

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

Steady trend is seen in the sugar market across India on Saturday. Overall the prices are expected to be steady to weak due to lower demand. Kolhapur sugar market stood steady at Rs.3200/q and U.P's Khatauli market prices stood lower at Rs.3370/q.

The main sugar producing region in Brazil, the centre- south region mills is likely to end its crushing earlier than expected due to drier-than-normal weather. According to the Unica, 67 mills have already finished crushing as against 52 during the same period last year. Because of better realization on selling ethanol instead of sugar, the country is more focusing on producing more ethanol production. Also, the falling prices of sugar in the international market has helped Brazil to emphasise more on ethanol production.

Weather Forecast:

Light to moderate rain with heavy spells may occur over Jammu and Kashmir, Ladakh and Himachal Pradesh. Scattered activities are likely in Uttarakhand. Light to moderate rain with one or two heavy spells may occur over Tamil Nadu and South Coastal Andhra Pradesh. Scattered light rain is likely in Kerala, Coastal Karnataka, West Rajasthan and Interior Karnataka. Isolated rain may occur over South Madhya Maharashtra and Punjab.

Previous Updates:

Thailand government has recently posed ban of using Paraquat, Chloropyrifos and Glyphosate chemicals especially used in sugarcane production. The ban on paraquat will affect sugar production as well as impact food processing, animal feed and ethanol production sector. There will be a decrease in the production of sugarcane between 20 per cent and 50 per cent. Thailand being the 2nd biggest exporter, the ban would impact the raw sugar production and further would decline the exports. If no alternative is introduced as soon as possible, other countries would get the opportunity to liquidate their stock in the global market especially India.

Government has extended the duration till December to export last year's balance quota of sugar. As the sugar mills exported around 3.8 million tonnes only against the target of 5 million tonnes during Oct'18-Sep'19. Now, it has been decided by the central government to allow those sugar mills, which had partially exported their MIEQ of 2018-19 till September 2019, to export the balance quantity of their MIEQ by December 31, 2019.

The crushing in Maharashtra has already been delayed where usually the season starts after Diwali or in October. But this year due to the prolonged rainfall, drought and the state assembly elections in the state, cane crushing is delayed. According to the reports, 89 mills have received the crushing license, and 72 are still waiting for it. Maharashtra sugar commissioner recommended to delay further to commence the crushing season from 25th Nov'19.

Ties between Pakistan and China becoming stronger after US and China trade war started. Pakistan likely to export more goods especially sugar to China in the current year. Pakistan exported sugar worth \$609.9 million to China, which was over four times compared to sugar exports in fiscal year 2017-18. India remained behind in case of sugar exports to China due to imposition of heavy tariffs by China and

the domestic prices remained higher in India. The second phase of Pakistan-China Free Trade Agreement (FTA) will become operational from the first of December.

The production of sugar in China has reached upto 3.98 LT till the end of Oct'19 up by 3.01 LT at the same time last year whereas the total production is forecast to fall 2.4% to 10.5 mln tonnes in 2019-20. Imports of sugar in China stood at 4.7 lakh tonnes in the month of August'19 around 217.6% higher than last year in the same period. The total imports till Aug'19 stood at 4.3 mln tonnes which is around 1% lower compared to last year.

Unica projects that increased ethanol output in Brazil will cut Brazil 2019-20 Center-South sugar production. Total sugar production since April reached 25.2 million tonnes, up by only 3.3% whereas the total ethanol production increased by 8% producing 29.5 billion litres so far till Oct'19. The lower sugar prices (11-12.5 U.S. cents/lb.) and larger ethanol demand in the domestic market and better realization in selling ethanol (between 13-14 cents/lb.) made the country to move towards more ethanol production.

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.

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 lcumsa	331.4	-2.9



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri November 15, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	191115	12.81	12.84	12.68	12.73	-0.08	120,555	508,759	-9,961
20-May	191115	12.93	12.96	12.81	12.85	-0.07	47,368	170,326	-7,475
20-Jul	191115	13.01	13.04	12.91	12.96	-0.05	20,320	118,909	765
20-Oct	191115	13.2	13.24	13.12	13.16	-0.05	15,008	84,605	3,425
21-Mar	191115	13.7	13.76	13.66	13.69	-0.04	6,351	47,779	297
21-May	191115	13.68	13.71	13.66	13.69	-0.03	1,811	8,426	7
21-Jul	191115	13.67	13.71	13.65	13.69	-0.01	1,463	8,287	-445
21-Oct	191115	13.75	13.83	13.75	13.79	unch	654	6,059	34
Total Volume and Open Interest							213,684	956,008	-13,244

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri November 15, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
19-Dec	191115	331.4	331.4	322.6	322.7	-8.7	5,753	3,542	-1,869
20-Mar	191115	340.6	341.2	336.3	336.7	-3.8	12,593	51,801	-392
20-May	191115	347.1	347.6	343.9	343.9	-3.1	3,626	13,640	-737
20-Aug	191115	352.1	352.3	349.1	349.1	-2.9	1,265	7,173	368
20-Oct	191115	356.2	356.5	353.4	353.4	-2.7	244	2,951	-18
Total Volume and Open Interest							23,649	81,877	-2,651

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			16-Nov-19	15-Nov-19	
Delhi	Delhi	M-Grade	3300	3300	Unch
	Delhi	S-Grade	3280	3280	Unch
Uttar Pradesh	Khatauli	M-Grade	3370	3360	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3260	3260	Unch
	Dhampur	S-Grade Ex-Mill	3240	3240	Unch
	Dhampur	L-Grade Ex-Mill	3310	3310	Unch
Maharashtra	Mumbai	M-Grade	3596	3596	Unch
	Mumbai	S-Grade	3286	3286	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	3640	3640	Unch
Tamil Nadu	Chennai	S-Grade	3800	3800	Unch
	Dindigul	M-Grade	3640	3640	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)			16-Nov-19	15-Nov-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2613	2578	35
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	7000	1000
	Muzaffarnagar	Khurpa (Fresh)	2325	2425	-100

	Muzaffarnagar	Laddoo (Fresh)	2725	2730	-5
	Muzaffarnagar	Rascut (Fresh)	2050	2063	-13
	Hapur	Chaurasa	2263	2363	-100
	Hapur	Balti	2288	2375	-88
Andhra Pradesh	Chittur	Gold	4700	5000	-300
		White	4400	4400	Unch
		Black	4200	4100	100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	NA	-
	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)	3530	NA	-
	Mandya	Kurikatu (Medium)	3000	NA	-
	Mandya	Other (Medium)	3300	NA	-
	Mandya	Yellow (Medium)	3370	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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