

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

Indian Sugar market showed steady to weak compared to previous day. 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 firm at Rs.3230/q and U.P's Khatauli market prices stood weak at Rs.3330/q.

As on 13th Dec'19, total 119 sugar mills has been crushing sugarcane in Uttar Pradesh against 116 mills during the correspond period previous year. So far, UP has crushed 13.59% more sugarcane around 189.2 LT against 166.57 LT in the previous year and produced 19.74 LT of sugar which is 12.22% higher due to the favorable conditions in the state this year. Whereas, the recovery declined slightly by around 1.23% to 10.43% from 10.56% in the same time previous year from the start of the season in Oct till 13th of December.

Weather Forecast:

During the next 24 hours, moderate to heavy rain and snow is expected to continue over hills of Western Himalayas. Scattered light to moderate rains will be seen over foothills of Punjab, North Haryana, northern parts of Uttar Pradesh, many parts of Bihar and a few places of Jharkhand and Tamil Nadu. Scattered rain and snow are expected over Sikkim and Arunachal Pradesh. Light rain at one or two places can be seen over Assam, coastal Andhra Pradesh and Kerala.

Previous Updates:

The lower availability of cane in southern states of India is affecting the production of jaggery in the market. The jaggery prices in Karnataka is prevailing higher around Rs.3450 to 3500/q up by Rs.100 to 200 during the same period last year. Some of the jaggery making units in Tamil Nadu said that by crushing one tonne of cane, they were able to get 80 kg of jaggery which was 100 kg earlier.

Sugarcane crush this year in Centre south region of Brazil has been increased by around 5.16% so far and total sugar produced around 26.4 million tonnes above 2.22% (from Apr'19 till 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 8.56%) in the country to better and increased demand for ethanol. Therefore, this year the sugar: ethanol breakdown for MY 2019-20 is at 34.61 and 65.39 percent, respectively, compared to 35.67 and 64.33 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 end of Nov'19.

The sugarcane growers claims that the cost of sugarcane is increased, therefore, farmers wanted the state government to hike SAP to around Rs.35-36/kg. But the state government has announced that there has been no increase in cane price for the second consecutive year. In a circular issued by the cane development department, the state government announced SAP (State Advisory Price) of sugarcane at Rs. 315/q (for normal variety of sugarcane). Likewise, SAP for low and high grades cane price are at Rs. 305 and Rs. 325/q, respectively.

Sugar prices in Pakistan shoot up in last few months as the country witnessed a sudden hike in sugar prices as in Ramzan it was available at Rs 54 per kg for the residents. Pakistan will not export sugar.

The sugar would now only be exported under the special conditions and not as a regular item on the export agenda. The government will consider exporting sugar after reviewing total production in this year and if sugar will be in surplus.

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 16th 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.

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 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.

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	354.3	2.4

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri December 13, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	191213	13.52	13.67	13.47	13.5	-0.02	81,050	456,544	-180
20-May	191213	13.57	13.7	13.53	13.56	-0.02	40,101	205,556	6,501
20-Jul	191213	13.64	13.74	13.59	13.62	-0.03	20,690	137,975	-1,902
20-Oct	191213	13.83	13.93	13.78	13.81	-0.04	13,776	108,910	-1,068
21-Mar	191213	14.29	14.36	14.23	14.27	-0.03	5,043	58,818	781
21-May	191213	14.18	14.23	14.11	14.15	-0.03	1,375	11,538	-6
21-Jul	191213	14.09	14.11	13.99	14.03	-0.04	1,087	12,071	96
21-Oct	191213	14.06	14.1	14.04	14.04	-0.03	769	13,680	-46
Total Volume and Open Interest							164,188	1,014,470	4,286

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri December 13, 2019									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	191213	355	357.5	354.6	355.3	1	5,324	42,365	414
20-May	191213	360	361.8	359.2	359.9	0.6	2,335	16,366	622
20-Aug	191213	364.7	366.5	364.4	364.9	0.9	471	9,012	103
20-Oct	191213	367.8	369.6	367.8	368.5	1.1	123	3,611	37
20-Dec	191213	372.3	372.3	372.2	372.2	0.9	31	2,181	0
Total Volume and Open Interest							8,306	74,920	1,181

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			14-Dec-19	13-Dec-19	
Sugar					
Delhi	Delhi	M-Grade	3230	3260	-30
	Delhi	S-Grade	3210	3240	-30
Uttar Pradesh	Khatauli	M-Grade	3330	3335	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3210	3230	-20
	Dhampur	S-Grade Ex-Mill	3190	3210	-20
	Dhampur	L-Grade Ex-Mill	3260	3280	-20
Maharashtra	Mumbai	M-Grade	3596	3590	6
	Mumbai	S-Grade	3270	3270	Unch
	Nagpur	M-Grade	3355	3325	30
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3230	3200	30
	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	3640	3640	Unch

	Vijayawada	S-Grade	3560	3580	-20
West Bengal	Kolkata	M-Grade	3620	3620	Unch
Tamil Nadu	Chennai	S-Grade	3560	3560	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/QtI)		Change
			14-Dec-19	13-Dec-19	
Jaggery(Gur)	Muzaffarnagar	Chaku Fresh	3040	3053	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	10000	-7000
	Muzaffarnagar	Khurpa (Fresh)	2688	2753	-65
	Muzaffarnagar	Laddoo (Fresh)	3100	3075	25
	Muzaffarnagar	Rascut (Fresh)	2225	2280	-55
	Hapur	Chaurasa	2625	Closed	-
	Hapur	Balti	2638	Closed	-
Andhra Pradesh	Chittur	Gold	4300	4300	Unch
		White	4200	4200	Unch
		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	NA	3390	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3378	-
	Mandya	Achhu (Medium)	NA	2900	-
	Mandya	Kurikatu (Medium)	NA	2700	-
	Mandya	Other (Medium)	NA	2730	-
	Mandya	Yellow (Medium)	NA	2870	-
Shimoga/Shivamogga	Achhu (Average)	NA	3700	-	

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