

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

Indian Sugar market showed steady 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.3300/q as new stock has arrived in the market and U.P's Khatauli market prices stood weak at Rs.3350/q.

Few months earlier, Indonesia has announced to reduce down the import duties for raw sugar to import raw sugar from India against the deal that India will give priority to import palm oil from Indonesia. The sugar industry is waiting since last year for Indonesia to take action on relaxing norms for sugar import from India. But the sugar mills in India have commenced refining the raw sugar and it is already late to export raw sugar now. Also, according to the norms the imported raw sugar should have ICUMSA 1200 and above but India produces better quality of sugar of ICUMSA 400-800. Indonesia accepted and bought down the import duty but still haven't made changes in the quality norms. Therefore, exports to Indonesia in the current year becomes difficult while it will be a good opportunity to export sugar from India in the coming season.

According to the trade sources, India has exported around 2,57,000 tonnes of refined sugar from Indian ports (Kakinada & Kandla) in the month of December'19. Out of the total, 75,000 tonnes of sugar have been exported from Kakinada port while 1,82,600 tonnes of refined sugar have been exported through Kandla port. The major importing countries were Iran, Bangladesh, Somalia and Sri Lanka.

Weather Forecast:

During the next 24 hours, light to moderate rain or snowfall with gusty winds at many places, associated with heavy spells of rain and snowfall at isolated places is very likely in Jammu and Kashmir, Laddakh, Himachal Pradesh and Uttarakhand. Light to moderate rain or thundershower will affect scattered places in Punjab, Haryana, Delhi, North and West Uttar Pradesh, North and West Rajasthan with isolated places in Gujarat, Coastal parts of Tamil Nadu and Rayalseema.

Previous Updates:

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 7th 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 7th of January.

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 31st 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 2nd 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, Somlaia 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.

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	367.4	6.1

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri January 10, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	200110	13.69	14.12	13.63	14.07	0.36	74,101	405,447	-4,999
20-May	200110	13.75	14.09	13.68	14.07	0.31	36,491	203,864	95
20-Jul	200110	13.79	14.1	13.75	14.07	0.25	20,874	148,160	1,899
20-Oct	200110	14.02	14.23	13.94	14.21	0.21	10,259	113,739	-120
21-Mar	200110	14.42	14.6	14.4	14.59	0.14	5,615	65,602	616
21-May	200110	14.24	14.39	14.24	14.39	0.1	1,316	11,665	167
21-Jul	200110	14.19	14.22	14.15	14.21	0.06	1,281	12,819	233
21-Oct	200110	14.15	14.21	14.12	14.19	0.06	1,170	15,911	263
Total Volume and Open Interest							151,811	989,083	-1,709

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Fri January 10, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	200110	366.8	377.7	366.1	376.8	9.4	9,084	38,735	-382
20-May	200110	370.6	380.2	370.1	379.7	8.2	5,069	26,122	1,431
20-Aug	200110	372.1	380.7	371.6	380.2	7.1	1,322	10,825	281
20-Oct	200110	372.9	380.6	372.6	380.6	6.1	315	4,312	132
20-Dec	200110	378	383.3	376.9	383.3	5.7	69	2,597	46
Total Volume and Open Interest							15,867	84,131	1,513

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			13-Jan-20	11-Jan-20	
Delhi	Delhi	M-Grade	3350	3350	Unch
	Delhi	S-Grade	3330	3330	Unch
Uttar Pradesh	Khatauli	M-Grade	3350	3350	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3300	3300	Unch
	Dhampur	S-Grade Ex-Mill	3280	3280	Unch
	Dhampur	L-Grade Ex-Mill	3350	3350	Unch
Maharashtra	Mumbai	M-Grade	3580	3576	4
	Mumbai	S-Grade	3360	3360	Unch
	Nagpur	M-Grade	3425	3425	Unch
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3300	3300	Unch
	Kolhapur	S-Grade	3150	3150	Unch
Assam	Guhawati	S-Grade	3461	3461	Unch
Meghalaya	Shillong	S-Grade	3470	3470	Unch
Andhra Pradesh	Vijayawada	M-Grade	3680	3680	Unch
	Vijayawada	S-Grade	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3620	3620	Unch

Tamil Nadu	Chennai	S-Grade	3600	3620	-20
	Dindigul	M-Grade	3640	3640	Unch
	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)			13-Jan-20	11-Jan-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2918	2878	40
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	5000	-2000
	Muzaffarnagar	Khurpa (Fresh)	2778	2700	78
	Muzaffarnagar	Laddoo (Fresh)	3288	3288	Unch
	Muzaffarnagar	Rascut (Fresh)	2375	2375	Unch
	Hapur	Chaurasa	Closed	2650	-
	Hapur	Balti	Closed	2750	-
Andhra Pradesh	Chittur	Gold	5200	5200	Unch
		White	4300	4300	Unch
		Black	4000	4000	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	NA	-
	Belgaum	Mudde (Average)	NA	2950	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3150	3150	Unch
	Mandya	Kurikatu (Medium)	3000	2900	100
	Mandya	Other (Medium)	3000	2900	100
	Mandya	Yellow (Medium)	3250	3200	50
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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