

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

Indian Sugar market showed steady trend compared to previous day across India. Overall the prices are expected to be steady due to lower demand. Kolhapur sugar market stood weaker at Rs.3200/q as new stock has arrived in the market and U.P's Khatauli market prices stood steady at Rs.3300/q.

Bangladesh imports large amount of raw sugar to fulfill its demand of 1.4 million tonnes annually. Bangladesh Sugar and Food Industries Corporation is seeking to import 100,000 tonnes of sugar in a tender to secure supplies for the Muslim fasting month of Ramadan. Mostly Bangladesh imports most the raw sugar from Brazil. Because of the government released export incentive quota India can also have an opportunity to export raw sugar to Bangladesh.

ISO forecasts the global sugar deficit increases to 6.12 million tonnes from the earlier estimates of 4.76 million tonnes in September. The global sugar production is expected to total 170.4 million tonnes, down 3.12 per cent in 2019-20 compared to the prior season with the consumption might reach to 176.52 million tonnes, up 1.32 per cent. Sugar production by Brazil, the world's largest sugar producer, in 2019-20 will climb by +17.4% to 34.1 MMT, after production in 2018-19 (Apr-Mar) fell -17.2% to an 11-year low of 31.4 MMT.

Weather Forecast:

During the next 24 hours, light rain is likely in some parts of Odisha, South Chhattisgarh, Andhra Pradesh, Telangana, Tamil Nadu and in one or two pockets of Kerala, Karnataka, Marathwada and South Madhya Maharashtra. Light rain is expected in some parts of Tripura, Manipur, Mizoram and Arunachal Pradesh. One or two pockets of Nagaland and upper Assam may also experience the same. Shallow to moderate fog is likely in Punjab, Haryana, Delhi, West Uttar Pradesh and parts of Northeast India. Cold wave-like conditions may occur in some parts of Punjab, Haryana and North Rajasthan during the next 24 hours.

Previous Updates:

Sugar production in Thailand for the season 2019-20 is estimated to be less by 4 million tonnes compared with last season. According to the reports, Thailand's 2019-20 sugar production will be the lowest in 9 years. Sugar output is expected to fall 28 per cent to 10.5 million tonnes in the current crop season. The crushing season in Thailand lasts for 120 days but this season it is likely to last from 1st Dec'19 to mid Feb'20. Overall Thailand sugar exports also declined by around 6% compared to the previous year. Raw sugar as well as refined sugar exports declined by 9% and 5% respectively in 2019 till (Jan'19-Dec'19) whereas the white sugar exports rose significantly by 17% to 7.19 LT till Dec'19 from Jan'19.

South-Central region of Brazil has produced around 32,207 million liters of ethanol above 6.6% compared to the last year's production during the same time till 2nd week of January while the overall ethanol production in the country produced 64,414 million liters of total ethanol. It is expected that the available stock ethanol would not be enough to fulfill the demands. The monthly ethanol sales in Center-South area crossed 2 billion liters in October for the first time. The average realization for ethanol is more compared to sugar exports, therefore, Brazil is focusing on converting more into ethanol instead of producing sugar.

According to ISMA as on 31st Jan'20, total sugar production across reached around 141.12 LT by 446 mills so far this season which is around 24% less than the previous year. In 2018-19 during the same period, the country produced about 185.59 LT of sugar by around 520 mills. Uttar Pradesh, the largest sugar producing state in India have produced 54.96 LT of sugar with an average sugar recovery of 10.9% whereas the recovery was 11.05% and producing 52.86 LT of sugar lower compared to the same period in last year. In Maharashtra, 140 sugar mills were in operation producing 34.64 LT of sugar (with an average sugar recovery 10.6%) lower by 51% that produced 70.99 LT with an average sugar recovery 10.8% in the last year. In Karnataka, 62 sugar mills are in operation on 31st January'20, who have produced 27.94 LT of sugar, as compared to 33.76 LT produced by 117 sugar mills in 2018-19 sugar season during the same period last year. In Gujarat, 15 sugar mills are operating for 2019-20 SS and they have produced 4.87 LT of sugar till 31st January'20 lower compared to 6.66 LT in the same period last year.

As on 3rd Feb'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 7.25% more sugarcane around 523.39 LT against 488.01 LT in the previous year and produced 57.07 LT of sugar which is 5.63% higher due to the favorable conditions in the state this year as the area increased. Whereas, the average sugar recovery remained steady compared to the previous month at 10.9% but around 1.5% lower at 11.07% in the same time previous year from the start of the season in Oct till 3rd Feb'20.

Sugar production in Thailand for the season 2019-20 is estimated to be less by 4 million tonnes as compared with last season. According to the reports, Thailand's 2019-20 sugar production will be the lowest in 9 years. Sugar output is expected to fall 28 per cent to 10.5 million tonnes in the current crop season. The crushing season in Thailand lasts for 120 days but this season it will last from December 1 to February 8.

