

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

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

The sugarcane in UP is being harvested as directed by the government and the mills are supporting the farmers in transportation of the harvested cane to the mills. As the mills in UP would continue the crushing operations till the cane is harvested from the fields so as to avoid the loss in yield and sugar recovery of the cane. Sugar mill's sugar production and supply are coming back on track gradually from the last 3-4 days.

In UP, the mills are facing from the sharp drop in demand for ethanol from the OMCs due to the significant decline in usage of petrol and diesel in the country because of lockdown in the country. Now, the mills are having difficulties in storing the large amount of ethanol. The mills have requested the OMCs to reallocate the ethanol in different depots so that all the ethanol contracted for in the year is supplied on time without facing in storing the ethanol in the mills for which the OMCs have agreed upon.

Weather Forecast:

During the next 24 hours, activities are expected to increase over Jammu and Kashmir and parts of Himachal Pradesh. Isolated to scattered rains are expected over Uttarakhand, northern districts of Punjab and Haryana. Dust storm activities with isolated thunderstorm are possible over West and North West Rajasthan. Rain and thundershower activities will continue over Kerala parts of interior Karnataka and interior Tamil Nadu.

Previous Updates:

The global raw sugar prices have fallen by around 20% since last month from 14.46 cents/lbs to 11.40 cents/lbs by the end of March month and similarly the white sugar have plunged to \$327.5/tonne by the end of March from \$384/tonne during the same period due to the pandemic effect globally. The fall in prices due to weak crude oil prices, growing risk and on expectation of a decline in demand amid outbreak of coronavirus. 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 in the coming sugar year in Brazil.

In February, when the prices spiked, the industry was expecting to reach the target of exporting 5 million tonnes of sugar this year. Despite the downfall in the international sugar prices in the last one week, the Indian sugar industry hopes that the export demand might rise once the pandemic subsides due to the global sugar deficit. Although the sugar trade has been disrupted due to the spread of coronavirus and over the last 10-15 days, no new sugar contracts have been signed so far as the contractors need to cut down the prices and due to the closure of Indian ports since 20th March. Also, the incoming ships are being kept in quarantine at ports as a measure to check the virus spread. Some ships are also stuck at the ports. As per ISMA, sugar mills have dispatched almost 30 lakh tons of sugar for export till 15th Mar'20.

According to ISMA, 232.74 lakh tonnes of sugar have been produced till 31st March 2020 across India against 296.82 lakh tonnes produced in the same time last year. As on 31st 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 mills till 31st 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 31st 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.

According to the trade sources, India exported 2.65 LT of total sugar in Februray 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 1st 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 15th April'20.

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	337	-4.0

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon April 06, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200406	10.46	10.56	10.29	10.45	0.14	81,764	299,275	-1,757
20-Jul	200406	10.49	10.55	10.3	10.42	0.09	59,760	257,382	4,660
20-Oct	200406	10.69	10.74	10.51	10.59	0.06	42,452	193,348	573
21-Mar	200406	11.21	11.29	11.09	11.14	0.05	17,536	112,086	985
21-May	200406	11.12	11.19	11.01	11.04	0.04	3,400	51,818	264
21-Jul	200406	11.08	11.08	10.94	10.97	0.03	2,225	39,883	-90
21-Oct	200406	11.23	11.23	11.11	11.13	0.01	859	38,280	-37
22-Mar	200406	11.59	11.67	11.58	11.62	0.01	288	18,132	57
Total Volume and Open Interest							208,676	1,025,132	4,857

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Mon April 06, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200406	339.9	339.9	328.6	330.1	-6.4	9,690	23,429	-1703
20-Aug	200406	325.3	326.3	320.3	324.2	1.4	9,587	44,037	279
20-Oct	200406	320.6	320.7	315	317.1	-0.2	5,029	15,490	-332
20-Dec	200406	322.9	322.9	317.6	319.6	0.1	1,687	9,807	67
21-Mar	200406	323.8	323.8	319.9	321.8	1.4	652	8,880	-158
Total Volume and Open Interest							26,908	107,731	-1,785

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			7-Apr-20	6-Apr-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	3640	3640	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	Closed	Closed	-
	Dindigul	M-Grade	4060	4020	40
	Coimbatore	M-Grade	4020	3850	170
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)			7-Apr-20	6-Apr-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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