

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

**Indian Sugar market showed mixed trend compared to previous day across India.** Overall the prices are expected to be steady due to lower demand. Kolhapur sugar market stood high at Rs.3400/q as new stock has arrived in the market and U.P's Khatauli market prices stood weak at Rs.3355/q.

**Maharashtra has produced only 194.03 lakh quintals of sugar with an average recovery of 10.17% till the first week of January.** 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 around 12% at this period of time but this year the average sugar recovery stood at 11.21%. Recoveries have slightly increased to 10.39% in Pune division, 9.12% in Solapur, 9.29% in Ahmednagar, and 8.74% in Aurangabad and the impact can be seen on the sugar production. While the average recovery in Nanded stood slightly higher at 9.68% compared to Solapur, Ahmednagar and Aurangabad. As estimated earlier, the sugar recovery slightly improved due to cold weather in the coming days in January.

**As on 7<sup>th</sup> Jan'20, 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 7.73% more sugarcane around 355.94 LT against 330.41 LT in the previous year and produced 38.34 LT of sugar which is 6.38% higher due to the favorable conditions in the state this year. Whereas, the recovery declined slightly by around 1.28% to 10.77% against 10.91% in the same time previous year from the start of the season in Oct till 7<sup>th</sup> of January.

**Weather Forecast:**

During the next 24 hours, scattered rain and snow will continue in Jammu and Kashmir, Ladakh and Himachal Pradesh. Moderate to heavy rain and snow is expected in Uttarakhand until the afternoon of January 9. Rainfall activity will subside in Punjab, Haryana, Delhi, and Rajasthan, however, rains may intensify in Northwest Uttar Pradesh and will gradually cover most parts of East Uttar Pradesh, Jharkhand, parts of Bihar, Odisha and West Bengal. Light to moderate rain is likely in East Madhya Pradesh, Chhattisgarh, Vidarbha and parts of Telangana. Isolated light rain is likely in Tamil Nadu and Andhra Pradesh.

**Previous Updates:**

**Three sugar vessels named Behdokht, Dignity, and Jairan of 30,000 tonnes, 17,000 tonnes and 20,000 tonnes respectively have been loaded for export from Kandla and Jaigad port in the first week of January.** While vessels naming Best Adventure, Best Trader M, Capt Khaldoun and ABK Tiger are waiting at berth for loading at Kandla and Kakinada port of around 1 lakh tonnes of sugar which is likely to be exported soon from the ports.

**Two sugar mills in Maharashtra from Aurangabad and Ahmedabad district have closed the crushing operations earlier due to unavailability of cane in the area as well as labour.** Both the areas were effected with flood and drought, thereby, crushing around 1,790 tonne to 2,660 tonne of cane. It is expected that most of the mills will finish crushing by January end this year. According to the trade sources, in Kolhapur, the average recovery has improved and hovering around 11.3-11.6 as the weather is getting colder. From the start of crushing in November till 31<sup>st</sup> December, the average sugar recovery % in the State stood at 10% as against 10.5% in the same time last year.

**Brazil has produced around 31,954 million liters above 6.77% compared to the last year's production** during the same time till 2<sup>nd</sup> week of December. It is expected that the available stock ethanol would not be enough to fulfill the demands. The monthly ethanol sales in Center-South area crossed 2 billion liters in October for the first time. The average realization for ethanol is more compared to sugar exports, therefore, Brazil is focusing on converting more into ethanol instead of producing sugar.

**According to the trade sources, India exported around 1.11 LT in the month of November this year lower compared to the Oct'19 month.** It was reported that the sugar mills have contracted most the shipments for December and January as the crushing was delayed this season. India exported largest quantity to Iran of around 40,081 tonnes in November at an average FOB \$334.28/MT followed by Sri Lanka importing 24,307 tonnes at \$324.07/MT. Refined sugar exports to Sudan, Somalia and Afghanistan also increased to 11,843 tonnes, 10,470 tonnes, and 8,577 tonnes. The export to Afghanistan was at the cheapest price \$316.28/MT followed by Sudan (\$331.21/MT) and Somalia (\$332.01/MT).

