

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 to low due to lower demand and the effects of coronavirus spread in India. Khatauli sugar market was closed at steady price of Rs.3245/q while the prices in Kolhapur market prices stood at Rs.3150/q.

Despite the downfall in the international sugar prices in the last one week, the Indian sugar exports likely to increase. As the decline in production in Thailand (down by 5 million tonnes) and the increased demand of sugar from Indonesia will help India to pick up the pace in exports. As per ISMA, sugar mills have dispatched almost 30 lakh tons of sugar for export against MAEQ of 60 lac tons till 15th Mar'20. And about 36-38 lac tons of sugar have been contracted for exports so far. The Indonesian government has released an additional import quota to its refineries and the recent decision of Indonesian Government to allow 600 ICUMSA sugar at a concessional import duty from India, Australia and Thailand has open the wider gates for India to export large quantities of sugar to Indonesia.

According to ISMA, 215.82 lakh tonnes of sugar have been produced till 15th March 2020 by 321 mills across India as against 273.65 lakh tonnes produced in the same time last year. As on 15th Mar'20, 136 mills have stopped their operations as compared to 173 mills had stopped operations in the same time last year and 354 mills were operating. In UP, 119 sugar mills have produced 87.16 LT of sugar compared to 84.14 LT of sugar with only 117 mills operational mills till 15th Mar last year. In Maharashtra, 56 mills have closed their operations with only 90 mills operating at this time with producing 55.85 LT down 44.19% year on year. Similarly, this year Karnataka has also produced less sugar i.e., around 33 LT against 42 LT last year till 15th Mar. Only 13 mills are in operation out of the total 63 mills this year. According to Agriwatch, Maharashtra is likely to produce around 59 LT followed by UP estimated around 122 LT of sugar and 34.92 LT of sugar in Karnataka.

Weather Forecast:

During the next 24 hours, dry weather is expected to prevail over almost entire India. However isolated light rains may occur over Madhya Pradesh, Chhattisgarh, East Assam and Arunachal Pradesh. Day and night temperatures will increase over most parts of Punjab, Haryana, Rajasthan, Delhi NCR, parts of Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Bihar, Jharkhand, West Bengal and Odisha.

Previous Updates:

The coronavirus became pandemic and the sugar industry is also likely to be affected like all the other commodities. Global sugar prices crashed and Sugar futures market fallen to 11.7cents/lb from 13.89cents/lbs on Friday down by around 15% within 10 days, making exports unattractive for Indian mills, as selling in the domestic market is now more profitable. And no new export transactions are taking place in the Indian market. The necessary precautions that are being taken by the government to avoid spreading is going to affect the sugar consumption. Because people are avoiding consuming cold drinks, ice creams and other products. Thus, everyone is waiting for the change in climate and temperature to rise so that the situation to be under controlled.

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.

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.

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	338.5	-4

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tue March 17, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200317	11.15	11.17	10.85	10.89	-0.2	109,465	347,757	-11,068
20-Jul	200317	11.15	11.15	10.83	10.86	-0.2	60,244	285,310	-1,542
20-Oct	200317	11.33	11.33	11.02	11.04	-0.2	35,935	216,122	-3,319
21-Mar	200317	11.81	11.82	11.54	11.56	-0.18	12,143	109,208	-2,897
21-May	200317	11.7	11.71	11.46	11.48	-0.15	2,971	39,432	55
21-Jul	200317	11.62	11.63	11.4	11.43	-0.12	2,036	40,987	-27
21-Oct	200317	11.84	11.84	11.63	11.65	-0.1	1,006	37,864	-28
22-Mar	200317	12.3	12.3	12.1	12.13	-0.07	289	15,409	-6
Total Volume and Open Interest							224,370	1,102,563	-18,877

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tue March 17, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200317	342.9	343.2	337	338.5	-4	6,742	46,528	-1,901
20-Aug	200317	334.6	335.5	329.2	330.1	-4.4	6,802	46,052	-133
20-Oct	200317	328.7	329.3	323.1	323.8	-4.8	1,332	12,475	204
20-Dec	200317	329.6	330.7	324.8	325.1	-4.2	358	8,129	134
21-Mar	200317	332	332.8	327.4	327.6	-4.6	306	5,963	104
Total Volume and Open Interest							15,827	122,860	-1,355

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			18-Mar-20	17-Mar-20	
Delhi	Delhi	M-Grade	3150	3140	10
	Delhi	S-Grade	3130	3120	10
Uttar Pradesh	Khatauli	M-Grade	3245	3245	Unch
	Ramala	M-Grade	3120	3140	-20
	Dhampur	M-Grade Ex-Mill	3150	3180	-30
	Dhampur	S-Grade Ex-Mill	3130	3160	-30
	Dhampur	L-Grade Ex-Mill	3200	3230	-30
Maharashtra	Mumbai	M-Grade	3520	3510	10
	Mumbai	S-Grade	3292	3276	16
	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	3640	3640	Unch
	Vijayawada	S-Grade	3580	3580	Unch
West Bengal	Kolkata	M-Grade	3560	3560	Unch

Tamil Nadu	Chennai	S-Grade (With GST)	3580	3580	Unch
	Dindigul	M-Grade	3560	3560	Unch
	Coimbatore	M-Grade	3700	3700	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	4000	4000	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)			18-Mar-20	17-Mar-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2725	2730	-5
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2475	2463	13
	Muzaffarnagar	Laddoo (Fresh)	2513	2525	-13
	Muzaffarnagar	Rascut (Fresh)	2350	2350	Unch
	Hapur	Chaurasa	2530	2538	-8
	Hapur	Balti	2538	2563	-25
Andhra Pradesh	Chittur	Gold	4600	4400	200
		White	4300	4100	200
		Black	3700	3500	200
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4350	4350	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3200	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3470	3450	20
	Mandya	Kurikatu (Medium)	3000	3100	-100
	Mandya	Other (Medium)	2950	2900	50
	Mandya	Yellow (Medium)	3300	3100	200
	Shimoga/Shivamogga	Achhu (Average)	3650	NA	-

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