

**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 lower at Rs.3250/q as new stock has arrived in the market and U.P's Khatauli market prices stood higher at Rs.3300/q.*

*As on 24<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 4.92% more sugarcane around 459.41 LT against 437.88 LT in the previous year and produced 49.91 LT of sugar which is 3.29% higher due to the favorable conditions in the state this year as the area increased. Whereas, the recovery declined slightly by around 1.54% to 10.86% against 11.03% in the same time previous year from the start of the season in Oct till 24<sup>th</sup> of January.*

*The sugar prices have hiked by Rs.10/kg in Pakistan domestic market within one week from Rs.64/kg to Rs.74/kg. The shortage of sugar led to the rise in prices and the government has demanded to stop exporting the sugar. As, the export of one million tons of sugar is the reason behind a shortage of sweetener. Similarly the exports in Ukraine also declined and exported around 2.3 lakh tonnes in 2019. As the production dropped by 19 per cent this season (2019-20) compared with last year to 1.48 million tonnes.*

**Weather Forecast:**

*During the next 24 hours, isolated light rain and snow is likely in Jammu and Kashmir, Himachal Pradesh, Ladakh and Uttarakhand. Light rain is also expected at few places in Assam. Isolated places in Arunachal may observe snowfall. Dry weather conditions are likely to prevail in the rest of the country.*

**Previous Updates:**

*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.*

*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 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.

## 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 Fri January 24, 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>	200124	14.57	14.69	14.26	14.39	-0.18	100,245	396,937	-3,584
<a href="#">20-May</a>	200124	14.47	14.55	14.19	14.32	-0.15	71,295	261,321	6,300
<a href="#">20-Jul</a>	200124	14.33	14.45	14.12	14.26	-0.12	48,897	177,925	2,629
<a href="#">20-Oct</a>	200124	14.41	14.51	14.22	14.38	-0.08	36,907	146,493	1,649
<a href="#">21-Mar</a>	200124	14.76	14.85	14.59	14.78	-0.05	15,696	78,962	130
<a href="#">21-May</a>	200124	14.46	14.56	14.31	14.5	-0.03	2,013	14,466	149
<a href="#">21-Jul</a>	200124	14.25	14.29	14.05	14.25	-0.03	1,863	18,455	390
<a href="#">21-Oct</a>	200124	14.22	14.24	14.04	14.22	-0.04	1,331	19,616	406
Total Volume and Open Interest							278,658	1,129,379	7,951

## International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Fri January 24, 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>	200124	405.5	406.7	398	401.3	-2.5	12,434	35,211	578
<a href="#">20-May</a>	200124	401.2	401.9	394.4	396.8	-2.2	8,602	44,563	2,192
<a href="#">20-Aug</a>	200124	397.4	398.3	390.6	392.9	-2.5	2,020	19,511	426
<a href="#">20-Oct</a>	200124	394.4	394.5	388.2	390.3	-2.3	1,541	6,008	675
<a href="#">20-Dec</a>	200124	395.8	396	390	392.2	-1.6	1,261	4,224	332
Total Volume and Open Interest							26,120	112,184	4,375

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			25-Jan-20	24-Jan-20	
Delhi	Delhi	M-Grade	3280	3280	Unch
	Delhi	S-Grade	3260	3260	Unch
Uttar Pradesh	Khatauli	M-Grade	3300	3290	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3250	3240	10
	Dhampur	S-Grade Ex-Mill	3230	3220	10
	Dhampur	L-Grade Ex-Mill	3300	3290	10
Maharashtra	Mumbai	M-Grade	3572	3572	Unch
	Mumbai	S-Grade	3362	3356	6
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3225	3275	-50
	Kolhapur	M-Grade	3250	3300	-50
	Kolhapur	S-Grade	3100	3150	-50
Assam	Guhawati	S-Grade	3410	3461	-51
Meghalaya	Shillong	S-Grade	3420	3470	-50
Andhra Pradesh	Vijayawada	M-Grade	3640	3660	-20
	Vijayawada	S-Grade	3580	3600	-20
West Bengal	Kolkata	M-Grade	3680	3680	Unch

Tamil Nadu	Chennai	S-Grade	3580	3600	-20
	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)			25-Jan-20	24-Jan-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2950	2875	75
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	10000	-3000
	Muzaffarnagar	Khurpa (Fresh)	2625	2563	63
	Muzaffarnagar	Laddoo (Fresh)	3050	2950	100
	Muzaffarnagar	Rascut (Fresh)	2388	2338	50
	Hapur	Chaurasa	2588	2588	Unch
	Hapur	Balti	2525	2588	-63
Andhra Pradesh	Chittur	Gold	4900	NA	-
		White	4700	4800	-100
		Black	4100	4200	-100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	3250	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3350	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3200	3250	-50
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	3100	3250	-150
	Mandya	Yellow (Medium)	3300	3350	-50
	Shimoga/Shivamogga	Achhu (Average)	NA	3550	-

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