

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 to low due to lower demand but likely to be steady due to good export demand. Khatauli sugar market was closed on the Holi festival while the prices in Kolhapur market prices stood steady at Rs.3150/q.

Maharashtra has produced around 52.94 lakh tonnes of sugar this year so far till 5th of Mar'20 by crushing around 477 lakh tonnes of cane with a recovery rate of 11.08%. Overall 32 mills have closed their crushing operations including 11 mills in Aurangabad, 7 mills in Ahmednagar, followed by 4 mills each in Pune and Solapur and 3 mills are closed in Kolhapur. Kolhapur has produced around 19.5 lakh tonnes of sugar with the highest recovery of 12.1% in Maharashtra so far. After Kolhapur, Pune has produced 13.6 lakh tonnes of sugar with a recovery of 11.11% followed by Solapur producing 6.5 lakh tonnes of sugar (recovery rate of 10.02%).

As on 6th Mar'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 6% more sugarcane around 730.78 LT against 689.47 LT in the previous year and produced 81.3 LT of sugar which is 4.96% higher due to the favorable conditions in the state this year as the area increased. Whereas, the average sugar recovery remained low compared to the previous month at 11.12% and lower by 1.07% which was at 11.24% in the same time previous year from the start of the season in Oct till 6th Mar'20.

Weather Forecast:

During the next 24 hours, we expect a light spell of rain and snowfall at isolated places in the higher reaches of Jammu and Kashmir and Ladakh. Few spells of rain and thundershowers will occur at isolated places in the Northeastern states. Light rain and thundershowers are expected in Andhra Pradesh, Telangana, Kerala and south interior Karnataka. Vidarbha region in Maharashtra, South east Madhya Pradesh may also observe a few spells of rain and thundershowers. Day temperatures will rise, while the night temperatures will drop in the northwest plains and Indo-Gangetic plains. Dry weather will prevail in rest of other parts of the country.

Previous Updates:

The total 2019-20 EU sugar production likely to decline by 428,000 MT in 2019-20 sugar season (October-September) at 17.502 MMT according to the S&P Global Platts Analytics forecasts due to the dry conditions early in the season and heavy rainfall late in the season. The sugar production has fallen since previous two seasons and is likely to see further drop in production. Prices slumped because of the initial rise in production that forced the EU to try to compete in a depressed global market. Prices have now rebounded as production has fallen in the EU.

Thailand Raw sugar as well as refined sugar exports declined by 6% and 2% respectively in 2019 (Jan'19-Jan'20) whereas the white sugar exports rose significantly by 16% to 7.19 LT till Jan'20 from Jan'19. Overall Thailand sugar exports also declined by around 3.5% to 107.92 LT compared to the previous year. In January, around 462,098 tonnes of raw sugar was exported at an average FOB of \$292.29/ton higher price compared to the previous months' exports. Similarly, White and refined sugar were exported around 44,283 tonnes and 2,49,084 tonnes at an average FOB of \$338.6/ton and \$347.73/ton respectively reported to be the highest

price of the season. The Thailand exports in January'20 increased due to the higher imports in Indonesia, Vietnam, Sudan, Singapore, China followed by Philippines.

According to ISMA, all sugar mills across India have produced around 194.84 lakh tonnes of sugar lower as compared to 249.3 lakh tonnes produced on the corresponding time last year lower by 22%. This year around 68 sugar mills across India have stopped crushing operation due to lack of availability of cane out of 453 sugar mills. Maharashtra this year have produced sugar less by around 45% to 50.7 lakh tonnes with a closure of around 22 sugar mills compared to 92.88 lakh tonnes last year till 29th Feb. In U.P. 119 sugar mills which are in operation have produced 76.86 lac tons of sugar till 29th February'20, compared with 73.87 lakh tons up by 4% year on year produced by 117 mills on the corresponding date of last year.

In Karnataka, 63 sugar mills are in operation on 29th Feb'20, who have produced 32.6 LT of sugar, as compared to 41.73 LT produced by 66 sugar mills during the same period last year. Out of 63 sugar mills which went for crushing this season, 32 sugar mills have stopped crushing as on 29th February'20. Tamil Nadu has produced only 3.2 lakh tonnes of sugar till 29th Feb'20 by 21 sugar mills compared to 32 sugar mills producing 4.63 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 6.83LT of sugar till 29th Feb'20 lower compared to 8.79 LT in the same period last year. As per market reports released by ISMA, about 22-23 lakh tons of sugar have been exported from India and about 35 lakh tons of contracts have been signed for exports.

