

**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 higher at Rs.3300/q as new stock has arrived in the market and U.P's Khatauli market prices stood slightly lower at Rs.3310/q.

**Weather Forecast:**

During the next 24 hours, light to moderate rain and snowfall will continue at scattered places over Arunachal Pradesh. Light rain and snowfall will affect some places over Jammu and Kashmir, Himachal Pradesh, Uttarakhand, Assam, Nagaland as well as one two places over Punjab, and coastal parts of Tamil Nadu. Moderate to dense fog might appear at scattered places over Punjab, Haryana, Delhi, North Rajasthan, Uttar Pradesh, Bihar, North Jharkhand, Sub-Himalayan West Bengal, North Madhya Pradesh and at isolated places over Northeast states.

**Previous Updates:**

**As on 15<sup>th</sup> 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 15<sup>th</sup> 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 15<sup>th</sup> January'19. In Gujarat, 15 sugar mills are operating for 2019-20 SS and they have produced 3.72 LT of sugar till 15<sup>th</sup> January'20 lower compared to 5.42 LT in the same period last year.

**As on 14<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 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 14<sup>th</sup> 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 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.***

***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.***

**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	398.8	-0.20

### 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)									
<a href="#">20-Mar</a>	200117	14.46	14.5	14.34	14.45	0.02	95,806	396,524	-3,445
<a href="#">20-May</a>	200117	14.39	14.44	14.32	14.4	0.02	42,467	246,101	4,602
<a href="#">20-Jul</a>	200117	14.37	14.4	14.28	14.36	0.02	32,955	169,398	6,574
<a href="#">20-Oct</a>	200117	14.45	14.5	14.36	14.46	0.04	24,266	135,095	4,492
<a href="#">21-Mar</a>	200117	14.74	14.84	14.7	14.8	0.06	13,252	79,353	1,463
<a href="#">21-May</a>	200117	14.45	14.54	14.41	14.5	0.06	4,371	13,877	737
<a href="#">21-Jul</a>	200117	14.16	14.27	14.16	14.22	0.04	3,711	16,479	1,698
<a href="#">21-Oct</a>	200117	14.16	14.25	14.16	14.2	0.06	977	18,355	28
Total Volume and Open Interest							218,172	1,089,792	16,146

### 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)									
<a href="#">20-Mar</a>	200117	398.9	401	395.9	398.8	-0.2	13,568	32,327	-1,961
<a href="#">20-May</a>	200117	394.9	396.5	392.7	395.1	0.5	10,240	38,004	2,343
<a href="#">20-Aug</a>	200117	392.5	394	390.5	392.5	0.1	2,127	16,191	546
<a href="#">20-Oct</a>	200117	389.4	392.5	389.4	391.1	unch	795	4,702	-62
<a href="#">20-Dec</a>	200117	390.6	393.8	390.6	392.8	0.3	591	3,771	-71
Total Volume and Open Interest							27,773	97,172	1,100

DOMESTIC PRICES AND ARRIVAL

## Sugar Prices at Key Spot Markets:

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
			20-Jan-20	18-Jan-20	
Sugar					
Delhi	Delhi	M-Grade	3290	3320	-30
	Delhi	S-Grade	3270	3300	-30
Uttar Pradesh	Khatauli	M-Grade	3310	3350	-40
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3260	3280	-20
	Dhampur	S-Grade Ex-Mill	3240	3260	-20
	Dhampur	L-Grade Ex-Mill	3310	3330	-20
Maharashtra	Mumbai	M-Grade	3580	3580	Unch
	Mumbai	S-Grade	3380	3380	Unch
	Nagpur	M-Grade	3425	3400	25
	Nagpur	S-Grade	3275	3250	25
	Kolhapur	M-Grade	3300	3275	25
	Kolhapur	S-Grade	3150	3125	25
Assam	Guhawati	S-Grade	3461	3436	25
Meghalaya	Shillong	S-Grade	3470	3445	25
Andhra Pradesh	Vijayawada	M-Grade	3680	3680	Unch
	Vijayawada	S-Grade	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3660	3670	-10
Tamil Nadu	Chennai	S-Grade	3600	3600	Unch

	Dindigul	M-Grade	3680	3680	Unch
	Coimbatore	M-Grade	3640	3640	Unch
<b>Chattisgarh</b>	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)			20-Jan-20	18-Jan-20	
<b>Uttar Pradesh</b>	Muzaffarnagar	Chaku Fresh	2900	2900	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	4000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2875	2900	-25
	Muzaffarnagar	Laddoo (Fresh)	3275	3378	-103
	Muzaffarnagar	Rascut (Fresh)	2363	2375	-13
	Hapur	Chaurasa	Closed	2800	-
	Hapur	Balti	Closed	2775	-
<b>Andhra Pradesh</b>	Chittur	Gold	5100	NA	-
		White	4400	NA	-
		Black	4300	NA	-
<b>Maharashtra</b>	Latur	Lal Variety	NR	NR	-
<b>Karnataka</b>	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)	3330	NA	-
	Mandya	Achhu (Medium)	3200	NA	-
	Mandya	Kurikatu (Medium)	3100	NA	-
	Mandya	Other (Medium)	3250	NA	-
	Mandya	Yellow (Medium)	3400	NA	-
	Shimoga/Shivamogga	Achhu (Average)	3550	3500	50

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