

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

***Indian Sugar markets across India are closed and the cities are locked down till 14<sup>th</sup> April because to avoid the effects of coronavirus spread in India.***

***According to ISMA, 232.74 lakh tonnes of sugar have been produced till 31<sup>st</sup> March 2020 across India against 296.82 lakh tonnes produced in the same time last year. As on 31<sup>st</sup> Mar'20, 271 mills have stopped their operations and 186 mills have stopped crushing as compared to 240 mills were still operating in the same time last year. In UP, 119 sugar mills have produced 97.20 LT of sugar compared to 95.67 LT of sugar with only 114 mills operational till 31<sup>st</sup> Mar last year. In Maharashtra, 118 mills have closed their operations with only 28 mills operating at this time with producing 58.7 LT compared with 105.16 LT produced year on year. Similarly, this year Karnataka has also produced less sugar i.e., around 33.5 LT against 43.18 LT last year till 31<sup>st</sup> Mar. Only 3 mills are in operation so far out of the total 63 mills this year. According to Agriwatch, Maharashtra is likely to produce around 59-60 LT followed by UP estimated around 122 LT of sugar and around 34 LT of sugar in Karnataka.***

**Weather Forecast:**

***Rain activities will increase over Western Himalayas. Light to moderate rain and thundershower with snowfall at few places expected over Jammu and Kashmir, Ladakh, Himachal Pradesh and at isolated pockets of Uttarakhand. Scattered rains are also possible over Northern districts of Punjab, Haryana and Northwest Uttar Pradesh. Light to moderate rain with thundershower activities are possible over Vidarbha, Marathwada isolated pockets of Telangana southeast Madhya Pradesh and Chhattisgarh.***

**Previous Updates:**

***According to the trade sources, India exported 2.65 LT of total sugar in February month down by around 93,177 MT. Out of the total sugar exports, largest quantity of raw sugar has been exported to Malaysia exporting 1,22,200 tonnes at an average FOB of \$318/MT followed by Saudi Arabia of 47,985 MT of sugar and at an average FOB \$332.01/MT and only 1300 tonnes of refined sugar (\$385.12/MT). In February, Yemen imported large quantity compared to January month of raw sugar around 45,500 tonnes (\$350.26/MT). India exported around 31,700 tonnes of raw sugar to Somalia and only 300 tonnes of refined sugar at an average FOB of \$311/MT and \$364/MT respectively. Many contracts were delayed and cancelled to China, Afghanistan and Iran due to the outbreak of Covid-19 that disrupted the trade in many countries.***

***Around 26 factories in Maharashtra were operational till last week that were likely to finish crushing in March end or in 1<sup>st</sup> week of April. While large number of mills in UP are still in the process of crushing that were likely to be operational till May end to complete the rest 20% of the cane crushing. Many mills have closed their operations due to the lack of raw materials. Many sugar mills are facing shortage of raw materials such as lime, sulphur, phosphoric acid, PP bags and other packing materials that usually supplied from Rajasthan. Some of the mills are still operational and on the verge of closure in 7-10 days if the raw material doesn't reach the mills on time. And would restart crushing after the middle of next week if raw materials become available. Since sugar is the essential commodity, the government has announced that the trucks carrying the essential raw material should not be stopped at the state borders in the lockdown situation.***

**Government fixed the monthly sugar sales quota as 18 LT for March month to 545 mills lower by 3 LT compared to the previous month that stood at 21 LT. Also, the allocated quota is same as in the previous year during April. In March, the sugar millers have reported that there was weak demand due to the outbreak of coronavirus in India. The millers are not able to sell sugar, therefore, the government has extended the March sales quota till 15<sup>th</sup> April'20.**

**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.**

**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.**

## 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	356	5.00

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

Daily Futures Price Listing Tue March 31, 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>	200331	10.75	10.78	10.4	10.42	-0.31	59,088	300,790	-4,680
<a href="#">20-Jul</a>	200331	10.8	10.83	10.48	10.5	-0.27	49,310	251,209	1,550
<a href="#">20-Oct</a>	200331	11.04	11.05	10.75	10.76	-0.23	24,078	177,709	3707
<a href="#">21-Mar</a>	200331	11.58	11.62	11.36	11.4	-0.12	12,276	103,867	91
<a href="#">21-May</a>	200331	11.46	11.52	11.28	11.34	-0.06	3,988	49,865	197
<a href="#">21-Jul</a>	200331	11.38	11.45	11.22	11.3	-0.01	2,006	41,649	240
<a href="#">21-Oct</a>	200331	11.55	11.63	11.42	11.53	0.04	1,373	39,380	-10
<a href="#">22-Mar</a>	200331	12	12.12	11.93	12	0.08	367	17,111	107
Total Volume and Open Interest							153,199	995,497	1,500

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

Daily Futures Price Listing Tue March 31, 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>	200331	356.5	358.5	352	353.1	-3	9,287	28,716	-800
<a href="#">20-Aug</a>	200331	336.9	337.8	330.5	330.9	-6	7,974	43,976	-299
<a href="#">20-Oct</a>	200331	329.9	330.9	323.6	324	-6.3	3,179	15,419	572
<a href="#">20-Dec</a>	200331	331	332.1	325.4	326	-5.3	1,007	9,016	142
<a href="#">21-Mar</a>	200331	332.7	333	327	327.5	-4.6	783	7,481	305
Total Volume and Open Interest							22,840	109,712	213

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			1-Apr-20	31-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	3620	3620	Unch

Tamil Nadu	Chennai	S-Grade (With GST)	Closed	Closed	-
	Dindigul	M-Grade	3960	3960	Unch
	Coimbatore	M-Grade	3700	3700	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	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)			1-Apr-20	31-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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