

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

***Steady trend is seen in the sugar market across India on Monday.*** Overall the prices are expected to be steady to weak due to lower demand. Kolhapur sugar market stood unchanged at Rs.3200/q and U.P's Khatauli market prices stood lower by Rs.20 at Rs.3375/q.

**Weather Forecast:**

*Light to moderate rain and thundershowers would be seen in many parts associated with scattered heavy showers in Kerala, Tamil Nadu, South Interior Karnataka and Coastal Karnataka. Scattered light rain will be seen in Madhya Maharashtra, Konkan and Gujarat.*

**Previous Updates:**

***According to Agriwatch estimates, Maharashtra is likely to produce 59 LT sugar*** including the diversion to ethanol production against the latest data released by Maharashtra's sugar commissioner that has estimated the sugar production to decline by 45% at 58 LT whereas ISMA pegged Maharashtra's 2019-20 sugar production at 62 LT, a decline of 40%. ISMA expects sugar production to be around 268.5 lakh tonnes and considering the diversion to ethanol, ISMA declined the sugar production to around 260 lakh tonnes. Whereas Agriwatch estimates 271LT sugar production so far after the losses reported in Maharashtra and Karnataka due to bad weather also including the diversion to ethanol production across India.

***Final estimates for 2018-19 has been released by ISMA recently with total 331.61 LT of sugar production and expected to produce around 260 LT of sugar in 2019-20 MY.*** Total sugar monthly sales quota of 246LT was released by the government to the mills during Oct'18 to Sep'19 (MY), ISMA declares the total sugar consumption of 255 LT as 8-9 LT of sugar was sold in excess which was not reported by the government. Exports of 38 LT has been reported with closing balance of 145.81 LT in 2018-19. So far from the starting of the new season in Oct'19, in only one month the country is expected to have exported around 7-8 LT only with the support of new export policy of MAEQ of 60 LT.

***According to the data released by the National Federation of Cooperative Sugar Factories Ltd. (NFCSF), total 28 mills have crushed 14.5 LT of cane*** and have produced 1.25 LT of sugar at an average recovery of 8.67%. In Karnataka State, 9 sugar mills have crushed 6.67 Lakh Tons sugarcane and have produced 60,000 Tons new sugar at an average recovery of 9% followed by Uttar Pradesh where 13 mills have crushed 1.88 Lakh Tons sugarcane and have produced 15,000 Tons new sugar at an average recovery of 8%. The mills have already started crushing 1 month late this year due to incessant rains which has delayed crushing. According to the latest estimates by ISMA, India might produce 268.5 LT in 2019-20 marketing year.

***Increasing demand for ethanol in Brazil has urged the country to import ethanol from US according to the S&P Global Platts.*** In the coming years, the demand for ethanol in Brazil will increase by around 2.5 per cent per year. The falling prices of sugar in the international market has helped Brazil to emphasise more on ethanol production. To combat the increasing demand for ethanol, Brazil is also producing corn based ethanol from corn apart from sugarcane juice.

**In the month of September, India exported around 1.46 LT lower than the previous month's exports.** Iran imported the largest amount of sugar (45,931MT) at an average FOB of \$352/MT followed by Somalia, importing 33,392MT at \$332/MT FOB. Total refined sugar exports are expected to have reached around 40 LT so far in the marketing year 2018-19. After the introduction of export incentives by the government, there is expectations of exporting around 55LT of sugar in the 2019-20 marketing year.

**Sales quota allocated to the mills this month at 20.5LT on monthly basis for November to each 535 mills in India lower compared to the previous month's quota of 21LT.** The allocated quota of November 2019 is 1.5 LMT lower than the preceding year's November month quota that stood at 22 LMT. The prices are expected to remain stable inspite of no major festivals in November month but the prices could get support from the new export deals from different countries.

**Maharashtra is likely to commence crushing not before 15<sup>th</sup> Nov'19 as directed by the state government.** This time the number of private and cooperative sugar mills licensed for crushing sugarcane is lower than last year and is expected to fall sharply. Around 159 have applied for license whereas this season as compared to the previous season of 195 mills. Due to the lower crop, because of excess rains in western Maharashtra and drought in Marathwada, the number of sugar mills for crushing has come down. Sugarcane crop has been badly damaged due to floods in western Maharashtra, due to lack of water in Marathwada, the crop has been affected.

