

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

Indian Sugar market remained stronger by around Rs.10-20/q compared to previous day as the crushing started across India including Maharashtra this week. Around 2 lakh tonnes of sugar has been exported so far this season along with around 12 lakh tonnes of export contracts have been booked by the sugar mills in India. Overall the prices are expected to be steady due to lower demand. Kolhapur sugar market stood steady at Rs.3220/q and U.P's Khatauli market prices stood lower at Rs.3430/q.

U.S. sugar production have declined significantly due to adverse weather in both sugar beet and sugarcane regions. In the November 2019 WASDE Report, the U.S. sugar production projection declined by 524,000 short tons raw value to 13.55 STRV from the previous month, while ongoing weather concerns threaten further reductions. USDA intends to make an announcement between November 18 and December 10 as to quantity, type and source of additional sugar needed to ensure an adequate supply for the domestic market.

According to ISMA, as on 15th Nov'19, mills have crushed around 4.85 lakh tonnes in the current season 2019-20 sugar season as compared to 13.38 lakh tonnes sugar produced in the last season. Only 100 mills were crushing compared to 310 mills last year. In UP, 69 sugar mills have started the crushing operations for this season and they have produced 2.93 lac tons of sugar by 15th Nov'19. Whereas, during the same period last year in the same period, they had produced 1.76 lac tons till 15th Nov'18. Maharashtra has recently started the crushing operations this week, therefore, one of the reasons for lower crushing so far this season.

Weather Forecas

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:

Mills have so far crushed 3.56 mln tn of cane and produced 325,000 tn of sugar as against the reported numbers released by ISMA. 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 Daily Sugar & Gur Fundamental Report 26th Nov, 2019 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.

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.

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	unch

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri November 22, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	191122	12.63	12.87	12.62	12.83	0.22	43,268	485,095	-4,105
20-May	191122	12.73	12.73	12.73	12.92	0.19	19,666	171,308	1,020
20-Jul	191122	12.86	13.03	12.85	13	0.15	10,373	126,454	963
20-Oct	191122	13.07	13.23	13.07	13.02	0.13	9,993	92,148	2,188
21-Mar	191122	13.61	13.76	13.61	13.73	0.11	2,690	50,168	363
21-May	191122	13.6	13.73	13.6	13.71	0.1	637	8,904	137
21-Jul	191122	13.59	13.71	13.59	13.71	0.09	471	8,433	-100
21-Oct	191122	13.69	13.82	13.69	13.79	0.08	566	7,282	55
Total Volume and Open Interest							88,001	953,500	637

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri November 22, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change

London Sugar(LCE)									
19-Dec	191122	63.35	63.62	62.27	63.42	1.58	13,229	7,524	-10,453
20-Mar	191122	64.15	64.9	63.95	64.85	0.84	3,2843	124,913	-2,680
20-May	191122	65.29	65.99	65.12	65.94	0.8	5,545	3,1141	-604
20-Jul	191122	66.31	66.85	66.1	66.81	0.67	1,579	1,569	-46
20-Oct	191122	66.96	66.96	66.96	66.96	0.52	0	5	0
20-Dec	191122	66.88	67.06	66.47	67.04	0.48	553	24,299	-55
Total Volume and Open Interest							53,801	206,230	-13,842

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			25-Nov-19	23-Nov-19	
Delhi	Delhi	M-Grade	3400	3390	10
	Delhi	S-Grade	3380	3370	10
Uttar Pradesh	Khatauli	M-Grade	3430	3450	-20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3350	3340	10
	Dhampur	S-Grade Ex-Mill	3320	3310	10
	Dhampur	L-Grade Ex-Mill	3400	3390	10
Maharashtra	Mumbai	M-Grade	3612	3612	Unch
	Mumbai	S-Grade	3286	3280	6
	Nagpur	M-Grade	3345	3375	-30
	Nagpur	S-Grade	3245	3225	20
	Kolhapur	M-Grade	3220	3210	10
	Kolhapur	S-Grade	3120	3100	20
Assam	Guhawati	S-Grade	3430	3410	10
Meghalaya	Shillong	S-Grade	3440	3420	20
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	3950	4000	-50

	Dindigul	M-Grade	3650	3675	-25
	Coimbatore	M-Grade	3640	3650	-10
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	-25

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)			25-Nov-19	23-Nov-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2625	2590	35
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	10000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2313	2325	-13
	Muzaffarnagar	Laddoo (Fresh)	2625	2668	-43
	Muzaffarnagar	Rascut (Fresh)	1980	2063	-83
	Hapur	Chaurasa	Closed	2288	-
	Hapur	Balti	Closed	2300	-
Andhra Pradesh	Chittur	Gold	4800	4800	Unch
		White	4200	4100	100
		Black	3700	3700	Unch -
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3360	NA	-
	Gulbarga/Kalaburgi	Other (Average)	3550	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3050	3100	-50
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2900	2900	Unch
	Mandya	Yellow (Medium)	3050	3050	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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