

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

***Steady to firm 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 steady at Rs.3200/q and U.P's Khatauli market prices stood higher at Rs.3390/q.

***The crushing season was going to commence in Farrukhabad (U.P) on Thursday but due to scarcity of cane in the district due to insufficient supply of sugarcane, the mills has stopped the operations.*** The next day cane available in mill yard was only 687 quintal whereas 1200 quintal cane is required to run the mill smoothly. Currently, 30-35 mills have started crushing operations in the Western and Central UP regions. The plants in Eastern UP would soon start crushing. The Centre has retained the cane FRP at Rs. 275/quintal sugarcane for all the states in 2019-20. UP traditionally announces a much higher SAP to remunerate the state farmers. Last year, the state had announced SAP of Rs. 315 per quintal.

***Karnataka decided earlier in the month to ban sugarcane selling to other states which may create hardships for Maharashtra*** that use to buy sugarcane from bordering areas of Karnataka. The millers from Maharashtra have decided to oppose the move. Also the farmers from Karnataka had appealed the government to intervene in this issue because mills from Maharashtra pays high to farmers than that of Karnataka which attracts the cane farmers to Maharashtra. As sugarcane production has been affected in Maharashtra as well as in Karnataka this year following the drought and the recent floods.

**Weather Forecast:**

*During the next 24 hours, light to moderate rain and thundershower with isolated heavy spells will occur in parts of Coastal Andhra Pradesh, Rayalaseema, Tamil Nadu, Kerala and South Interior Karnataka. Light rain is likely in one or two parts of Jammu and Kashmir, Ladakh and Himachal Pradesh. Light rain is likely in one or two parts of Arunachal Pradesh, Nagaland and Upper Assam.*

**Previous Updates:**

***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.

***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 2<sup>nd</sup> 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 25<sup>th</sup> 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.***

## 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 Icmsa	336.7	5.3



### 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)									
<a href="#">20-Mar</a>	191115	12.81	12.84	12.68	12.73	-0.08	120,555	508,759	-9,961
<a href="#">20-May</a>	191115	12.93	12.96	12.81	12.85	-0.07	47,368	170,326	-7,475
<a href="#">20-Jul</a>	191115	13.01	13.04	12.91	12.96	-0.05	20,320	118,909	765
<a href="#">20-Oct</a>	191115	13.2	13.24	13.12	13.16	-0.05	15,008	84,605	3,425
<a href="#">21-Mar</a>	191115	13.7	13.76	13.66	13.69	-0.04	6,351	47,779	297
<a href="#">21-May</a>	191115	13.68	13.71	13.66	13.69	-0.03	1,811	8,426	7
<a href="#">21-Jul</a>	191115	13.67	13.71	13.65	13.69	-0.01	1,463	8,287	-445
<a href="#">21-Oct</a>	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)									
<a href="#">19-Dec</a>	191115	331.4	331.4	322.6	322.7	-8.7	5,753	3,542	-1,869
<a href="#">20-Mar</a>	191115	340.6	341.2	336.3	336.7	-3.8	12,593	51,801	-392
<a href="#">20-May</a>	191115	347.1	347.6	343.9	343.9	-3.1	3,626	13,640	-737
<a href="#">20-Aug</a>	191115	352.1	352.3	349.1	349.1	-2.9	1,265	7,173	368
<a href="#">20-Oct</a>	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			18-Nov-19	16-Nov-19	
Delhi	Delhi	M-Grade	3350	3300	50
	Delhi	S-Grade	3330	3280	50
Uttar Pradesh	Khatauli	M-Grade	3390	3370	20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3290	3260	30
	Dhampur	S-Grade Ex-Mill	3270	3240	30
	Dhampur	L-Grade Ex-Mill	3340	3310	30
Maharashtra	Mumbai	M-Grade	3596	3596	Unch
	Mumbai	S-Grade	3280	3286	-6
	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	3630	3640	-10
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)			18-Nov-19	16-Nov-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2588	2613	-25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	8000	2000
	Muzaffarnagar	Khurpa (Fresh)	2363	2325	38

	Muzaffarnagar	Laddoo (Fresh)	2740	2725	15
	Muzaffarnagar	Rascut (Fresh)	2063	2050	13
	Hapur	Chaurasa	Closed	2263	-
	Hapur	Balti	Closed	2288	-
Andhra Pradesh	Chittur	Gold	4700	4700	Unch
		White	4400	4400	Unch
		Black	4200	4200	Unch
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)	3450	3400	50
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3450	3530	-80
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	3200	3300	-100
	Mandya	Yellow (Medium)	3350	3370	-20
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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