

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

**Indian Sugar market showed steady 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 steady at Rs.3250/q and U.P's Khatauli market prices stood weak at Rs.3410/q.

**Although the sugar glut prevailed in last three years in India, this year the output is likely to set back and supporting the prices.** Brazil, one of the major producers in previous years have blamed India for causing a global sugar glut which has led to around 20% decline in prices. The major producing countries have lodged complaint against India's new export subsidy incentives to WTO. The WTO is unlikely to be able to resolve the issue quickly, and India is likely to export significant amounts again to reach the target of 6 million tonnes this sugar season.

**According to the trade sources, Maharashtra likely to finish crushing operations of flood damaged cane by the end of Jan'20.** In the next 30 days, about 70 per cent of the mills will complete their operations on account of lower cane availability. The cane grown over the 27,000 hectare has been damaged due to floods in the district, and till date, only cane grown on 4000 hectares have been crushed by the mills. Also the sugar mills in Maharashtra seek the government to increase the minimum selling price of sugar by Rs.200 to Rs.3300/q for the new season to take into consideration the finance cost or the depreciation cost.

**Weather Forecast:**

During the next 24 hours, Cold wave conditions will continue in Jammu and Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Delhi, Uttar Pradesh, North Rajasthan, North Madhya Pradesh and parts of Bihar along with moderate to dense layer of fog. The maximum and minimum temperature will start increasing after 18 to 24 hours. Light rain and thundershower with gusty winds will be affecting at scattered places in Madhya Maharashtra, Marathwada, South Andhra Pradesh, Karnataka, Tamil Nadu with isolated places in Kerala and Telangana.

**Previous Updates:**

**As on 27th Dec'19, total 119 sugar mills has been crushing sugarcane in Uttar Pradesh against 117mills during the correspond period previous year.** So far, UP has crushed 7.9% more sugarcane around 282.5 LT against 261.63 LT in the previous year and produced 30 LT of sugar which is 6.5% higher due to the favorable conditions in the state this year. Whereas, the recovery declined slightly by around 1.3% to 10.65% from 10.79% in the same time previous year from the start of the season in Oct till 27th of December.

**As on 19th Dec'19, total 119 sugar mills has been crushing sugarcane in Uttar Pradesh against 117mills during the correspond period previous year.** So far, UP has crushed 8.72% more sugarcane around 228.86 LT against 210.51 LT in the previous year and produced 24.12 LT of sugar which is 7.34% higher due to the favorable conditions in the state this year. Whereas, the recovery declined slightly by around 1.22% to 10.54% from 10.67% in the same time previous year from the start of the season in Oct till 19th of December.

***As on 15th Dec, total sugar production across reached around 45 LT by 406 mills so far this season which is around 35% less than the previous year. In 2018-19 during the same period, the country produced about 70LT of sugar by around 470 mills. In Maharashtra, 124 sugar mills are in operation and have produced 7.66 lakh tons of sugar compared to 29 LT in the previous season. Around 60 mills have produced 10.62 LT of sugar by Karnataka higher than Maharashtra while lower compared to the previous year.***

***According to Australian Sugar report released by Australian sugar milling council, the weekly crush in the week ending on 15th Dec'19 fell by 78% compared to the previous week to 21,196 lakh tonnes and the total crush reached 300.43 lakh tonnes (100%) and the total crush from the beginning of the season is 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.***

***This year the sugar exports in Brazil has been reported to be lower by around 11% exporting around 132 LT so far till November. In November, the country exported 194 LT up by 5% at an average price of \$289/t compared to the previous year exports of 185 LT at higher price \$293/t during the same period last year. South –central region exported most of the sugar from the country around 120 LT to the major importing countries to Algeria, China, Bangladesh, Nigeria and Saudi Arabia.***

