

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

**Indian Sugar market showed mixed trend 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.3250/q and U.P's Khatauli market prices stood weak at Rs.3320/q.

**Weather Forecast:**

During the next 24 hours, northerly cold winds will strengthen further over northwestern plains and will reach up to Central India. Thus, minimums may drop by two to three degree Celcius. Cold wave conditions may develop over northwestern plains. Hills may continue to observe cold wave conditions. The chilly effect will increase as the day progresses. Maximums will also remain below normal over northwestern plains. Moderate to dense fog is likely over the area. But as the winds are expected to strengthen, intensity may reduce. Towards afternoon, sky will become clear. Rain is likely in some parts of Chhattisgarh, Jharkhand, South Madhya Pradesh, Vidarbha, Marathwada and adjoining Madhya Maharashtra. Some rains may also occur in Arunachal Pradesh, Assam, Meghalaya, Nagaland, Tamil Nadu, South Andhra Pradesh, South Karnataka and Kerala.

**Previous Updates:**

**According to the latest crushing report of the Maharashtra Sugar Commissionerate, in sugar season 2019-20, 110 sugar mills (62 cooperative mills and 48 private mills) have commenced** sugarcane crushing in the state and by crushing 63.04 LMT sugarcane produced 57.14 lakh quintals of sugar with a recovery rate of 9.06 per cent as on 11th December 2019. The state is picking up the pace gradually after a late start and it is expected that the recovery rate would be lower compared to the previous year.

**In the recent meeting of sugar millers held in Kolhapur, mills decided to pay one-time FRP to the farmers this year instead of paying in installments.** As expected that the millers are in a position to earn profit as there is less sugarcane available this year and they can pay the farmers the additional amount of Rs.200 along with FRP which can be paid later on as per the farmer's demand. This decision has been taken with the expectation that the state government will announce the loan waiver to farmers by December end.

**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.

**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 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.***

***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.

## 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	351.7	-3.6

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

Daily Futures Price Listing Fri December 16, 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>	191216	13.45	13.58	13.22	13.29	-0.21	60,830	453,597	-2,947
<a href="#">20-May</a>	191216	13.5	13.63	13.31	13.38	-0.18	25,222	204,393	-1,163
<a href="#">20-Jul</a>	191216	13.58	13.68	13.4	13.47	-0.15	15,884	138,552	577
<a href="#">20-Oct</a>	191216	13.77	13.87	13.61	13.68	-0.13	8,413	109,112	202
<a href="#">21-Mar</a>	191216	14.2	14.31	14.1	14.18	-0.09	3,510	60,029	1,211
<a href="#">21-May</a>	191216	14.07	14.17	14	14.08	-0.07	809	11,578	40
<a href="#">21-Jul</a>	191216	14.03	14.05	13.9	13.99	-0.04	661	11,844	-227
<a href="#">21-Oct</a>	191216	14.04	14.05	13.92	14.02	-0.02	328	13,820	140
Total Volume and Open Interest							115,706	1,012,328	-2,142

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

Daily Futures Price Listing Fri December 16, 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>	191216	353.9	357.8	351.1	351.7	-3.6	5,428	42,026	-339
<a href="#">20-May</a>	191216	358.6	361.6	355.7	356.2	-3.7	1,157	16,298	-68
<a href="#">20-Aug</a>	191216	363.9	366.1	360.6	361.2	-3.7	349	9,077	65
<a href="#">20-Oct</a>	191216	368	368.4	364.9	365	-3.5	57	3,622	11
<a href="#">20-Dec</a>	191216	371.2	371.2	368.9	368.9	-3.3	4	2,181	0
Total Volume and Open Interest							6,995	74,589	-331

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			17-Dec-19	16-Dec-19	
Delhi	Delhi	M-Grade	3230	3250	-20
	Delhi	S-Grade	3210	3230	-20
Uttar Pradesh	Khatauli	M-Grade	3320	3325	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3185	3195	-10
	Dhampur	S-Grade Ex-Mill	3165	3175	-10
	Dhampur	L-Grade Ex-Mill	3235	3245	-10
Maharashtra	Mumbai	M-Grade	3596	3596	Unch
	Mumbai	S-Grade	3256	3260	-4
	Nagpur	M-Grade	3375	3275	100
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3250	3150	100
	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	3580	3580	Unch
West Bengal	Kolkata	M-Grade	3650	3650	Unch

Tamil Nadu	Chennai	S-Grade	4000	3850	150
	Dindigul	M-Grade	3870	3760	110
	Coimbatore	M-Grade	3850	3750	100
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)			17-Dec-19	16-Dec-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3153	3000	153
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	3000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2855	2750	105
	Muzaffarnagar	Laddoo (Fresh)	3180	3088	93
	Muzaffarnagar	Rascut (Fresh)	2275	2238	38
	Hapur	Chaurasa	2750	Closed	-
	Hapur	Balti	2725	Closed	-
Andhra Pradesh	Chittur	Gold	4700	4600	100
		White	4600	4300	300
		Black	NA	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	3362	-
	Mandya	Achhu (Medium)	2950	2950	Unch
	Mandya	Kurikatu (Medium)	2750	2750	Unch
	Mandya	Other (Medium)	2900	2800	100
	Mandya	Yellow (Medium)	3150	3100	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3500	-

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