

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

***Indian Sugar markets across India are closed and the cities are locked down till this month end and is likely to extend because to avoid the effects of coronavirus spread in India.***

***After the licenses issued to the Maharashtra sugar mills to make sanitizers from ethanol, around 20 companies including sugar distilleries in UP also have applied for the same. As the demand for hand sanitizers has surged amid the outbreak of coronavirus. These units in UP can produce around 50,000 litre of hand sanitizer daily. The manufacturing of sanitizers is likely to commence in UP after the getting clearances from the excise department.***

**Weather Forecast:**

***Thunderstorm accompanied with lightening, hail and & gusty wind very likely at isolated places over Jammu & Kashmir, Ladakh, Himachal Pradesh, & Punjab. Thunderstorm accompanied with lightening at isolated places over Uttarakhand, Haryana, Chandigarh & Delhi, and Madhya Pradesh; with lightening & gusty wind likely over Madhya Maharashtra and Marathwada and Vidarbha.***

**Previous Updates:**

***Although today the government has taken an important step as Sugar and Sugarcane come under Essential Commodities Act 1955, therefore, those mills across India which have not yet completed their sugarcane crushing operations will continue to operate. All the sugar mills across India were facing problem in operating the mills to produce sugar due to which majorly the mills have halted the functioning. As the mills are not able to get the proper supply of raw material in the production. Already many mills have completed the crushing activity earlier this year due to the lack of availability of cane in Maharashtra and Karnataka expect UP. However, the fall in global sugar prices and the lockdown situation in all the states, India is unable export sugar as well as the mills are not able to sell sugar in the domestic market due to which DFPD extended the March sales quota till 15<sup>th</sup> April'20.***

***The Indian government is taking all the possible preventive measures to control coronavirus. Out of which Maharashtra is majorly hit state, therefore, the sugar mills in the state have adopted the measure to produce sanitizers from the ethanol produced. Sugar mills produce ethanol as by-product which is an active ingredient of hand sanitizers. Sanitizers contain 70% ethanol and water as a major ingredient. As there would be the maximum use of hand sanitizer.***

***The government was planning to increase the ethanol production to 9 billion litres from 3.55 billion litres within two years earlier in the month. And the target of achieving of 10% ethanol blending in petrol seems difficult as a big fall in sugarcane production is reported this year by around 14% to 356 million tonnes especially in Maharashtra and Karnataka. So far, only 1.94 bln ltr of ethanol have been supplied to OMCs against their total demand of 5.11 billion of ethanol. This year many mills were unable to get loans from banks for the installation of new distilleries due to improper balance sheets. Out of the total 362 applicants, the loans have been disbursed to only 37 sugar mills and 27 bln rupees has been sanctioned to 57 mills so far. This year in 2019-20 only 4% blending is likely to achieve by India lower compared to the previous year of 4.9%.***

**The global raw sugar prices have fallen by around 18% since 1st of Mar'20 from 13.81 cents/lbs to 11.33 cents/lbs and similarly the white sugar have plunged to \$326/tonne from \$391.9/tonne during the same period due to the pandemic effect globally. The downfall in crude oil prices is encouraging one of the largest sugar producing countries Brazil and a major competitor of India to divert the sugarcane crushing to sugar production instead of ethanol production.**

**The government has asked the sugar mills to sell their March sales quota till 15th April'20 due to the impact caused because of coronavirus.** There might be lower sugar quota for the next to prevent sharp fall in prices as mills would have unsold March quota that will be carried forward to April. From the past two weeks, the effect of COVID-19 can be witnessed in the sugar demand. A significant fall in sugar demand and consumption is likely to occur as social gatherings, weddings and celebrations have been postponed are avoided by the people in attending the functions due to spread of coronavirus. People are avoiding consuming cold drinks, ice creams and other products.

**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 15<sup>th</sup> 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 15<sup>th</sup> 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 15<sup>th</sup> 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 15<sup>th</sup> 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.