**UP government is likely to invest Rs.160 crore to create ethanol production capacity of 53 million liters.** In order to adopt greener fuels and to cut down the oil imports, the ethanol would be supplied to Oil Marketing Companies (OMCs). UP Cooperative Sugar Mills Federation Limited have an installed capacity to produce 35 million liters and 13.5 million liters of ethanol and rectified spirit respectively. In 2019, the ethanol production is subsequently to rise by at least 5% (estimated at 3300 million liters in 2019) as already procurement of 910 million liters have been booked earlier in the beginning of the season.

## 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	332.1	-6.8

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

Daily Futures Price Listing Fri November 08, 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>	191108	12.36	12.61	12.29	12.57	0.18	55,684	530,256	-5,539
<a href="#">20-May</a>	191108	12.49	12.71	12.42	12.66	0.13	23,494	175,249	1,059
<a href="#">20-Jul</a>	191108	12.61	12.8	12.54	12.77	0.11	12,628	117,225	-1,536
<a href="#">20-Oct</a>	191108	12.86	13.01	12.76	12.98	0.1	6,596	77,400	-609
<a href="#">21-Mar</a>	191108	13.42	13.56	13.35	13.55	0.08	1,246	45,726	49
<a href="#">21-May</a>	191108	13.47	13.61	13.41	13.59	0.06	395	8,435	-2
<a href="#">21-Jul</a>	191108	13.5	13.61	13.43	13.61	0.05	370	8,823	2
<a href="#">21-Oct</a>	191108	13.58	13.73	13.58	13.73	0.05	298	5,938	178
Total Volume and Open Interest							100,787	971,735	-6,330

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

Daily Futures Price Listing Fri November 08, 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>	191108	330.5	336.7	330.1	335.2	3.1	11,398	19,099	-3,177
<a href="#">20-Mar</a>	191108	332.6	337.2	332.4	336.3	3	14,187	44,246	1,855
<a href="#">20-May</a>	191108	338.8	342	337.3	341.1	1.7	2,695	13,485	364
<a href="#">20-Aug</a>	191108	342.8	346.1	341.5	345.4	1.5	682	6,239	-8
<a href="#">20-Oct</a>	191108	346.3	349.6	345	349	1.7	151	2,753	16
Total Volume and Open Interest							29,146	88,479	-969

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			9-Nov-19	8-Nov-19	
Delhi	Delhi	M-Grade	3285	3300	-15
	Delhi	S-Grade	3265	3280	-15
Uttar Pradesh	Khatauli	M-Grade	3400	3400	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3350	3350	Unch
	Dhampur	S-Grade Ex-Mill	3330	3330	Unch
	Dhampur	L-Grade Ex-Mill	3400	3400	Unch
Maharashtra	Mumbai	M-Grade	3582	3582	Unch
	Mumbai	S-Grade	3310	3310	Unch
	Nagpur	M-Grade	3325	3325	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3200	3200	Unch
	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	3700	3700	Unch
	Vijayawada	S-Grade	3640	3640	Unch
West Bengal	Kolkata	M-Grade	3700	3700	Unch
Tamil Nadu	Chennai	S-Grade	3830	3830	Unch
	Dindigul	M-Grade	3600	3600	Unch
	Coimbatore	M-Grade	3590	3590	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)			9-Nov-19	8-Nov-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2713	2755	-43
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	6000	2000
	Muzaffarnagar	Khurpa (Fresh)	2563	2603	-40
	Muzaffarnagar	Laddoo (Fresh)	2778	2825	-48
	Muzaffarnagar	Rascut (Fresh)	2088	2028	60

	Hapur	Chaurasa	2513	2550	-38
	Hapur	Balti	2475	2600	-125
Andhra Pradesh	Chittur	Gold	4600	4600	Unch
		White	4200	4200	Unch
		Black	NA	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	3250	-
	Mahalingapura	Penti (Average)	NA	3551	-
	Mandya	Achhu (Medium)	NA	3670	-
	Mandya	Kurikatu (Medium)	NA	3300	-
	Mandya	Other (Medium)	NA	3340	-
	Mandya	Yellow (Medium)	NA	3350	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3650	-

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