

**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.

**Brazil is more concentrating in producing ethanol because the mills got better financial returns.** Plants in the main Brazilian sugar belt produced 786,000 tonnes of the sweetener early in November, 11% less than in the same period a year earlier, while ethanol output rose 19% to 1.29 billion liters. Around 120 mills had finished cane processing for the season by 16<sup>th</sup> Nov'19 compared with only 86 at this time last season. Mills allocated only 28% of the cane in the first half of November to sugar production, compared with 34% at this time last season.

**Weather Forecast:**

During the next 24 hours, scattered light to moderate rains will continue over coastal Tamil Nadu, with light rains over South Andhra Pradesh. Weather to be dry over rest parts of the country. Delhi pollution will be in poor to very poor with severe at few places.

**Previous Updates:**

**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.

**Maharashtra as started the crushing very late on 22<sup>nd</sup> Nov'19 has produced only 67,000 tonnes of sugar against 18.89 lakh tonnes** in the previous year as on 30<sup>th</sup> Nov. Similarly, Karnataka is lagging behind by around 3 lakh tonnes producing 5.21 lakh tonnes as on 30<sup>th</sup> Nov'19 against 8.4 lakh tonnes till 30<sup>th</sup> 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 Icumsa	347.3	0.7

## International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri December 6, 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>	191206	13.08	13.21	13.07	13.18	0.1	82,993	470,770	-4,270
<a href="#">20-May</a>	191206	13.13	13.27	13.13	13.23	0.09	28,376	199,147	1,255
<a href="#">20-Jul</a>	191206	13.21	13.32	13.19	13.28	0.08	18,774	135,770	1,054
<a href="#">20-Oct</a>	191206	13.38	13.48	13.37	13.45	0.08	9,691	103,425	1,321
<a href="#">21-Mar</a>	191206	13.87	13.94	13.87	13.92	0.06	4,481	55,302	899
<a href="#">21-May</a>	191206	13.79	13.85	13.78	13.83	0.05	1,134	11,336	273
<a href="#">21-Jul</a>	191206	13.74	13.77	13.69	13.75	0.05	959	11,278	72
<a href="#">21-Oct</a>	191206	13.77	13.8	13.75	13.78	0.05	904	10,897	490
Total Volume and Open Interest							147,979	1,006,310	1,330

## International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri December 6, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">20-Mar</a>	191206	346.3	348.7	346.1	347.5	2.2	6,922	44,369	-345
<a href="#">20-May</a>	191206	350.4	353.5	350.2	352.6	3.1	2,360	14,702	133
<a href="#">20-Aug</a>	191206	354.9	357.8	354.7	357.3	2.8	907	8,272	55
<a href="#">20-Oct</a>	191206	359.4	360.9	359.4	360.6	2.5	133	3,535	7
<a href="#">20-Dec</a>	191206	363	364.3	363	364.3	2	71	2,080	34
Total Volume and Open Interest							10,393	74,320	-116

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			7-Dec-19	6-Dec-19	
Delhi	Delhi	M-Grade	3250	3280	-30
	Delhi	S-Grade	3230	3260	-30
Uttar Pradesh	Khatauli	M-Grade	3330	3334	-4
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3215	3230	-15
	Dhampur	S-Grade Ex-Mill	3195	3210	-15
	Dhampur	L-Grade Ex-Mill	3265	3280	-15
Maharashtra	Mumbai	M-Grade	3566	3562	4
	Mumbai	S-Grade	3266	3266	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	3650	3640	10
Tamil Nadu	Chennai	S-Grade	3560	3580	-20
	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)			7-Dec-19	6-Dec-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2650	2638	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	8000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2370	2345	25
	Muzaffarnagar	Laddoo (Fresh)	2770	2713	58
	Muzaffarnagar	Rascut (Fresh)	2038	2050	-13

	Hapur	Chaurasa	2350	2300	50
	Hapur	Balti	2400	2275	125
Andhra Pradesh	Chittur	Gold	4300	4400	-100
		White	4000	3900	100
		Black	3300	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4450	4450	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3380	-
	Mandya	Achhu (Medium)	2910	2910	Unch
	Mandya	Kurikatu (Medium)	2780	2780	Unch
	Mandya	Other (Medium)	2650	2650	Unch
	Mandya	Yellow (Medium)	2800	2800	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3500	-

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