

**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 low at Rs.3225/q and U.P's Khatauli market prices stood weak at Rs.3340/q.

**Sugarcane crush this year in Centre south region of Brazil has been increased by around 3.77%** so far and total sugar produced around 26.4 million tonnes above 0.67% (from Apr'19 till mid Dec'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 6.77%) in the country to better and increased demand for ethanol. Therefore, this year the sugar: ethanol breakdown for MY 2019-20 is at 34.51 and 65.49 percent, respectively, compared to 35.53 and 64.47 percent for MY 2018-19. Also, the lower world sugar prices against the domestic prices, therefore, the overall ethanol exports of in Brazil have increased by around 8% till end of Nov'19.

**Weather Forecast:**

During the next 24 hours, light to moderate rain and thundershowers will continue with one or two heavy spells over East Madhya Pradesh, Chhattisgarh, East Uttar Pradesh, Jharkhand, parts of Odisha, atfew places over Vidarbha, Telangana, coastal Andhra Pradesh, Bihar and Tamil Nadu. Rain and thundershower will increase over Northeast India. Isolated heavy spells are possible over here.

**Previous Updates:**

**As on 31st Dec, total sugar production across reached around 77.95 LT by 437 mills so far this season which is around 30% less than the previous year.** In 2018-19 during the same period, the country produced about 111LT of sugar by around 507 mills. In Karnataka, 63 sugar mills are in operation on 31stDecember'19, who have produced 16.33 LT of sugar, as compared to 21.03 LT produced by 65 sugar mills in 2018-19 sugar season on 31st December'18. In Gujarat, 15 sugar mills are operating for 2019-20 SS and they have produced 2.65 lac tons of sugar till 31st December'19 lower compared to 4.29 LT in the same period last year.

**In Kolhapur, the demand for Kolhapuri jaggery has not increased as traders are buying gur from Karnataka.** Currently the jaggery prices are hovering around Rs.3200-3800/q which has not increased with lower arrivals. The quality declined because of floods and untimely rainfall occurred in the district due to which prices are not rising. From 9th April'19 to 23rd Dec'19, total around 7 Lakh quintals have arrived in the market. During December, only 15 thousand quintals were being sent to Market committee while 25 thousand quintals were sent in the same period last year.

**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.

**As on 27th Dec'19, total 119 sugar mills has been crushing sugarcane in Uttar Pradesh against 117 mills 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 117 mills 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 fall 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.

## 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	352.7	-6.5

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri January 03, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">20-Mar</a>	200103	13.23	13.4	13.2	13.31	0.18	34,736	424,400	-3,628
<a href="#">20-May</a>	200103	13.38	13.49	13.31	13.39	0.15	14,375	204,358	-1,603
<a href="#">20-Jul</a>	200103	13.48	13.6	13.43	13.39	0.13	10,113	143,912	2,411
<a href="#">20-Oct</a>	200103	13.89	13.89	13.66	13.72	0.12	2,464	108,570	324
<a href="#">21-Mar</a>	200103	14.22	14.32	14.17	14.23	0.11	660	60,958	-182
<a href="#">21-May</a>	200103	14.1	14.22	14.1	14.13	0.11	173	10,916	2
<a href="#">21-Jul</a>	200103	14.11	14.11	14.03	14.04	0.1	154	11,900	98
<a href="#">21-Oct</a>	200103	14.11	14.14	14.07	14.07	0.1	1	14,096	0
Total Volume and Open Interest							62,678	989,858	-2,576

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri January 02, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">20-Mar</a>	200103	354.5	358.8	354.3	357.2	4.5	4,138	40,575	-57
<a href="#">20-May</a>	200103	360.2	364.1	360.1	362.7	4.5	1,600	19,882	481

<a href="#">20-Aug</a>	200103	364.9	368.2	364.1	366.4	3.5	320	10,199	-11
<a href="#">20-Oct</a>	200103	365	368.8	365	367.6	3.5	89	3,998	5
<a href="#">20-Dec</a>	200103	370.3	370.3	370.3	370.3	3.6	0	2,539	0
Total Volume and Open Interest							6,147	78,689	418

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			4-Jan-20	3-Jan-20	
Delhi	Delhi	M-Grade	3290	3290	Unch
	Delhi	S-Grade	3270	3270	Unch
Uttar Pradesh	Khatauli	M-Grade	3340	3340	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3260	3260	Unch
	Dhampur	S-Grade Ex-Mill	3240	3240	Unch
	Dhampur	L-Grade Ex-Mill	3310	3310	Unch
Maharashtra	Mumbai	M-Grade	3556	3556	Unch
	Mumbai	S-Grade	3296	3296	Unch
	Nagpur	M-Grade	3350	3350	Unch
	Nagpur	S-Grade	3250	3250	Unch
	Kolhapur	M-Grade	3225	3225	Unch
	Kolhapur	S-Grade	3125	3125	Unch
Assam	Guhawati	S-Grade	3436	3436	Unch
Meghalaya	Shillong	S-Grade	3445	3445	Unch
Andhra Pradesh	Vijayawada	M-Grade	3680	3680	Unch
	Vijayawada	S-Grade	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3680	3680	Unch
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)			4-Jan-20	3-Jan-20	

Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3025	3125	-100
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	18000	15000	3000
	Muzaffarnagar	Khurpa (Fresh)	2875	2913	-38
	Muzaffarnagar	Laddoo (Fresh)	3013	3188	-175
	Muzaffarnagar	Rascut (Fresh)	2300	2450	-150
	Hapur	Chaurasa	2450	2625	-175
	Hapur	Balti	2600	2775	-175
Andhra Pradesh	Chittur	Gold	5300	5300	Unch
		White	4600	4600	Unch
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	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	NA	-
	Mandya	Achhu (Medium)	3200	3160	40
	Mandya	Kurikatu (Medium)	2900	2900	Unch
	Mandya	Other (Medium)	3000	3050	-50
	Mandya	Yellow (Medium)	3120	3120	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3450	-

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