

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

Mixed trend is seen in the sugar market across India on Thursday. Overall the prices are expected to be steady due to lower demand. Kolhapur sugar market stood steady at Rs.3250/q and U.P's Khatauli market prices stood higher at Rs.3460/q.

According to the trade sources, Indian sugar mills have so far contracted exports of around 10-12 LT sugar in 2019-20 sugar season since October'19. In the October month, sugar mills have exported around 4-5 LT of old sugar stock and it is projected that around 6-8LT of sugar have been exported so far. Good demand have been reported from the following countries: Afghanistan, Iran, Sri Lanka, Somalia, Nepal, Kenya, Bangladesh, Saudi Arabia, & Qatar. Indian FOB is hovering around \$323/tonne for refined sugar and \$ 309/ tonne for raw sugar at present which is lower than LIFFE sugar which is hovering around \$336/tonne (Refined sugar). The mills in the last season were ineligible to avail the incentives for exports due to partial fulfilment of export quota. Hence, on the request of the mills, the government has extended the last date to exhaust last year's export quota by December 31, 2019.

Weather Forecast:

During the next 24 hours, scattered light to moderate rain and thundershower are possible over South Coastal Andhra Pradesh, Coastal Tamil Nadu. Scattered light rain is possible over Interior Tamil Nadu, Rayalaseema, Kerala, Coastal Karnataka and parts of South Konkan and Goa. Light to moderate rain or snow with one or two heavy spells is possible over Ladakh, Jammu and Kashmir and Himachal Pradesh with isolated spells over Uttarakhand.

Previous Updates:

As per the latest estimate of USDA, sugar production is projected at 8.6 million tons, decrease by 572,000 ton from the previous month's prediction. The poor growing weather and forecasts for smaller beet and sugar cane crops have affected sugar production in the US. The US is planning to allow more imports of sugar so as to fulfil the demands from bakers, candy makers, and food manufacturers. The sugar is likely to be imported from Mexico, which has surplus sugar at present. The decision in this regard will be taken in December. India with export incentives this could get opportunity to export to US on subsidized prices.

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.

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 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.

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	336	-4.3

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri November 20, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	191120	12.69	12.81	12.68	12.75	0.06	50,098	489,116	-4,881
20-May	191120	12.81	12.92	12.81	12.87	0.05	15,692	171,234	-56
20-Jul	191120	12.95	13.04	12.93	13	0.06	9,763	120,779	2,515
20-Oct	191120	13.16	13.27	13.16	13.22	0.06	6,020	86,838	81
21-Mar	191120	13.7	13.81	13.7	13.75	0.05	3,153	49,317	931
21-May	191120	13.73	13.78	13.66	13.72	0.03	272	8,527	58
21-Jul	191120	13.69	13.75	13.62	13.69	0.02	341	8,313	53
21-Oct	191120	13.78	13.84	13.71	13.79	0.03	182	6,445	-21
Total Volume and Open Interest							85,622	943,514	-1,321

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri November 20, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	191120	336.4	338.7	336.1	336.6	0.6	7,187	52,869	-18
20-May	191120	344.1	345.7	343.1	343.5	-0.2	2,720	13,523	258
20-Aug	191120	350.3	352.1	349.7	350.1	unch	812	7,463	189
20-Oct	191120	355.4	356.7	354.6	354.9	0.1	335	3,094	114
20-Dec	191120	360.4	362.5	360.3	361.1	1.4	166	1,775	120
Total Volume and Open Interest							11,269	79,896	698

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			21-Nov-19	20-Nov-19	
Delhi	Delhi	M-Grade	3350	3400	-50
	Delhi	S-Grade	3330	3380	-50
Uttar Pradesh	Khatauli	M-Grade	3460	3420	40
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3330	3330	Unch
	Dhampur	S-Grade Ex-Mill	3310	3310	Unch
	Dhampur	L-Grade Ex-Mill	3380	3380	Unch
Maharashtra	Mumbai	M-Grade	3612	3596	16
	Mumbai	S-Grade	3280	3280	Unch
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3250	3250	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	3650	3650	Unch
Tamil Nadu	Chennai	S-Grade	3800	3800	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)			21-Nov-19	20-Nov-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2613	2600	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9000	8000	1000
	Muzaffarnagar	Khurpa (Fresh)	2413	2413	Unch
	Muzaffarnagar	Laddoo (Fresh)	2675	2713	-38
	Muzaffarnagar	Rascut (Fresh)	2063	2050	13

	Hapur	Chaurasa	2325	2325	Unch
	Hapur	Balti	2325	2313	13
Andhra Pradesh	Chittur	Gold	4900	4900	Unch
		White	4300	4300	Unch
		Black	NA	NA	-
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	3400	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	3550	-
	Mahalingapura	Penti (Average)	3340	3348	-8
	Mandya	Achhu (Medium)	3200	3210	-10
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2950	3050	-100
	Mandya	Yellow (Medium)	3300	3170	130
	Shimoga/Shivamogga	Achhu (Average)	3750	NA	-

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