Government fixed the monthly sugar sales quota as 20LT for February month to 543 mills lower by 2 LT compared to the previous month that stood at 22 LT. Also, the allocated quota is 1 LT lower at 21LT in the same time previous year. In the previous month, the sugar millers have reported that there was moderate demand due to higher stock piles and lower sugar production this year. The millers are holding their stock and waiting for the prices to rise and demand to increase.

As on 28th Jan'20, total sugar production across reached around 134.9 LT by 441 mills so far this season which is around 24.2% less than the previous year. In 2018-19 during the same period, the country produced about 178.2 LT of sugar by around 514 mills. Uttar Pradesh, the largest sugar producing state in India have produced 52.8 LT of sugar with an average sugar recovery of 10.9% whereas the recovery was 11.05% and producing 51.05 LT of sugar lower compared to the same period in last year. In Maharashtra, 140 sugar mills were in operation producing 32.9 LT of sugar (with an average sugar recovery 10.6%) lower by 52% that produced 68.05 LT with an average sugar recovery 10.8% in the last year. In Karnataka, 62 sugar mills are in operation on 28th January'20, who have produced 26.9 LT of sugar, as compared to 32.15 LT produced by 65 sugar mills in 2018-19 sugar season during the same period last year. In Gujarat, 15 sugar mills are operating for 2019-20 SS and they have produced 4.65 LT of sugar till 28th January'20 lower compared to 7.05 LT in 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	414	0.4

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri February 07, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	200207	14.75	15	14.69	14.92	0.18	66,754	363,878	-4,279
20-May	200207	14.54	14.76	14.5	14.69	0.15	55,716	293,260	1,554
20-Jul	200207	14.45	14.62	14.41	14.59	0.14	28,800	208,923	4,413
20-Oct	200207	14.42	14.58	14.39	14.56	0.11	12,084	164,800	2,005
21-Mar	200207	14.66	14.79	14.6	14.78	0.07	5,606	87,458	266
21-May	200207	14.24	14.34	14.16	14.32	0.02	1,410	17,946	264
21-Jul	200207	13.9	13.98	13.79	13.93	-0.03	935	25,321	271
21-Oct	200207	13.83	13.91	13.73	13.84	-0.06	642	25,401	355
Total Volume and Open Interest							172,229	1,204,292	4,963

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Fri February 07, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	200207	414	429.9	414	428.1	14.1	8,925	32,496	-2,114
20-May	200207	408.9	418.8	408	416.2	8.5	11,015	50,941	2,284
20-Aug	200207	402.3	408.9	402	407.4	5.1	3,369	30,268	1,527
20-Oct	200207	396.9	401	396.9	400.9	3.6	548	8,663	152
20-Dec	200207	396	399.9	396	399.5	2.5	472	5,378	164
Total Volume and Open Interest							24,452	131,457	2,049

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Feb-20	7-Feb-20	
Delhi	Delhi	M-Grade	3250	3250	Unch
	Delhi	S-Grade	3230	3230	Unch
Uttar Pradesh	Khatauli	M-Grade	3300	3300	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3200	3200	Unch
	Dhampur	S-Grade Ex-Mill	3180	3180	Unch
	Dhampur	L-Grade Ex-Mill	3250	3250	Unch
Maharashtra	Mumbai	M-Grade	3620	3620	Unch
	Mumbai	S-Grade	3320	3320	Unch
	Nagpur	M-Grade	3325	3325	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3200	3200	Unch
	Kolhapur	S-Grade	3100	3100	Unch
Assam	Guhawati	S-Grade	3410	3410	Unch
Meghalaya	Shillong	S-Grade	3420	3420	Unch
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3680	3670	10

Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	Dindigul	M-Grade	3640	3640	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)			10-Feb-20	7-Feb-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2750	2738	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	11000	11000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2528	2533	-5
	Muzaffarnagar	Laddoo (Fresh)	2725	2713	13
	Muzaffarnagar	Rascut (Fresh)	2325	2238	88
	Hapur	Chaurasa	Closed	2475	-
	Hapur	Balti	Closed	2450	-
Andhra Pradesh	Chittur	Gold	4700	4700	Unch
		White	4100	4100	Unch
		Black	3800	3800	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	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	NA	-
	Mandya	Achhu (Medium)	3000	3100	-100
	Mandya	Kurikatu (Medium)	2950	3000	-50
	Mandya	Other (Medium)	2800	2900	-100
	Mandya	Yellow (Medium)	3050	3070	-20
	Shimoga/Shivamogga	Achhu (Average)	3500	3700	-200

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