

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

Indian Sugar market showed steady to weak 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.3250/q while the prices in Kolhapur market prices stood at Rs.3150/q.

Weather Forecast:

During the next 24 hours, we expect isolated light rain in Jammu and Kashmir, Himachal Pradesh, and Uttarakhand. The rainfall activities may increase marginally in East Assam and Arunachal Pradesh. Scattered rain and thundershowers to continue in Chhattisgarh, Southeast, and East Madhya Pradesh, as well as, Vidarbha region in Maharashtra is also a forecast as per Skymet Weather. Odisha may also observe scattered rains. North Coastal Andhra Pradesh is expected to observe scattered rain. While isolated rain is likely in Telangana.

Previous Updates:

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.

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 lcumsa	335.8	-2.7

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed March 18, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200318	10.78	10.97	10.64	10.67	-0.22	96,632	338,087	-9,670
20-Jul	200318	10.78	10.91	10.62	10.63	-0.23	81,600	271,742	-13,568
20-Oct	200318	11	11.09	10.8	10.8	-0.24	48,464	203,197	-12,925
21-Mar	200318	11.49	11.6	11.32	11.33	-0.23	23,246	107,058	-2,150
21-May	200318	11.52	11.52	11.27	11.27	-0.21	6,123	39,458	26
21-Jul	200318	11.42	11.45	11.23	11.23	-0.2	6,533	39,874	-1,113
21-Oct	200318	11.62	11.66	11.45	11.45	-0.2	3,800	38,692	828
22-Mar	200318	12.04	12.13	11.93	11.94	-0.19	1,060	15,403	-6
Total Volume and Open Interest							268,215	1,064,050	-38,513

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wed March 18, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200318	336.8	339.1	335	335.8	-2.7	10,724	42,431	-4,097
20-Aug	200318	328.9	331.4	327.4	327.7	-2.4	7,616	45,355	-697
20-Oct	200318	323	325	320.4	320.6	-3.2	1,132	12,488	13
20-Dec	200318	324.1	326.4	323	323	-2.1	560	8,114	-15
21-Mar	200318	327	329	326.1	326.1	-1.5	505	6,159	196
Total Volume and Open Interest							21,196	118,626	-4,234

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			19-Mar-20	18-Mar-20	
Delhi	Delhi	M-Grade	3100	3150	-50
	Delhi	S-Grade	3080	3130	-50
Uttar Pradesh	Khatauli	M-Grade	3250	3245	5
	Ramala	M-Grade	3120	3120	Unch
	Dhampur	M-Grade Ex-Mill	3150	3150	Unch
	Dhampur	S-Grade Ex-Mill	3130	3130	Unch
	Dhampur	L-Grade Ex-Mill	3200	3200	Unch
Maharashtra	Mumbai	M-Grade	3510	3520	-10
	Mumbai	S-Grade	3286	3292	-6
	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)			19-Mar-20	18-Mar-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2713	2725	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	5000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2450	2475	-25
	Muzaffarnagar	Laddoo (Fresh)	2500	2513	-13
	Muzaffarnagar	Rascut (Fresh)	2313	2350	-38
	Hapur	Chaurasa	2480	2530	-50
	Hapur	Balti	2488	2538	-50
Andhra Pradesh	Chittur	Gold	4800	4600	200
		White	4300	4300	Unch
		Black	3800	3700	100
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	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3244	-
	Mandya	Achhu (Medium)	3500	3470	30
	Mandya	Kurikatu (Medium)	3100	3000	100
	Mandya	Other (Medium)	2960	2950	10
	Mandya	Yellow (Medium)	3310	3300	10
	Shimoga/Shivamogga	Achhu (Average)	3650	3650	Unch

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