## 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	339	-2.0

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

Daily Futures Price Listing Wed March 25, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">20-May</a>	200325	11.42	11.68	11.31	11.41	0.14	61,105	321,937	-2,255
<a href="#">20-Jul</a>	200325	11.37	11.5	11.21	11.27	0.16	54,875	254,945	-7,060
<a href="#">20-Oct</a>	200325	11.39	11.61	11.31	11.38	0.14	26,352	182,584	187
<a href="#">21-Mar</a>	200325	11.89	12.05	11.74	11.82	0.12	9,621	105,046	-1,050
<a href="#">21-May</a>	200325	11.63	11.89	11.54	11.64	0.11	4,038	47,318	-641
<a href="#">21-Jul</a>	200325	11.58	11.75	11.41	11.52	0.1	3,445	40,825	60
<a href="#">21-Oct</a>	200325	11.79	11.8	11.55	11.68	0.08	1,494	39,244	-196
<a href="#">22-Mar</a>	200325	12.05	12.2	11.96	12.11	0.07	646	16,462	289
Total Volume and Open Interest							162,200	1,021,392	-10,163

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

Daily Futures Price Listing Wed March 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>	200325	342.5	344.4	337.3	338.9	unch	6,046	33,010	-1,845
<a href="#">20-Aug</a>	200325	336.6	339	333.6	335.9	2.9	3,731	44,648	-10
<a href="#">20-Oct</a>	200325	331.8	334.9	330.2	333.4	4.7	1,196	13,898	121
<a href="#">20-Dec</a>	200325	334.4	337.2	333.5	336.4	4.5	398	8,648	26
<a href="#">21-Mar</a>	200325	336.4	338.7	335.2	337.6	3.7	210	7,017	18
Total Volume and Open Interest							11,655	111,888	-1,691

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			26-Mar-20	25-Mar-20	
Delhi	Delhi	M-Grade	Closed	Closed	-
	Delhi	S-Grade	Closed	Closed	-
Uttar Pradesh	Khatauli	M-Grade	Closed	Closed	-
	Ramala	M-Grade	Closed	Closed	-
	Dhampur	M-Grade Ex-Mill	Closed	Closed	-
	Dhampur	S-Grade Ex-Mill	Closed	Closed	-
	Dhampur	L-Grade Ex-Mill	Closed	Closed	-
Maharashtra	Mumbai	M-Grade	Closed	Closed	-
	Mumbai	S-Grade	Closed	Closed	-
	Nagpur	M-Grade	Closed	Closed	-
	Nagpur	S-Grade	Closed	Closed	-
	Kolhapur	M-Grade	Closed	Closed	-
	Kolhapur	S-Grade	Closed	Closed	-
Assam	Guhawati	S-Grade	Closed	Closed	-
Meghalaya	Shillong	S-Grade	Closed	Closed	-
Andhra Pradesh	Vijayawada	M-Grade	Closed	Closed	-
	Vijayawada	S-Grade	Closed	Closed	-
West Bengal	Kolkata	M-Grade	NR	3560	-
Tamil Nadu	Chennai	S-Grade (With GST)	Closed	Closed	-
	Dindigul	M-Grade	NR	3560	-
	Coimbatore	M-Grade	NR	3700	-
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)			26-Mar-20	25-Mar-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	Closed	Closed	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	Closed	-
	Muzaffarnagar	Khurpa (Fresh)	Closed	Closed	-

	Muzaffarnagar	Laddoo (Fresh)	Closed	Closed	-
	Muzaffarnagar	Rascut (Fresh)	Closed	Closed	-
	Hapur	Chaurasa	Closed	Closed	-
	Hapur	Balti	Closed	Closed	-
Andhra Pradesh	Chittur	Gold	Closed	Closed	-
		White	Closed	Closed	-
		Black	Closed	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	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)	NA	NA	-
	Mandya	Kurikatu (Medium)	NA	NA	-
	Mandya	Other (Medium)	NA	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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