

**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 steady at Rs.3225/q as new stock has arrived in the market and U.P's Khatauli market prices stood steady at Rs.3265/q.

**Maharashtra likely to touch 60 LT in sugar production if the crushing continues till end of March**

**Maharashtra has produced only 47.73 lakh tonnes of sugar with an average recovery of 10.98% till the 23<sup>rd</sup> February.** Total of 17 sugar mills were closed out of 144 mills, around 10 mills closed in Aurangabad district followed by 3 mills in Ahmednagar, 2 mills each in Pune and Solapur. In Kolhapur division the recovery rate improved to be around 12.02% at this period of time. Recoveries have slightly increased to 11.04% from 10.8% in Pune division, 9.98% from 9.49% in Solapur, 10.14% from 9.84% in Ahmednagar, and 9.77% from 9.44% in Aurangabad compared to the recovery rate compared to the last week of January. The drought and floods impact earlier in the previous year can be seen on the sugar production but many sugar mills are likely to close in the end of March in Maharashtra. While the average recovery in Nanded showed significantly higher sugar recovery rate at 10.57% from 10.33% (in the end of Jan'20) compared to Solapur, Ahmednagar and Aurangabad. As estimated earlier, the sugar recovery slightly improved due to cold weather and Adsal crop in Kolhapur division.

**The Uttar Pradesh expects a total sugar production in Up might reach upto 123 lakh tonnes this crushing season** with an average recovery rate of above 11.06% higher than what Maharashtra state government expects. As on 25th February 2020, 119 sugar mills were in operation and they have produced 73.75 lakh tonnes of sugar compared with 71.02 lakh tonnes produced by 117 mills on the corresponding date of last year. The harvesting of wonder variety 238 which has higher yield in terms of crop harvest as well as results in higher percentage of sugar content resulted in the better yield and thereby higher sugar production.

**Weather Forecast:**

During the next 24 hours, we expect light to moderate rain in Odisha, parts of Bihar, Jharkhand, East, and Central Uttar Pradesh and West Bengal. Assam, Meghalaya, Nagaland, Manipur, and Arunachal Pradesh are also likely to observe light to moderate rain in the next 24 hours. Also, a few places in Arunachal Pradesh and Sikkim are expected to observe snowfall activities. Light to moderate rain and snow is expected at a few places in Uttarakhand. North coastal Andhra Pradesh may also see light to moderate rainfall activities.

**Previous Updates:**

**According to the trade sources, India exported 3.58 LT of sugar in January 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 December. Out of the total exports, largest quantity of refined sugar has been exported to Malaysia exporting 1,39,033 tonnes at an average FOB of \$330/MT followed by Iran of 59,565 tonnes at an average FOB \$343/MT and Afghanistan exporting 53,973MT worth \$342/MT. Sugar has been exported to Middle Eastern countries including Somalia (11,751 tonnes at an average FOB \$355/MT), Saudi Arabia (9,135MT tonnes at an average FOB \$354/MT). The export to Sri Lanka was at an average \$337/MT (19,822 tonnes) and to Pakistan at an average of \$347/MT (10,589 tonnes).

***The sugar exports at this point of time this sugar season has picked up the pace due to the export subsidy incentives given to the sugar mills across India.*** This prompted the government (DFPD) to issue new guidelines directing the reallocation export quotas from mills that haven't been able to use them to those that have asked for higher quotas. Also, Indonesia has finally decided to allow sugar imports from India, discussions for which had been going on for about two years. Therefore, today the government released a notification revising MAEQ of sugar for export during 2019-20 sugar season. In order to improve the liquidity position of the sugar mills so that they can move a step forward to clear off the cane price dues of farmers. Therefore, ***export quotas of 611,797 tonnes have been redistributed after reviewing exports performance of the mills.*** This would help the mills to export at faster pace those who have higher stocks. About 1.6-1.7 MMT have been exported and about 3.2-3.3 MMT of export contracts have been signed.

***According to the 2nd advance estimate released by the government recently, the total sugarcane production in India might reach upto 3528.45 lakh tonnes against the target of 3855 lakh tonnes.*** The 2nd advance estimate is lower by around 6% compared to the first advance estimate due to the lower production this year. Due to which the sugar production declined by around 22% at 169 lakh tonnes so far till 15<sup>th</sup> Feb'20.

***According to ISMA, all sugar mills across India have produced around 169 lakh tonnes of sugar lower as compared to 219.66 lakh tonnes produced on the corresponding time last year lower by 22.6%.*** This year around 23 sugar mills have stopped crushing operation due to lack of availability of cane out of 449 sugar mills. While, out of 521 sugar mills, only 19 mills have stopped the operations during the same time last year. Maharashtra this year have produced sugar less by around 47% to 43.38 lakh tonnes with a closure of 8 sugar mills compared to 82.98 lakh tonnes last year till 15<sup>th</sup> Feb. In U.P. 119 sugar mills which are in operation have produced 66.34 lac tons of sugar till 15th February'20, compared with 63.93 lac tons produced by 117 mills on the corresponding date of last year.