***Maharashtra has crushed around 81.81 lakh tonnes of sugarcane producing only 76.63 lakh quintals of sugar due to lower recovery rate this year. The untimely and heavy rains in the state and droughts in other parts of the states have hit severely on the sugar recovery rate. Kolhapur division where the recovery rate used to be above 11% but this year in the first fortnight of the season, stood with an average recovery of 10%. Recoveries have declined to 9% in Pune division, 8% in Solapur, 7% in Aurangabad and the impact can be seen on the sugar production. Because of a 1% decrease in recovery, the mills end up losing 10 kg per tonne. But it is expected that the sugar recovery would improve due to cold weather in the coming days in the December end to January.***

***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.***

## 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	361.4	2.3

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

Daily Futures Price Listing Fri December 27, 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>	191227	13.48	13.6	13.42	13.54	0.1	23,964	436,447	-1,459
<a href="#">20-May</a>	191227	13.55	13.66	13.52	13.63	0.09	11,291	202,224	84
<a href="#">20-Jul</a>	191227	13.64	13.75	13.63	13.74	0.09	5,646	141,519	572
<a href="#">20-Oct</a>	191227	13.86	13.95	13.84	13.94	0.07	1,695	107,476	-3
<a href="#">21-Mar</a>	191227	14.34	14.39	14.32	14.39	0.05	550	60,822	-66
<a href="#">21-May</a>	191227	14.25	14.25	14.18	14.24	0.03	160	10,942	-54
<a href="#">21-Jul</a>	191227	14.14	14.14	14.07	14.13	0.03	103	11,758	-70
<a href="#">21-Oct</a>	191227	14.15	14.15	14.08	14.13	0.03	4	14,044	-1
Total Volume and Open Interest							43,417	995,824	-1,000

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

Daily Futures Price Listing Fri December 27, 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>	191227	358.6	361	358.6	361.4	2.3	4,014	39,807	-405
<a href="#">20-May</a>	191227	364.1	366.3	363.2	366	1.8	1,421	17,117	-24
<a href="#">20-Aug</a>	191227	368	370	367.5	368.5	1.2	380	9,891	96
<a href="#">20-Oct</a>	191227	370.3	371.1	370	371	0.7	95	3,836	69

<a href="#">20-Dec</a>	191227	372.2	373	370.8	373	-0.3	98	2,496	88
Total Volume and Open Interest							6,062	74,674	-196

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			30-Dec-19	28-Dec-19	
Delhi	Delhi	M-Grade	3350	3350	Unch
	Delhi	S-Grade	3330	3330	Unch
Uttar Pradesh	Khatauli	M-Grade	3410	3410	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3320	3315	5
	Dhampur	S-Grade Ex-Mill	3105	3100	5
	Dhampur	L-Grade Ex-Mill	3270	3365	5
Maharashtra	Mumbai	M-Grade	3570	3580	-10
	Mumbai	S-Grade	3300	3290	10
	Nagpur	M-Grade	3325	3325	Unch
	Nagpur	S-Grade	3260	3260	Unch
	Kolhapur	M-Grade	3250	3250	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	3640	3640	Unch
	Vijayawada	S-Grade	3595	3590	5
West Bengal	Kolkata	M-Grade	3680	3610	70
Tamil Nadu	Chennai	S-Grade	4150	4150	Unch
	Dindigul	M-Grade	3900	3900	Unch
	Coimbatore	M-Grade	3860	3860	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3620	3620	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)			30-Dec-19	28-Dec-19	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3300	3213	88

	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	13000	9000	4000
	Muzaffarnagar	Khurpa (Fresh)	3200	3138	63
	Muzaffarnagar	Laddoo (Fresh)	3550	3388	163
	Muzaffarnagar	Rascut (Fresh)	2550	2500	50
	Hapur	Chaurasa	Closed	3125	-
	Hapur	Balti	Closed	3350	-
Andhra Pradesh	Chittur	Gold	5500	5500	Unch
		White	4800	4800	Unch
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4450	NA	Unch
	Belgaum	Mudde (Average)	NA	2900	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	2950	2920	30
	Mandya	Kurikatu (Medium)	2850	2850	Unch
	Mandya	Other (Medium)	2850	2900	-50
	Mandya	Yellow (Medium)	3100	3150	-50
	Shimoga/Shivamogga	Achhu (Average)	3500	NA	-

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