International sugar prices have support from reduced sugar output from Thailand, the world's fourth-biggest sugar producer. Thailand's Office of the Cane and Sugar Board on Tuesday reported that Thailand's sugar production from 1st Dec'19 till 23rd Feb'20 was down by -8.1% year on year at 7.9 MMT. According to the Thailand Meteorological Department this year's drought in Thailand is the worst in 40 years, which is slashing the country's sugar output. The Thai Sugar Millers Corp forecasted that Thailand's 2019-20 sugar production would drop -35% year on year to 9 MMT from 14 MMT in 2018-19 as dry conditions reduce sugarcane yields.

Government fixed the monthly sugar sales quota as 21 LT for March month to 545 mills higher by 1 LT compared to the previous month that stood at 20 LT. Also, the allocated quota is 3.5 LT lower at 24.5LT 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 with the commencement of summer season and prices to be firm. While 3 sugar mills faced action against them for selling excess sugar from the monthly sugar sales quota.

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	370.3	-13.2

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri March 06, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200306	13.52	13.52	12.95	13.02	-0.4	84,439	437,751	-6,627
20-Jul	200306	13.45	13.48	12.97	13.02	-0.37	57,706	259,809	-2,398
20-Oct	200306	13.63	13.63	13.17	13.23	-0.32	29,427	207,374	4,711
21-Mar	200306	14.02	14.02	13.6	13.66	-0.3	13,760	105,765	1,903
21-May	200306	13.61	13.61	13.26	13.32	-0.24	4,843	35,215	2,392
21-Jul	200306	13.27	13.27	13	13.06	-0.18	2,784	37,320	-55
21-Oct	200306	13.25	13.25	13.03	13.1	-0.13	1,463	37,532	624
22-Mar	200306	13.43	13.45	13.22	13.38	-0.06	354	14,807	81
Total Volume and Open Interest							195,254	1,143,245	721

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Fri March 06, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200306	382.7	383.4	369.5	370.3	-13.2	5,141	58,140	-929
20-Aug	200306	378.2	378.2	367.3	368.4	-9.7	2,322	43,736	-125
20-Oct	200306	374	374	364.5	365.2	-8.1	777	12,768	-139
20-Dec	200306	373.2	373.2	365	365.4	-7.3	316	8,252	-75
21-Mar	200306	374.1	374.2	367.5	367.8	-6.5	233	4,406	86
Total Volume and Open Interest							9,072	129,310	-1,086

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			9-Mar-20	7-Mar-20	
Delhi	Delhi	M-Grade	3190	3200	-10
	Delhi	S-Grade	3170	3180	-10
Uttar Pradesh	Khatauli	M-Grade	Closed	3290	-
	Ramala	M-Grade	Closed	NA	-
	Dhampur	M-Grade Ex-Mill	Closed	3160	-
	Dhampur	S-Grade Ex-Mill	Closed	3140	-
	Dhampur	L-Grade Ex-Mill	Closed	3210	-
Maharashtra	Mumbai	M-Grade	3580	3580	Unch
	Mumbai	S-Grade	3310	3292	18
	Nagpur	M-Grade	3275	3275	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3150	3150	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	3650	3650	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3560	Closed	-
	Dindigul	M-Grade	3620	3620	Unch
	Coimbatore	M-Grade	3700	3700	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)			9-Mar-20	7-Mar-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2750	2500	250
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	3000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2725	2500	225
	Muzaffarnagar	Laddoo (Fresh)	2700	2705	-5
	Muzaffarnagar	Rascut (Fresh)	2338	2375	-38

	Hapur	Chaurasa	2550	2550	Unch
	Hapur	Balti	2425	2425	Unch
Andhra Pradesh	Chittur	Gold	4500	4400	100
		White	4200	4200	Unch
		Black	3500	3600	-100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4400	-
	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)	3250	3250	Unch
	Mandya	Kurikatu (Medium)	3000	3000	Unch
	Mandya	Other (Medium)	2950	2950	Unch
	Mandya	Yellow (Medium)	3150	3100	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3550	-

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