***In Karnataka, 63 sugar mills are in operation on 15<sup>th</sup> Feb'20, who have produced 30.80 LT of sugar, as compared to 38.74 LT produced by 66 sugar mills during the same period last year.*** Out of 63 sugar mills which went for crushing this season, 13 sugar mills have stopped crushing as on 15th February'20. Tamil Nadu has produced only 2.6 lakh tonnes of sugar till 15<sup>th</sup> Feb'20 by 21 sugar mills compared to 32 sugar mills producing 3.85 lakh tonnes of sugar in the same period last year. In Gujarat, 15 sugar mills are operating for 2019-20 SS and they have produced 5.95 LT of sugar till 15th Feb'20 lower compared to 7.78 LT in the same period last year. As per market reports released by ISMA, about 16 lac tons of sugar have been exported from India and about 32 lac tons of contracts have been signed for exports.

***Many sugar mills in Maharashtra intended to close the mills in February due to lack of availability of cane this year as the area was impacted by floods and drought along with less availability of labour for harvesting.*** As per data from Maharashtra Sugar Commissionerate, overall 8 sugar mills, 3 in Ahmednagar and another 5 in Aurangabad District have closed their operations. This season overall 143 sugar mills participated in the crushing season. It is expected that the crushing would be completed in next 20-25 days.

***Russia is likely to produce sugar in 2019-20 rose to 70 lakh tonnes setting a new high record this year.*** This is 4<sup>th</sup> year that Russia has produced the significant sugar with the estimation of record high production this year. The country is expecting to export around 11 lakh tonnes of sugar this year. Although Russia is experiencing higher cost of exporting sugar at the ports due to lack of investments in port logistics. The demand for export is growing but supply for service is the same. So it seems difficult that Russia could reach its target of 11 lakh tonnes.

## 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	nt 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	412.7	-2.1

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

Daily Futures Price Listing Tue February 25, 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>	200225	15.34	15.49	15.11	15.15	-0.12	37,758	70,196	-16,673
<a href="#">20-May</a>	200225	14.8	14.92	14.67	14.74	0.01	69,344	466,836	8,718
<a href="#">20-Jul</a>	200225	14.62	14.77	14.54	14.62	0.02	22,915	272,962	219
<a href="#">20-Oct</a>	200225	14.63	14.75	14.55	14.65	0.04	13,742	200,775	1,896
<a href="#">21-Mar</a>	200225	14.83	14.94	14.76	14.89	0.07	9,109	98,937	2,057
<a href="#">21-May</a>	200225	14.33	14.45	14.26	14.41	0.09	3,976	26,728	864
<a href="#">21-Jul</a>	200225	13.9	14.03	13.82	13.99	0.09	2,924	35,217	386
<a href="#">21-Oct</a>	200225	13.82	13.93	13.74	13.89	0.07	1,205	31,276	526
Total Volume and Open Interest							161,539	1,223,358	-1,736

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

Daily Futures Price Listing Tue February 25, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">20-May</a>	200225	417	418.6	412.2	412.7	-2.1	2,273	62,813	227
<a href="#">20-Aug</a>	200225	408.7	410.1	405.6	406.2	-0.5	1,123	40,667	-65
<a href="#">20-Oct</a>	200225	402.3	402.9	399.2	400.8	0.7	310	11,903	-16
<a href="#">20-Dec</a>	200225	401.3	402.4	399	400.2	0.5	218	7,776	11
<a href="#">21-Mar</a>	200225	401.3	401.3	399.9	400.1	0.6	81	4,120	13
Total Volume and Open Interest							4,122	128,725	258

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			26-Feb-20	25-Feb-20	
Delhi	Delhi	M-Grade	3200	3200	Unch
	Delhi	S-Grade	3180	3180	Unch
Uttar Pradesh	Khatauli	M-Grade	3265	3265	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3180	3180	Unch
	Dhampur	S-Grade Ex-Mill	3160	3160	Unch
	Dhampur	L-Grade Ex-Mill	3230	3230	Unch
Maharashtra	Mumbai	M-Grade	3590	3590	Unch
	Mumbai	S-Grade	3300	3300	Unch
	Nagpur	M-Grade	3350	3350	Unch
	Nagpur	S-Grade	3250	3250	Unch
	Kolhapur	M-Grade	3225	3225	Unch
	Kolhapur	S-Grade	3125	3125	Unch
Assam	Guhawati	S-Grade	3436	3436	Unch
Meghalaya	Shillong	S-Grade	3445	3445	Unch
Andhra Pradesh	Vijayawada	M-Grade	3660	3660	Unch
	Vijayawada	S-Grade	3600	3600	Unch
West Bengal	Kolkata	M-Grade	3650	3670	-20

Tamil Nadu	Chennai	S-Grade (With GST)	3560	3560	Unch
	Dindigul	M-Grade	3620	3620	Unch
	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)			26-Feb-20	25-Feb-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2775	2750	25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2763	2775	-13
	Muzaffarnagar	Laddoo (Fresh)	2738	2750	-13
	Muzaffarnagar	Rascut (Fresh)	2388	2400	-13
	Hapur	Chaurasa	2500	2525	-25
	Hapur	Balti	2250	2500	-250
Andhra Pradesh	Chittur	Gold	4400	4400	Unch
		White	3900	3900	Unch
		Black	3500	3500	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)	3300	3323	-23
	Mandya	Achhu (Medium)	3370	3200	170
	Mandya	Kurikatu (Medium)	2990	2950	40
	Mandya	Other (Medium)	3000	2950	50
	Mandya	Yellow (Medium)	3200	3100	100
	Shimoga/Shivamogga	Achhu (Average)	NA	3550	-

## Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or

use of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian business Systems Ltd.