

**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 high at Rs.3275/q as new stock has arrived in the market and U.P's Khatauli market prices stood high at Rs.3350/q.*

*The sugar prices remained steady to low this week so far because of poor demand in the local markets. Despite the wedding season, demand is not picking up as most buyers stocked up sugar in January. Mills had released more stocks in the market due to higher monthly sales quota last month. Sugar prices may rise after Mar 25 when summer sets in and demand from ice-cream and soft-drink manufacturers rises. While the prices in Thailand has shoot upto \$410-416/ton in the previous week due to fall in sugar production to a nine-year low of 10.5 MMT, down 28% year on year. So far, mills in Thailand have crushed 59 MMT cane to produce nearly 7 MMT sugar. The current rate of crushing is very low at 1 mln tn per day.*

*Uttar Pradesh has produced around 62.51 lakh tonnes so far till 10th Feb'20 this season higher by around 5.75% against last year's production of 59.11 lakh tonnes of sugar in same period. The sugarcane supply has increased to the mills by around 7% this year as area increased in the state slightly. The sugar mills in UP are willing to maximize sugar exports and looking forward to increase the possibilities to get additional export quota as the present inventories are high and to liquidate the stocks as soon as possible. In the first quarter started from 1st Oct'19, UP has contracted 15-18 lakh tonnes i.e., 70-80% of the total quota of 22.4 lakh tonnes allotted to the state. While Maharashtra due to lower supply this year has just contracted about 5 lakh tonnes (25%) out of the total allocated quota of 18 lakh tonnes to the state.*

**Weather Forecast:**

*During the next 24 hours, scattered light to moderate rain may continue in Rayalaseema, Coastal Andhra Pradesh, parts of Assam and Arunachal Pradesh. Isolated rains are likely in rest Northeast India, Sikkim, Telangana and Coastal Odisha. Light rain is expected in a few parts of Tamil Nadu. Rain activity is likely to commence by the late evening or night of February 11 in Jammu and Kashmir. Minimums of Northwest India may increase by 1-2 degrees Celsius.*

**Previous Updates:**

*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.*

**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 1<sup>st</sup> 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 2<sup>nd</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> January'20 lower compared to 6.66 LT in the same period last year.

**As on 3<sup>rd</sup> 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 3<sup>rd</sup> 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.

## 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	429.9	15.9

## International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon February 10, 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>	200210	14.95	15.1	14.92	15.04	0.12	82,819	361,918	-1,960
<a href="#">20-May</a>	200210	14.69	14.83	14.69	14.74	0.05	72,812	305,218	11,958
<a href="#">20-Jul</a>	200210	14.6	14.7	14.57	14.64	0.05	42,086	216,007	7,084
<a href="#">20-Oct</a>	200210	14.54	14.66	14.54	14.63	0.07	14,266	166,792	1,992
<a href="#">21-Mar</a>	200210	14.74	14.85	14.73	14.84	0.06	9,006	87,556	98
<a href="#">21-May</a>	200210	14.27	14.36	14.25	14.34	0.02	3,671	19,258	1,312
<a href="#">21-Jul</a>	200210	13.92	13.94	13.84	13.89	-0.04	2,914	26,404	1,083
<a href="#">21-Oct</a>	200210	13.84	13.86	13.75	13.78	-0.06	1,360	25,823	422
Total Volume and Open Interest							231,139	1,226,798	22,506

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

Daily Futures Price Listing Mon February 10, 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>	200210	427.7	433.4	427.7	429.9	1.8	6,134	30,886	-1,610
<a href="#">20-May</a>	200210	417.5	420.4	415.9	417.4	1.2	8,105	52,575	1,634
<a href="#">20-Aug</a>	200210	408.7	411.6	407.8	410.1	2.7	5,189	32,345	2,077
<a href="#">20-Oct</a>	200210	401	404.5	401	403.5	2.6	588	8,667	4
<a href="#">20-Dec</a>	200210	399.8	403	399.8	402.4	2.9	433	5,543	165
Total Volume and Open Interest							20,930	133,930	2,473

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			11-Feb-20	10-Feb-20	
Delhi	Delhi	M-Grade	3250	3250	Unch
	Delhi	S-Grade	3230	3230	Unch
Uttar Pradesh	Khatauli	M-Grade	3350	3300	50
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3220	3200	20
	Dhampur	S-Grade Ex-Mill	3200	3180	20
	Dhampur	L-Grade Ex-Mill	3270	3250	20
Maharashtra	Mumbai	M-Grade	3602	3620	-18
	Mumbai	S-Grade	3316	3320	-4
	Nagpur	M-Grade	3400	3325	75
	Nagpur	S-Grade	3250	3225	25
	Kolhapur	M-Grade	3275	3200	75
	Kolhapur	S-Grade	3125	3100	25
Assam	Guhawati	S-Grade	3436	3410	25
Meghalaya	Shillong	S-Grade	3445	3420	25
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch

West Bengal	Kolkata	M-Grade	3660	3680	-20
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)	3500	3600	-100
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)			11-Feb-20	10-Feb-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2743	2750	-8
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	11000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2553	2528	25
	Muzaffarnagar	Laddoo (Fresh)	2705	2725	-20
	Muzaffarnagar	Rascut (Fresh)	2350	2325	25
	Hapur	Chaurasa	2513	Closed	-
	Hapur	Balti	2475	Closed	-
Andhra Pradesh	Chittur	Gold	4500	4700	-200
		White	4100	4100	Unch
		Black	3700	3800	-100
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	3352	-
	Mandya	Achhu (Medium)	3000	3000	Unch
	Mandya	Kurikatu (Medium)	2950	2950	Unch
	Mandya	Other (Medium)	2800	2800	Unch
	Mandya	Yellow (Medium)	3050	3050	Unch
	Shimoga/Shivamogga	Achhu (Average)	3700	3500	200

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