

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

The prices across India remained steady to low today at Rs.3150/q in Delhi and Rs.3820 in Vijayawada. While the prices in UP markets stood low and the markets in Maharashtra were closed due to lack of demand and disruption in transport.

Sugar mills in UP would continue operations till the entire sugarcane crop is harvested for this season. Around 100 mills are still crushing out of the total 119 operational mills this sugar season. So far this year till 10th Apr'20, around 932 LT of sugarcane has been harvested by producing 105.41 LT of sugar up by 2.66% compared to the previous year sugar production during the same period. Only around 15 per cent sugarcane is left to be supplied to the sugar mills.

Weather Forecast:

Thunderstorm accompanied with lightning & squall (speed reaching 40-50 kmph) very likely at isolated places over Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura. Thunderstorm accompanied with lightning & gusty winds (speed reaching 30-40 kmph) very likely at isolated places over Gangetic West Bengal and with lightning at isolated places over Jammu, Kashmir, Ladakh, Gilgit, Baltistan, Muzaffarabad, Himachal Pradesh, Uttar Pradesh, Haryana, Chandigarh & Delhi, Punjab, Telangana and South Interior Karnataka.

Previous Updates:

In many states, the mills are facing difficulty in the crushing operations as many labourers have returned to their homes after the lockdown. Sugarcane is lying in the fields in many states because of lack of cane harvesting labourers to cut it. The Bardoli district in Gujarat has an area of 8000 ha spread over 1.25 lakh tonnes of sugarcane is not being harvested. The area needs around 10,000 labours but only 3000 farm labours are working to harvest 1.25 lakh tonnes of cane.

As the poor families and daily wage workers are suffering a lot after the covid-19 lockdown in every state, the Gujarat government has decided to provide free ration to around 60 lakh families who were not getting food under National Food Security Act. They would be given 10 kg wheat grains, 3 kg rice, 1 Kg pulse grain and 1 kg sugar all free of cost. As the sugar piles in the godowns after the lockdown due to the lack of availability of labour and disruption in transport, now the mills are able to liquidate the stocks.

Oman to import 10,000 tonnes of white sugar to ensure the ample supply of basic commodities in the market amid the ongoing Coronavirus outbreak. Oman is also ensuring that they should face no sugar shortage in the country. Public Authority for Stores and Food Reserves has contracted to purchase 10,000 tonnes of white sugar, with the aim of strengthening the stockpile of basic food commodities. India could gain this opportunity of exporting some amount of sugar if the trade operations gets smoother.

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.

Across India, 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.

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.

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	unch

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu April 09, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200409	10.42	10.6	10.27	10.43	0.06	55,734	268,936	-16,587
20-Jul	200409	10.48	10.64	10.33	10.49	0.1	54,488	268,758	6,460
20-Oct	200409	10.73	10.88	10.59	10.76	0.12	32,068	198,532	532
21-Mar	200409	11.48	11.56	11.28	11.46	0.13	13,448	116,583	2913
21-May	200409	11.36	11.55	11.3	11.51	0.19	5,620	53,397	142
21-Jul	200409	11.45	11.63	11.37	11.63	0.26	6564	40,824	669
21-Oct	200409	11.69	11.91	11.68	11.9	0.28	3440	38,593	312
22-Mar	200409	12.25	12.45	12.24	12.44	0.27	293	18,197	9
Total Volume and Open Interest							171,994	1,019,129	-5,476

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thu April 09, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200409	343.9	353	338.4	348.5	9.1	7,784	16,685	-3,298
20-Aug	200409	330.9	334.5	327.2	331.3	2.4	5,419	46,702	1,047
20-Oct	200409	323.5	323.6	317.2	321.5	1.3	1,361	16,508	610
20-Dec	200409	324.7	325.5	319.5	324.1	1.4	260	10,114	108
21-Mar	200409	326.4	327.5	322.3	326.8	2	170	9,182	48
Total Volume and Open Interest							15,051	105,770	-1,488

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			13-Apr-20	11-Apr-20	
Delhi	Delhi	M-Grade	3150	3150	Unch
	Delhi	S-Grade	3130	3130	Unch
Uttar Pradesh	Khatauli	M-Grade	3245	3235	10
	Ramala	M-Grade	3120	3140	-20
	Dhampur	M-Grade Ex-Mill	3160	3190	-30
	Dhampur	S-Grade Ex-Mill	3140	3170	-30
	Dhampur	L-Grade Ex-Mill	3210	3240	-30
Maharashtra	Mumbai	M-Grade	Closed	3600	-
	Mumbai	S-Grade	Closed	3460	-
	Nagpur	M-Grade	3325	Closed	-
	Nagpur	S-Grade	3225	Closed	-
	Kolhapur	M-Grade	3200	Closed	-
	Kolhapur	S-Grade	3100	Closed	-
Assam	Guhawati	S-Grade	3410	Closed	-
Meghalaya	Shillong	S-Grade	3420	Closed	-
Andhra Pradesh	Vijayawada	M-Grade	3820	3820	Unch
	Vijayawada	S-Grade	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3750	3750	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3750	Closed	-
	Dindigul	M-Grade	4160	4060	100
	Coimbatore	M-Grade	4020	4020	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)			13-Apr-20	11-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2718	2705	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	16000	9000	7000
	Muzaffarnagar	Khurpa (Fresh)	2638	2578	60

	Muzaffarnagar	Laddoo (Fresh)	2963	2828	135
	Muzaffarnagar	Rascut (Fresh)	2450	2463	-13
	Hapur	Chaurasa	Closed	2500	-
	Hapur	Balti	Closed	2400	-
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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