

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

Indian Sugar market showed mixed trend compared to previous day as the sales quota released by the government stood higher against the previous month pressuring the prices. The higher production of sugar in UP also lead the prices down. Overall the prices are expected to be steady due to lower demand. Kolhapur sugar market stood steady at Rs.3200/q and U.P's Khatauli market prices stood weak at Rs.3330/q.

According to the trade sources, India exported around 3.27 LT in the month of October this year. It was reported that the sugar mills have exported all the old stock of the previous season. India exported largest quantity to Iran of around 1,01,586 tonnes in October at an average FOB \$338.03/MT followed by Somalia importing 1,00,322 tonnes at \$331.76/MT. Refined sugar exports to Sri Lanka, Sudan and Afghanistan also increased to 47,154 tonnes, 14,337 tonnes, and 11,124 tonnes. The export to Sri Lanka was at the cheapest price \$320.05/MT followed by Afghanistan (\$333.36/MT) and Sudan (\$339/MT).

According to Australian Sugar report released by Australian sugar milling council, the monthly crush in Nov'19 fall by 19% compared to the previous month to 43.33 lakh tonnes and the total crush reached 299.26 lakh tonnes (99.4%) total crush from the beginning of the season down by 7% in the same period last year as this year the country is facing from drought conditions. As a result, Australian sugar exports are also forecast to fall to 3.5 MMT in MY 2019-20, from 3.8 MMT in MY 2018-19.

Weather Forecast:

During the next 24 hours, subdued activities will continue over the south peninsula. Light scattered rains will be seen over Kerala, Tamil Nadu, Karnataka, and South Gujarat. Isolated spells will be seen over Rayalaseema, Madhya Maharashtra, Konkan, and Goa. Light rain with one or two moderate spells will be seen over Lakshadweep. Windspeed will be in moderate to strong along the west coast particularly over Karnataka, Maharashtra, Gujarat, and Lakshadweep. Sea conditions may also become rough for another 48 hours.

Previous Updates:

Maharashtra as started the crushing very late on 22nd Nov'19 has produced only 67,000 tonnes of sugar against 18.89 lakh tonnes in the previous year as on 30th Nov. Similarly, Karnataka is lagging behind by around 3 lakh tonnes producing 5.21 lakh tonnes as on 30th Nov'19 against 8.4 lakh tonnes till 30th Nov'18. Whereas, UP is leading in the sugar production this year by producing 10.81 lakh tonnes so far against 9.14 lakh tonnes during the same period in the previous year. Also, this year the number of sugar mills crushing the cane increased to 111 compared to 105 sugar mills in last year.

Sugarcane crush this year in Centre south region of Brazil has been increased by around 6% so far and total sugar produced around 26 million tonnes above 3% (from Apr'19 till 1st half of Nov'19) compared to the previous season due to the favourable weather conditions. Whereas most of the cane have been diverted to ethanol production (production increased by 8.4%) in the country to better and increased demand for ethanol. Therefore, this year the sugar: ethanol breakdown for MY 2019-20 is at 34.84 and 65.16 percent, respectively, compared to 35.77:64.23 percent for MY 2018-19. Also, the lower world sugar prices against the domestic prices, therefore, the overall ethanol exports of South-Central region have increased by around 12% till mid of Nov'19.

Recently, the government estimated the sugar production to decline by 18% to 273 lakh tonnes in the sugar season 2019-20. The total availability of sugar in the country is estimated to be about 413 Lakh MT as against the total domestic consumption of 260 LT including the carry over stock of 140LT of the last sugar season. In contrast, ICRA has revised its production estimates further down by 7.8% to 26 MMT from the earlier preliminary estimate of 28.2 MMT. The expected exports of 3.5 MMT in 2019-2020 as likely to improve the demand-supply situation in the domestic market, thus supporting the sugar prices in the near term due to lower production in India as well as globally.