**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.

**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 31st December'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.

## 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	361.3	-1.8

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

Daily Futures Price Listing Wed January 08, 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>	200108	13.69	13.74	13.41	13.47	-0.12	101,231	409,042	-5,331
<a href="#">20-May</a>	200108	13.8	13.8	13.5	13.56	-0.11	38,002	202,758	4,237
<a href="#">20-Jul</a>	200108	13.83	13.87	13.59	13.66	-0.1	23,763	146,228	1,573
<a href="#">20-Oct</a>	200108	14	14.05	13.8	13.86	-0.1	14,807	111,975	683
<a href="#">21-Mar</a>	200108	14.46	14.51	14.27	14.33	-0.09	6,362	63,836	2,820
<a href="#">21-May</a>	200108	14.36	14.36	14.14	14.18	-0.09	1,291	11,295	435
<a href="#">21-Jul</a>	200108	14.22	14.22	13.99	14.05	-0.08	1,097	12,184	310
<a href="#">21-Oct</a>	200108	14.16	14.17	13.97	14.04	-0.07	1,057	14,869	747
Total Volume and Open Interest							187,976	983,221	5,751

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

Daily Futures Price Listing Wed January 08, 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>	200108	365	365.8	360.6	361.3	-1.8	11,032	39,254	-249
<a href="#">20-May</a>	200108	369.2	370.6	365.5	366.2	-2.1	5,604	23,549	1,577
<a href="#">20-Aug</a>	200108	371.9	373.3	367.9	369.1	-2	1,376	10,318	190
<a href="#">20-Oct</a>	200108	372.5	374.4	369.3	370.5	-1.5	320	4,158	13
<a href="#">20-Dec</a>	200108	376	376.4	373.3	373.3	-1.6	22	2,540	4
Total Volume and Open Interest							18,365	81,332	1,546

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			9-Jan-20	8-Jan-20	
Delhi	Delhi	M-Grade	3350	3350	Unch
	Delhi	S-Grade	3330	3330	Unch
Uttar Pradesh	Khatauli	M-Grade	3355	3365	-10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3310	3320	-10
	Dhampur	S-Grade Ex-Mill	3290	3300	-10
	Dhampur	L-Grade Ex-Mill	3360	3370	-10
Maharashtra	Mumbai	M-Grade	3572	3580	-8
	Mumbai	S-Grade	3350	3360	-10
	Nagpur	M-Grade	3525	3525	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3400	3400	Unch
	Kolhapur	S-Grade	3200	3200	Unch
Assam	Guhawati	S-Grade	3512	3512	Unch
Meghalaya	Shillong	S-Grade	3520	3520	Unch
Andhra Pradesh	Vijayawada	M-Grade	3680	3680	Unch
	Vijayawada	S-Grade	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3620	3640	-20

Tamil Nadu	Chennai	S-Grade	3620	3620	Unch
	Dindigul	M-Grade	3640	3620	20
	Coimbatore	M-Grade	3640	3640	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)			9-Jan-20	8-Jan-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3053	3025	28
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	2000	2000
	Muzaffarnagar	Khurpa (Fresh)	2900	2975	-75
	Muzaffarnagar	Laddoo (Fresh)	3375	3450	-75
	Muzaffarnagar	Rascut (Fresh)	2375	2375	Unch
	Hapur	Chaurasa	3000	3000	Unch
	Hapur	Balti	2850	2938	-88
Andhra Pradesh	Chittur	Gold	5200	5200	Unch
		White	4600	4800	-200
		Black	3900	3800	100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	Unch
	Belgaum	Mudde (Average)	2950	2950	Unch
	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	3200	Unch
	Mandya	Kurikatu (Medium)	2900	2900	Unch
	Mandya	Other (Medium)	2900	2900	Unch
	Mandya	Yellow (Medium)	3150	3150	Unch
	Shimoga/Shivamogga	Achhu (Average)	3450	3500	-50

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## Daily Sugar & Gur Fundamental Report

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