

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

Indian Sugar market showed steady to weak 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.3250/q as new stock has arrived in the market and U.P's Khatauli market prices stood steady at Rs.3310/q.

According to the trade sources, India exported around 4 LT of sugar in December month. The Indian mills have started exporting the sugar produced in the new season (2019-20) due to which the prices reported are slightly higher compared to the previous month November. Out of the total exports, largest quantity of refined sugar has been exported to Iran exporting 84,084 tonnes at an average FOB of \$365.73/MT followed by Afghanistan of 67,792 tonnes at an average FOB \$321.75/MT. Refined sugar has been exported to Middle Eastern countries including Somalia (57,816 tonnes at an average FOB \$323/MT), Sudan (38,554 tonnes at an average FOB \$329.57/MT), Saudi Arabia (22,309 tonnes at an average FOB \$343.85/MT). The export to Sri Lanka was at the cheapest price at an average \$323.03/MT (36,789 tonnes).

Weather Forecast:

During the next 24 hours, rain and snow is likely in many parts of Jammu and Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Arunachal Pradesh and in isolated pockets of Nagaland and Assam. Scattered rain is also possible in Madhya Pradesh and Chhattisgarh while isolated in Karnataka and Coastal Tamil Nadu. Northern districts of Punjab and Haryana may also receive light to moderate rain and thundershower activities.

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.

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	403	1.5

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri January 21, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	200121	14.5	14.59	14.4	14.55	0.01	91,572	395,485	-1,039
20-May	200121	14.42	14.52	14.34	14.49	0.09	41,357	248,928	2,827
20-Jul	200121	14.36	14.45	14.3	14.43	0.07	28,820	172,394	2,996
20-Oct	200121	14.44	14.55	14.4	14.54	0.08	25,425	136,849	1,754
21-Mar	200121	14.78	14.88	14.72	14.87	0.07	14,634	77,424	-1,929
21-May	200121	14.78	14.55	14.4	14.55	0.05	2,741	13,750	-127
21-Jul	200121	14.2	14.28	14.12	14.26	0.04	2,846	17,339	860
21-Oct	200121	14.21	14.24	14.14	14.22	0.02	1,564	18,778	423
Total Volume and Open Interest							209,541	1,095,681	5,889

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri January 21, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	200121	399.8	403.4	398.5	403	1.5	10,159	34,685	647
20-May	200121	395.7	399.7	394.6	399.5	0.8	6,834	41,190	1,562

20-Aug	200121	395.8	396.5	392.2	396.4	-0.1	2,087	18,806	533
20-Oct	200121	389.4	393.9	390.4	393.7	-0.1	584	4,893	140
20-Dec	200121	393.9	394.9	390.8	394.9	0.5	265	3,753	33
Total Volume and Open Interest							20,142	105,791	3,050

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/QtI)		Change
Sugar			22-Jan-20	21-Jan-20	
Delhi	Delhi	M-Grade	3300	3300	Unch
	Delhi	S-Grade	3280	3280	Unch
Uttar Pradesh	Khatauli	M-Grade	3310	3310	Unch
	Ramala	M-Grade	NA	NA	
	Dhampur	M-Grade Ex-Mill	3265	3265	Unch
	Dhampur	S-Grade Ex-Mill	3245	3245	Unch
	Dhampur	L-Grade Ex-Mill	3315	3315	Unch
Maharashtra	Mumbai	M-Grade	3572	3572	Unch
	Mumbai	S-Grade	3370	3370	Unch
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3250	3275	-25
	Kolhapur	M-Grade	3250	3300	-50
	Kolhapur	S-Grade	3125	3150	-25
Assam	Guhawati	S-Grade	3436	3461	-25
Meghalaya	Shillong	S-Grade	3445	3470	-25
Andhra Pradesh	Vijayawada	M-Grade	3680	3680	Unch
	Vijayawada	S-Grade	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3670	3670	Unch
Tamil Nadu	Chennai	S-Grade	4150	4150	Unch
	Dindigul	M-Grade	3825	3825	Unch
	Coimbatore	M-Grade	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3620	3620	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)			22-	21-	

			Jan-20	Jan-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2903	2895	8
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	6000	4000	2000
	Muzaffarnagar	Khurpa (Fresh)	2933	2888	45
	Muzaffarnagar	Laddoo (Fresh)	3313	3288	25
	Muzaffarnagar	Rascut (Fresh)	2465	2450	15
	Hapur	Chaurasa	2925	2850	75
	Hapur	Balti	2825	2750	75
Andhra Pradesh	Chittur	Gold	5200	5200	Unch
		White	4800	4600	200
		Black	4100	4200	-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	3358	-
	Mandya	Achhu (Medium)	3230	3250	-20
	Mandya	Kurikatu (Medium)	3270	3200	70
	Mandya	Other (Medium)	3200	3300	-100
	Mandya	Yellow (Medium)	3390	3400	-10
	Shimoga/Shivamogga	Achhu (Average)	3600	3500	100

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