

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 lower at Rs.3290/q.

Malaysia's leading refined sugar producer, MSM Malaysia Holdings Berhad (MSM) has asked for around 1.3 LT of raw sugar worth nearly RM 200 million in three shipments between January to February. Also the organization has announced that they have procured over 9 LT of raw sugar in 2019 from various producing countries including India. According to MSM, the acceptable quality and competitive freight cost of raw sugar produced from India, provides added-value and advantages for MSM to ensure a sustainable supply of best quality raw sugar stock for all of its refineries. Therefore, the India has the smooth way to export its sugar to one of the importers.

Weather Forecast:

During the next 24 hours, light to moderate rain and snow with an isolated heavy spell is expected in Arunachal Pradesh. While scattered rain and thundershower are likely in Assam and Nagaland. Isolated light rain and snow are expected in Jammu and Kashmir, Ladakh and Himachal Pradesh. The weather will remain dry over rest parts of the country. Moderate to strong north-westerlies will further drop the minimums in Northwest, Central, and East India. Cold day conditions are expected at isolated pockets of West Uttar Pradesh, Punjab, and Haryana.

Previous Updates:

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).

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 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.

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	403.8	-3.2

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu January 23, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	200123	14.66	14.9	14.5	14.57	-0.09	79,324	400,521	3,389
20-May	200123	14.57	14.75	14.41	14.47	-0.1	29,740	255,021	4,893
20-Jul	200123	14.47	14.62	14.34	14.38	-0.1	24,055	175,296	1,757
20-Oct	200123	14.51	14.66	14.41	14.46	-0.09	19,525	144,844	4,582
21-Mar	200123	14.85	15	14.77	14.83	-0.07	8,434	78,832	1,438
21-May	200123	14.51	14.63	14.48	14.53	-0.04	2,283	14,317	651
21-Jul	200123	14.24	14.34	14.21	14.28	unch	1,929	18,065	482
21-Oct	200123	14.19	14.27	14.16	14.26	0.03	468	19,210	217
Total Volume and Open Interest							166,169	1,121,428	17,675

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thu January 23, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	200123	405.5	411.5	403.2	403.8	-3.2	5,157	34,633	-90
20-May	200123	400.3	406.2	398.5	399	-2.3	5,253	42,371	927
20-Aug	200123	395	401.3	394.9	395.4	-2.3	1,865	19,085	229
20-Oct	200123	393.9	397.5	392.1	392.6	-2.3	753	5,333	247
20-Dec	200123	395	397.6	393.5	393.8	-2.6	495	3,892	94
Total Volume and Open Interest							13,696	107,809	1,435

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			24-Jan-20	23-Jan-20	
Delhi	Delhi	M-Grade	3280	3280	Unch
	Delhi	S-Grade	3260	3260	Unch
Uttar Pradesh	Khatauli	M-Grade	3290	3290	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3240	3240	Unch
	Dhampur	S-Grade Ex-Mill	3220	3220	Unch
	Dhampur	L-Grade Ex-Mill	3290	3290	Unch
Maharashtra	Mumbai	M-Grade	3572	3572	Unch
	Mumbai	S-Grade	3356	3366	-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	3660	3680	-20

	Vijayawada	S-Grade	3600	3620	-20
West Bengal	Kolkata	M-Grade	3680	3670	10
Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	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)			24-Jan-20	23-Jan-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2875	2900	-25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	9000	1000
	Muzaffarnagar	Khurpa (Fresh)	2563	2750	-188
	Muzaffarnagar	Laddoo (Fresh)	2950	3200	-250
	Muzaffarnagar	Rascut (Fresh)	2338	2338	Unch
	Hapur	Chaurasa	2588	2913	-325
	Hapur	Balti	2588	2700	-113
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	4800	4800	Unch
		Black	4200	4200	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	3250	4600	-1350
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3350	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3397	-
	Mandya	Achhu (Medium)	3250	3250	Unch
	Mandya	Kurikatu (Medium)	3300	3330	-30
	Mandya	Other (Medium)	3250	3270	-20
	Mandya	Yellow (Medium)	3350	3310	40
	Shimoga/Shivamogga	Achhu (Average)	3550	3550	Unch

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