

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

Mixed trend is seen in the sugar market across India on Friday. 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 lower at Rs.3410/q.

Mills have so far crushed 3.56 mln tn of cane and produced 325,000 tn of sugar. The average recovery of sugar has so far been 9.14%. According to the National Federation of Cooperative Sugar Factories Federation, so far, 74 mills in the country have started crushing cane this season. In Maharashtra, Of the total 195 mills in the state, only 105 mills have issued licences to crush cane so far. The lower cane availability in the state also likely to reduce cane crushing duration to 70-80 days against the usual of 140-150 days.

Brazil so far has produce around 408.54 billion litres of ethanol out of which around 1.19 billion litres have been exported till October'19 since start of the season in April'19 at an average price of 516 US\$/m³, the exports increased by around 17% compared to the previous year. Brazil's ethanol stocks reached 11.42 billion litres by 31st Oct'19, up 3.9 % from the same time last year and 4% more than on 15th Oct'19 this year. By 31st Oct last year, ethanol stocks in the country were at 10.99 billion litres. The monthly average price increased by 11% at 529 US\$/m³ which encouraged the exports.

Weather Forecast:

During the next 24 hours, light to moderate rain and thundershowers are expected at many places in Jammu and Kashmir, Ladakh, Himachal Pradesh and northern parts of Uttarakhand. There is a good possibility of snowfall as well in these places. Northwest India is likely to experience partly cloudy to cloudy sky with shallow to moderate fog during early morning hours. The latter part of the day will be bright, sunny and comfortable. Delhi is most likely to experience very poor pollution levels. Due to the presence of a trough, Tamil Nadu, Kerala and extreme southern parts of Karnataka south Andhra Pradesh will receive light to mod rain and thundershower.

Previous Updates:

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.

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.

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 21, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	191121	12.74	12.77	12.57	12.61	-0.14	42,565	489,200	84
20-May	191121	12.83	12.86	12.69	12.73	-0.14	19,967	170,288	-946
20-Jul	191121	12.97	12.97	12.81	12.85	-0.15	17,998	125,491	4,712
20-Oct	191121	13.19	13.19	13.03	13.07	-0.15	11,761	89,960	3,122
21-Mar	191121	13.7	13.7	13.58	13.62	-0.13	4,323	49,805	488
21-May	191121	13.67	13.68	13.58	13.61	-0.11	1,341	8,767	240
21-Jul	191121	13.63	13.64	13.54	13.6	-0.09	1,069	8,533	220
21-Oct	191121	13.71	13.74	13.64	13.71	-0.08	1,445	7,227	782
Total Volume and Open Interest							101,311	952,863	9,349

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri November 21, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	191121	336.6	338.6	333.9	334.3	-2.3	4,565	53,082	213
20-May	191121	343.5	344.8	340.6	340.8	-2.7	2,467	13,713	190
20-Aug	191121	349.5	351.2	347.3	347.4	-2.7	1,231	7,736	273
20-Oct	191121	354.2	355.6	352	352	-2.9	369	3,263	169
20-Dec	191121	360.7	362.3	358.2	358.2	-2.9	29	1,775	0
Total Volume and Open Interest							8,712	80,740	844

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			22-Nov-19	21-Nov-19	
Delhi	Delhi	M-Grade	3400	3350	50
	Delhi	S-Grade	3380	3330	50
Uttar Pradesh	Khatauli	M-Grade	3410	3460	-50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3310	3330	-20
	Dhampur	S-Grade Ex-Mill	3290	3310	-20
	Dhampur	L-Grade Ex-Mill	3360	3380	-20
Maharashtra	Mumbai	M-Grade	3612	3612	Unch
	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	3640	3650	-10
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)			22-Nov-19	21-Nov-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2575	2613	-38
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	9000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2325	2413	-88

	Muzaffarnagar	Laddoo (Fresh)	2675	2675	Unch
	Muzaffarnagar	Rascut (Fresh)	2063	2063	Unch
	Hapur	Chaurasa	2288	2325	-38
	Hapur	Balti	2300	2325	-25
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	3355	3400	-45
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3340	-
	Mandya	Achhu (Medium)	3100	3200	-100
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	3200	2950	250
	Mandya	Yellow (Medium)	2900	3300	-400
	Shimoga/Shivamogga	Achhu (Average)	NA	3750	-

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