

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

Indian Sugar market showed steady to firm 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 at Rs.3260/q while the prices in Kolhapur market prices stood firm at Rs.3150/q.

As on 12th 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 5.12% more sugarcane around 762.49 LT against 725.35 LT in the previous year and produced 85.02 LT of sugar which is 3.97% higher due to the favorable conditions in the state this year as the area increased. Whereas, the average sugar recovery remained higher at 11.15% compared to the previous month and lower by 1.06% at 11.24% recovery rate in the same time previous year from the start of the season in Oct till 12th Mar'20.

Weather Forecast:

During the upcoming 24 hours, fairly widespread rains and snow are likely over Western Himalayas. Fairly widespread rains and thundershowers are likely over North Punjab, North Haryana and Uttar Pradesh. Scattered light to moderate rains are also likely over East Madhya Pradesh, North Chhattisgarh and parts of Jharkhand and Bihar. Rains are likely at a few places over Odisha and Gangetic West Bengal, West Assam and Arunachal Pradesh. Isolated rains might be witnessed over Kerala and Vidarbha.

Previous Updates:

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.

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.

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	354.1	-5.1

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu March 12, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200312	12.1	12.11	11.53	11.62	-0.64	114,389	385,105	-14,686
20-Jul	200312	12.12	12.12	11.53	11.63	-0.62	69,124	275,265	-2,001
20-Oct	200312	12.34	12.34	11.73	11.83	-0.61	45,197	216,526	-3,652
21-Mar	200312	12.77	12.77	12.15	12.26	-0.59	28,784	109,653	6,286
21-May	200312	12.5	12.55	11.97	12.1	-0.52	7,415	38,612	896
21-Jul	200312	12.4	12.41	11.85	11.96	-0.49	5,876	39,239	463
21-Oct	200312	12.52	12.57	12.01	12.1	-0.46	3,729	38,632	44
22-Mar	200312	12.9	12.93	12.41	12.48	-0.45	2,770	15,129	698
Total Volume and Open Interest							278,600	1,127,748	-11,393

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thu March 12, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200312	355	363.9	353	354.1	-5.1	9,526	52,000	-2,458
20-Aug	200312	350.5	352.4	343.2	344.8	-8.9	5,542	44,805	515
20-Oct	200312	347.8	347.9	338.2	339.7	-10.1	2,147	12,932	266
20-Dec	200312	347	347	337.5	338.9	-10.2	756	8,106	-42
21-Mar	200312	348	348	338.3	339.7	-10.4	178	5,098	117
Total Volume and Open Interest							18,407	125,608	-1,478

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			13-Mar-20	12-Mar-20	
Delhi	Delhi	M-Grade	3150	3140	10
	Delhi	S-Grade	3130	3120	10
Uttar Pradesh	Khatauli	M-Grade	3260	3260	Unch
	Ramala	M-Grade	3145	NA	-
	Dhampur	M-Grade Ex-Mill	3185	3170	15
	Dhampur	S-Grade Ex-Mill	3165	3150	15
	Dhampur	L-Grade Ex-Mill	3235	3220	15
Maharashtra	Mumbai	M-Grade	3550	3570	-20
	Mumbai	S-Grade	3270	3270	Unch
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3100	3100	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	3580	3580	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3560	3560	Unch
	Dindigul	M-Grade	3580	3580	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)			13-Mar-20	12-Mar-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2725	2700	25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1000	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-

	Muzaffarnagar	Laddoo (Fresh)	2750	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	2495	2475	20
	Hapur	Balti	2425	2425	Unch
Andhra Pradesh	Chittur	Gold	4400	4400	Unch
		White	4100	4100	Unch
		Black	3600	3600	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4350	4400	-50
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3299	3299	Unch
	Mandya	Achhu (Medium)	3450	3400	50
	Mandya	Kurikatu (Medium)	3100	3100	Unch
	Mandya	Other (Medium)	2950	2990	-40
	Mandya	Yellow (Medium)	3200	3050	150
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

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