

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

Indian Sugar market showed steady to low trend compared to previous day across India. Overall the prices are expected to be steady due to lower demand. Kolhapur sugar market stood lower at Rs.3275/q as new stock has arrived in the market and U.P's Khatauli market prices stood slightly lower at Rs.3350/q.

As on 15th Jan'20, total sugar production across reached around 108.85 LT by 440 mills so far this season which is around 26% less than the previous year. In 2018-19 during the same period, the country produced about 147.4 LT of sugar by around 511 mills. Uttar Pradesh, the largest sugar producing state in India have produced 43.78 LT of sugar with an average sugar recovery of 10.83% whereas the recovery was 10.97% and producing 41.93 LT of sugar higher compared to the same period in last year. In Maharashtra, 139 sugar mills were in operation producing 25.52 LT of sugar lower by 55% that produced 57.25 LT in the last year. In Karnataka, 63 sugar mills are in operation on 15th January'20, who have produced 21.9 LT of sugar, as compared to 26.76 LT produced by 65 sugar mills in 2018-19 sugar season on 15th January'19. In Gujarat, 15 sugar mills are operating for 2019-20 SS and they have produced 3.72 LT of sugar till 15th January'20 lower compared to 5.42 LT in the same period last year.

Weather Forecast:

During the next 24 hours, intense rain/snow may occur in Uttarakhand and Himachal Pradesh. Scattered rain/snow is likely in Jammu-Kashmir and Ladakh. Light to moderate rain and thundershowers with a few heavy spells are likely in West Uttar Pradesh. Scattered light to moderate rain and thundershowers with isolated hailstorm are expected in North Madhya Pradesh.

Previous Updates:

As on 14th 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 9.13% more sugarcane around 391.37 LT against 358.62 LT in the previous year and produced 42.35 LT of sugar which is 7.90% higher due to the favorable conditions in the state this year. Whereas, the recovery declined slightly by around 1.19% to 10.82% against 10.95% in the same time previous year from the start of the season in Oct till 14th of January.

According to the USDA report, USA revised its sugar production estimates to 8.158 MMT from 8.28 MMT in 2019-20 sugar season, however, the production is estimated around 9% lower compared to the previous year's production. Subsequently, the estimates for imports have increased to 3.881MMT in January estimates from the Dec'19 estimates of 3.860 MMT and also higher compared to the previous year's imports of 3.070 MMT in 2018-19 sugar season.

Thailand sugarcane production is expected to be lower down by 22% compared with the previous season due to bad weather conditions in 2019-20 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 4th 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 5th of January'20 reached 99,154MT lower by 41% which was 1.67LT in 2018-19 during the same period last year.

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 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.

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	399	5.6

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu January 16, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	200116	14.51	14.58	14.32	14.43	-0.09	142,058	399,969	13
20-May	200116	14.48	14.52	14.3	14.38	-0.1	79,346	241,499	9,183
20-Jul	200116	14.43	14.47	14.27	14.34	-0.11	57,810	162,824	3,979
20-Oct	200116	14.5	14.54	14.36	14.42	-0.11	40,129	130,603	3,923
21-Mar	200116	14.78	14.82	14.68	14.74	-0.08	20,090	77,890	4,116
21-May	200116	14.46	14.48	14.37	14.44	-0.07	4,445	13,140	380
21-Jul	200116	14.18	14.2	14.1	14.18	-0.06	3,844	14,781	437
21-Oct	200116	14.19	14.19	14.06	14.14	-0.06	2,294	18,327	38
Total Volume and Open Interest							351,295	1,073,646	22,692

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thu January 16, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	200116	392.5	401.7	392.5	399	5.6	18,195	34,288	-2,510
20-May	200116	393	396.7	390.6	394.6	1.6	12,148	35,661	2,974
20-Aug	200116	391.3	394.5	389.2	392.4	0.7	4,795	15,645	1,063
20-Oct	200116	391	393	389.1	391.1	0.4	2,177	4,764	154
20-Dec	200116	392.6	394.5	390.9	392.5	0.2	1,481	3,842	570
Total Volume and Open Interest							39,301	96,072	2,399

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			17-Jan-20	16-Jan-20	
Delhi	Delhi	M-Grade	3330	3330	Unch
	Delhi	S-Grade	3310	3310	Unch
Uttar Pradesh	Khatauli	M-Grade	3350	3370	-20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3280	3320	-40
	Dhampur	S-Grade Ex-Mill	3260	3300	-40
	Dhampur	L-Grade Ex-Mill	3330	3370	-40
Maharashtra	Mumbai	M-Grade	3580	3580	Unch
	Mumbai	S-Grade	3380	3380	Unch
	Nagpur	M-Grade	3400	3425	-25
	Nagpur	S-Grade	3250	3175	75
	Kolhapur	M-Grade	3275	3300	-25
	Kolhapur	S-Grade	3125	3050	75
Assam	Guhawati	S-Grade	3436	3360	76
Meghalaya	Shillong	S-Grade	3445	3370	75
Andhra Pradesh	Vijayawada	M-Grade	3680	3680	Unch
	Vijayawada	S-Grade	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3670	3660	10

Tamil Nadu	Chennai	S-Grade	Closed	Closed	-
	Dindigul	M-Grade	3680	3680	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)			17-Jan-20	16-Jan-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2850	2863	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2000	8000	-6000
	Muzaffarnagar	Khurpa (Fresh)	2900	2825	75
	Muzaffarnagar	Laddoo (Fresh)	3375	3275	100
	Muzaffarnagar	Rascut (Fresh)	2363	2380	-18
	Hapur	Chaurasa	2800	2800	Unch
	Hapur	Balti	2775	2750	25
Andhra Pradesh	Chittur	Gold	Closed	Closed	-
		White	Closed	Closed	-
		Black	Closed	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4650	4650	Unch
	Belgaum	Mudde (Average)	NA	2950	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3351	3323	28
	Mandya	Achhu (Medium)	3020	3020	Unch
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	3000	2990	10
	Mandya	Yellow (Medium)	3280	3280	Unch
	Shimoga/Shivamogga	Achhu (Average)	3550	3500	50

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