

**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 unchanged at Rs.3300/q as new stock has arrived in the market and U.P's Khatauli market prices stood firm at Rs.3360/q.

**Thailand sugarcane production is expected to be lower down by 22% compared with the previous season due to bad weather conditions in 2109-20 season.** The drought and weak monsoon in Thailand's major cane producing regions during the crucial growing season would also lead to slower cane development and a reduction in sugar yield. The cane crushing usually starts between mid and end of November but delayed to the start of December this year. White and refined sugar exports for January-November dipped 4.62% (92.72LT) in the current year, while raw sugar exports fell by 4.8% due to the China's enforcement on cross-border movement of sugar from Taiwan and Myanmar. But Thailand is likely to gain support by the increasing demand from Indonesia after the government announced that industrial raw sugar import permits for 2019 would be reduced by 22% from the previous year to 2.8 MMT.

**In 2019-20 sugar season in Mexico, the sugar production declined by around 30% compared to the previous year at 74.44 LT with average sugar recovery of 9.24%** till the week ending in 4<sup>th</sup> of January'20 lower compared to 9.52% in 2018-19 during the same period last year. The sugar exports in December'19 reached 26,830 MT lower compared to 38,029 MT in November'19. The total exports from October'19 till 5<sup>th</sup> of January'20 reached 99,154MT lower by 41% which was 1.67LT in 2018-19 during the same period last year.

**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 Uttrakhand. 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:**

**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 commence 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.

**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.

**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).

## 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	Unch

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

Daily Futures Price Listing Mon January 13, 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>	200113	14.09	14.24	13.98	14.16	0.09	90,020	398,464	-6,983
<a href="#">20-May</a>	200113	14.06	14.2	13.97	14.15	0.08	48,572	207,767	3,903
<a href="#">20-Jul</a>	200113	14.06	14.18	13.97	14.14	0.07	23,316	149,562	1,402
<a href="#">20-Oct</a>	200113	14.2	14.29	14.1	14.27	0.06	11,396	113,875	136
<a href="#">21-Mar</a>	200113	14.56	14.61	14.46	14.6	0.01	8,051	66,639	1,037
<a href="#">21-May</a>	200113	14.35	14.38	14.24	14.36	-0.03	1,803	11,610	-55
<a href="#">21-Jul</a>	200113	14.2	14.2	14.06	14.14	-0.07	1,517	13,137	318
<a href="#">21-Oct</a>	200113	14.14	14.16	14.02	14.12	-0.07	972	16,060	149
Total Volume and Open Interest							186,708	989,568	485

## 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)									
<a href="#">20-Mar</a>	200113	377	385	376	383.2	6.4	13,073	38,086	-649
<a href="#">20-May</a>	200113	379.5	384.9	378.8	384.1	4.4	8,342	27,421	1,299
<a href="#">20-Aug</a>	200113	380	384.6	379.2	384.3	4.1	2,619	11,760	935
<a href="#">20-Oct</a>	200113	379.9	383.9	378.8	383.8	3.2	857	4,194	-118
<a href="#">20-Dec</a>	200113	383	385	380.8	385	1.7	438	2,697	100
Total Volume and Open Interest							25,537	85,854	1,723

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			14-Jan-20	13-Jan-20	
Delhi	Delhi	M-Grade	3325	3350	-25
	Delhi	S-Grade	3305	3330	-25
Uttar Pradesh	Khatauli	M-Grade	3360	3350	10
	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	3586	3580	6
	Mumbai	S-Grade	3380	3360	20
	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	3600	3620	-20

Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	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/QtI)		Change
Jaggery(Gur)			14-Jan-20	13-Jan-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2935	2918	18
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9000	3000	6000
	Muzaffarnagar	Khurpa (Fresh)	2850	2778	73
	Muzaffarnagar	Laddoo (Fresh)	3278	3288	-10
	Muzaffarnagar	Rascut (Fresh)	2400	2375	25
	Hapur	Chaurasa	2800	Closed	-
	Hapur	Balti	2700	Closed	-
Andhra Pradesh	Chittur	Gold	Closed	5200	-
		White	Closed	4300	-
		Black	Closed	4000	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	Unch
	Belgaum	Mudde (Average)	2950	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3418	-
	Mandya	Achhu (Medium)	3000	3150	-150
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2950	3000	-50
	Mandya	Yellow (Medium)	3200	3250	-50
	Shimoga/Shivamogga	Achhu (Average)	3550	3500	50

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