

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

**Weather Forecast:**

*During the next 24 hours, we expect fairly widespread rain and snow over Jammu and Kashmir, Himachal Pradesh, Ladakh and Uttarakhand. Isolated rain activities may also occur over Northwest Uttar Pradesh, northern parts of Punjab and Haryana. Scattered light to moderate rains are likely over Assam, Meghalaya, Nagaland, Arunachal Pradesh as well as over parts of South Tamil Nadu and Kerala. Minimum temperatures will increase by two to three degrees over most parts of Northwest Plains due to commencement of easterly winds over West Uttar Pradesh, Punjab, Haryana, North Rajasthan.*

**Previous Updates:**

*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.*

*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 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*

*Daily Sugar & Gur Fundamental Report 22nd Jan, 2020 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.***

## 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	401.5	<b>2.7</b>

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri January 17, 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	0.4	3,711	16,479	1,698
<a href="#">21-Oct</a>	200117	14.16	14.25	14.16	14.2	0.6	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 Fri January 20, 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>	200120	399.8	404	399.2	401.5	2.7	15,423	34,038	1,711
<a href="#">20-May</a>	200120	394.7	400.3	394.7	398.7	3.6	11,109	39,628	1,624

<a href="#">20-Aug</a>	200120	392.7	397.4	392.7	396.5	4	4,651	18,273	2,082
<a href="#">20-Oct</a>	200120	389.1	394.6	389.1	393.8	2.7	1,014	4,753	51
<a href="#">20-Dec</a>	200120	394	395	392.1	394.4	1.6	520	3,720	-51
Total Volume and Open Interest							32,959	102,741	5,569

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			21-Jan-20	20-Jan-20	
Delhi	Delhi	M-Grade	3300	3290	10
	Delhi	S-Grade	3280	3270	10
Uttar Pradesh	Khatauli	M-Grade	3310	3310	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3265	3260	5
	Dhampur	S-Grade Ex-Mill	3245	3240	5
	Dhampur	L-Grade Ex-Mill	3315	3310	5
Maharashtra	Mumbai	M-Grade	3572	3580	-8
	Mumbai	S-Grade	3370	3380	-10
	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	3670	3660	10
Tamil Nadu	Chennai	S-Grade	4150	4100	50
	Dindigul	M-Grade	3825	3820	Unch
	Coimbatore	M-Grade	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3620	3600	20

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)			21-	20-	

			Jan-20	Jan-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2895	2900	-5
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	4000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2888	2875	13
	Muzaffarnagar	Laddoo (Fresh)	3288	3275	13
	Muzaffarnagar	Rascut (Fresh)	2450	2363	88
	Hapur	Chaurasa	2850	Closed	-
	Hapur	Balti	2750	Closed	-
Andhra Pradesh	Chittur	Gold	5200	5100	100
		White	4600	4400	200
		Black	4200	4300	-100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	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)	NA	3330	-
	Mandya	Achhu (Medium)	3250	3200	50
	Mandya	Kurikatu (Medium)	3200	3100	100
	Mandya	Other (Medium)	3300	3250	50
	Mandya	Yellow (Medium)	3400	3400	Unch
	Shimoga/Shivamogga	Achhu (Average)	3500	3550	-50

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