	Dhampur	S-Grade Ex-Mill	3270	3270	Unch
	Dhampur	L-Grade Ex-Mill	3340	3340	Unch
Maharashtra	Mumbai	M-Grade	3536	3536	Unch
	Mumbai	S-Grade	3322	3330	-8
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3250	3300	-50
	Kolhapur	S-Grade	3100	3100	Unch
Assam	Guhawati	S-Grade	3410	3410	Unch
Meghalaya	Shillong	S-Grade	3420	3420	Unch
Andhra Pradesh	Vijayawada	M-Grade	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3680	3670	10
Tamil Nadu	Chennai	S-Grade	3740	3740	Unch
	Dindigul	M-Grade	3640	3680	-40
	Coimbatore	M-Grade	3700	3700	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	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)			18-Oct-19	17-Oct-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3313	3253	60
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9000	9000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2625	2625	Unch

	Muzaffarnagar	Laddoo (Fresh)	3088	3063	25
	Muzaffarnagar	Rascut (Fresh)	2500	2600	-100
	Hapur	Chaurasa	2538	2600	-63
	Hapur	Balti	2625	2600	25
Andhra Pradesh	Chittur	Gold	5100	5100	Unch
		White	4200	4200	Unch
		Black	3900	3900	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4800	4800	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3476	NA	-
	Mandya	Achhu (Medium)	NA	3350	-
	Mandya	Kurikatu (Medium)	NA	3100	-
	Mandya	Other (Medium)	NA	3030	-
	Mandya	Yellow (Medium)	NA	3380	-
	Shimoga/Shivamogga	Achhu (Average)	3750	NA	-

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