

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

Indian Sugar market showed steady to low trend compared to previous day across India. Overall the prices are expected to be steady due to lower demand. Kolhapur sugar market stood low at Rs.3250/q as new stock has arrived in the market and U.P's Khatauli market prices stood low at Rs.3290/q.

Weather Forecast:

During the next 24 hours, scattered rains expected in parts of Telangana, Coastal Andhra Pradesh and Coastal Tamil Nadu. Light rain with one or two moderate spells may occur. Isolated rain is likely in Assam, Meghalaya and Nagaland. Fairly widespread rain and snow may occur in Jammu and Kashmir. Scattered showers are likely in Himachal Pradesh and Ladakh. Isolated activities are expected in Uttarakhand. Minimums of Northwest India will rise by a couple of degrees.

Previous Updates:

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.

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 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.

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	437	7.1

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tue February 11, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Mar	200211	15	15.46	14.99	15.41	0.37	93,686	342,487	-19,431
20-May	200211	14.76	15.1	14.71	15.04	0.3	85,202	316,177	10,959
20-Jul	200211	14.64	14.96	14.61	14.91	0.27	48,879	227,709	11,702
20-Oct	200211	14.6	14.88	14.59	14.84	0.21	20,821	169,697	2,905
21-Mar	200211	14.8	15.03	14.8	15.01	0.17	10,043	87,454	-102
21-May	200211	14.3	14.44	14.28	14.42	0.08	2,992	19,859	601
21-Jul	200211	13.87	13.93	13.79	13.9	0.01	2,682	26,602	198
21-Oct	200211	13.75	13.8	13.66	13.74	-0.04	1,713	25,768	-55
Total Volume and Open Interest							268,055	1,233,986	7,188

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tue February 11, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Mar	200211	430.4	437.9	429.2	437	7.1	10,942	29,469	-1,417
20-May	200211	417.4	424	417.1	422.5	5.1	17,251	55,316	2,741
20-Aug	200211	410	415.9	409.9	414.4	4.3	5,692	34,724	2,379
20-Oct	200211	403.6	408.5	403.4	407.1	3.6	930	8,936	269
20-Dec	200211	402.7	407	401.9	405.5	3.1	346	5,601	58
Total Volume and Open Interest							35,998	138,462	4,532

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			12-Feb-20	11-Feb-20	
Delhi	Delhi	M-Grade	3250	3250	Unch
	Delhi	S-Grade	3230	3230	Unch
Uttar Pradesh	Khatauli	M-Grade	3290	3350	-60
	Ramala	M-Grade	3210	3210	Unch
	Dhampur	M-Grade Ex-Mill	3185	3220	-35
	Dhampur	S-Grade Ex-Mill	3165	3200	-35
	Dhampur	L-Grade Ex-Mill	3235	3270	-35
Maharashtra	Mumbai	M-Grade	3602	3602	Unch
	Mumbai	S-Grade	3316	3316	Unch
	Nagpur	M-Grade	3375	3400	-25
	Nagpur	S-Grade	3225	3250	-25
	Kolhapur	M-Grade	3250	3275	-25
	Kolhapur	S-Grade	3100	3125	-25
Assam	Guhawati	S-Grade	3410	3436	-25
Meghalaya	Shillong	S-Grade	3420	3445	-25
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3660	3660	Unch

Tamil Nadu	Chennai	S-Grade	3600	3600	Unch
	Dindigul	M-Grade	NA	3640	-
	Coimbatore	M-Grade	3640	3640	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3500	3500	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)			12-Feb-20	11-Feb-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2750	2743	8
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	10000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2550	2553	-3
	Muzaffarnagar	Laddoo (Fresh)	2688	2705	-18
	Muzaffarnagar	Rascut (Fresh)	2338	2350	-13
	Hapur	Chaurasa	2550	2513	38
	Hapur	Balti	2475	2475	Unch
Andhra Pradesh	Chittur	Gold	4400	4500	-100
		White	4000	4100	-100
		Black	3500	3700	-200
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	3365	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3324	-
	Mandya	Achhu (Medium)	3050	3000	50
	Mandya	Kurikatu (Medium)	2970	2950	20
	Mandya	Other (Medium)	2880	2800	80
	Mandya	Yellow (Medium)	3040	3050	-10
	Shimoga/Shivamogga	Achhu (Average)	3400	3700	-300

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