According to the latest data released by ISMA, the sugar production reached 18.85 LT so far till 30th Nov'19 as against 40.69 LT in 2018-19 sugar season. 418 sugar factories were crushing sugarcane last year on 30th Nov'18, whereas only 279 sugar mills are crushing sugarcane on 30th Nov'19 this year. As per trade and market sources, about 15 lac tons of sugar have been contracted for exports, which includes contracts made with port based refiners by sugar mills. Major destinations for sugar exports are Iran, Sri Lanka, Afghanistan, and African countries.

ISO forecasts the global sugar deficit increases to 6.12 million tonnes from the earlier estimates of 4.76 million tonnes in September. The global sugar production is expected to total 170.4 million tonnes, down 3.12 per cent in 2019-20 compared to the prior season with the consumption might reach to 176.52 million tonnes, up 1.32 per cent. Sugar production by Brazil, the world's largest sugar producer, in 2019-20 will climb by +17.4% to 34.1 MMT, after production in 2018-19 (Apr-Mar) fell -17.2% to an 11-year low of 31.4 MMT.

Maharashtra started crushing at sluggish pace with 43 sugar mills so far has started crushing compared to 15 mills last week. So far, the state crushed 9.04 LMT sugarcane produced 6.67 lakh quintals of sugar with a recovery rate of 7.38%. The state is expected to produce around 56-60LT this season damage done due to floods and droughts occurred during Aug and September.

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	346.6	2.3

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri December 4, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	191204	12.89	13.1	12.88	13.06	0.2	75,483	475,994	-10,346
20-May	191204	12.95	13.14	12.95	13.1	0.18	25,738	194,708	725
20-Jul	191204	13.02	13.17	13	13.15	0.16	15,683	132,441	2,661
20-Oct	191204	13.2	13.33	13.19	13.32	0.14	8,129	102,257	778
21-Mar	191204	13.7	13.82	13.7	13.8	0.11	4,922	54,313	692
21-May	191204	13.66	13.74	13.64	13.72	0.09	1,311	10,859	132
21-Jul	191204	13.6	13.67	13.57	13.64	0.08	1,155	11,151	-53
21-Oct	191204	13.66	13.68	13.64	13.68	0.07	488	10,329	28
Total Volume and Open Interest							132,989	999,990	-5,364

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri December 4, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	191204	344.6	347.2	344	346.6	2	7,570	45,766	-1,126
20-May	191204	348.9	351.1	347.8	350.5	2	2,367	14,327	285
20-Aug	191204	354	355.8	352.8	355.4	2.2	666	8,259	-113
20-Oct	191204	357.7	359.2	356.7	359	2.1	211	3,490	66
20-Dec	191204	363	363	361.9	362.9	1.7	22	2,044	12
Total Volume and Open Interest							10,836	75,248	-876

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			5-Dec-19	4-Dec-19	
Delhi	Delhi	M-Grade	3250	3250	Unch
	Delhi	S-Grade	3230	3230	Unch
Uttar Pradesh	Khatauli	M-Grade	3330	3345	-15
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3210	3200	10
	Dhampur	S-Grade Ex-Mill	3190	3180	10
	Dhampur	L-Grade Ex-Mill	3260	3250	10
Maharashtra	Mumbai	M-Grade	3562	3560	2
	Mumbai	S-Grade	3270	3270	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	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3640	3640	Unch
Tamil Nadu	Chennai	S-Grade	3580	3580	Unch
	Dindigul	M-Grade	3560	3560	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)			5-Dec-19	4-Dec-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2625	Closed	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9000	Closed	-
	Muzaffarnagar	Khurpa (Fresh)	2335	Closed	-
	Muzaffarnagar	Laddoo (Fresh)	2675	Closed	-
	Muzaffarnagar	Rascut (Fresh)	2050	Closed	-

	Hapur	Chaurasa	2300	2250	50
	Hapur	Balti	2275	2250	25
Andhra Pradesh	Chittur	Gold	4500	4500	Unch
		White	4000	4100	-100
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4450	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3400	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3345	3345	Unch
	Mandya	Achhu (Medium)	2910	2870	40
	Mandya	Kurikatu (Medium)	2780	2740	40
	Mandya	Other (Medium)	2750	2700	50
	Mandya	Yellow (Medium)	2700	2800	-100
	Shimoga/Shivamogga	Achhu (Average)	3550	3350	200

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