

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

The prices across India remained steady to low today at Rs.3140/q in Delhi and Rs.3820 in Vijayawada. The prices in Khatauli, UP remained low at Rs.3215/q today. While the prices in Chennai stood at Rs. 3800/q.

The two major sugar producing mills in Philippines are shut down due to the increasing effects of coronavirus in the country. The government announced a lockdown from 13th April to 26th April'20 to minimize the spread of coronavirus. Both the mills together contribute around 16% of the country's total production and produce around 82% of sugar of Southern island region. After the closure of the mills, it could lead to the shortage of sugar due to which the sugar prices might hike. The country is not a large importer but when it does, it usually buys from Thailand.

Brazilian sugar mills produced around 2.27 LT of sugar in the South-Central region in last two weeks of March that allocated 29.33% of the cane to produce sugar in the period, compared to 20.5% at this time last year. While the total sugar exports declined by 11% in Brazil year on year by producing 26.76 MMT of total sugar, up by only around 1% this season.

Weather Forecast:

Thunderstorm accompanied with lightning, hail & gusty winds (speed reaching 30-40 kmph) likely at isolated places over north Coastal Andhra Pradesh, Telangana, Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh and Uttarakhand; with lightning & gusty winds at isolated places over Odisha; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Punjab, Madhya Maharashtra, Marathwada, Chhattisgarh, Assam & Meghalaya, Nagaland, Bihar and with lightning at isolated places over Haryana, Chandigarh & Delhi, Gangetic West Bengal, Madhya Pradesh, Jharkhand, Karnataka, Rayalaseema and Kerala.

Previous Updates:

DFPD has asked the sugar mills to submit the quarterly report of sugar export by April 20 extended by 17 days which was supposed to be submitted by April 3rd. The ministry also warned that if mills fail to export the quota by 31st Mar'20, they would not be entitled for their claim for their quota of fourth quarter under the MAEQ scheme and also for maintenance of buffer stock of 40 LT notified by DFPD earlier in the previous year.

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.

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.

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	331.7	-13.5



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed April 15, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200415	9.99	10.2	9.96	10.16	0.11	56,210	230,184	-9,212
20-Jul	200415	10.2	10.31	10.12	10.28	0.03	55,778	309,261	13,480
20-Oct	200415	10.46	10.56	10.39	10.52	0.03	21,902	200,742	239
21-Mar	200415	11.18	11.25	11.1	11.21	0.01	9,161	118,395	1,221
21-May	200415	11.29	11.33	11.19	11.28	-0.03	3,917	54,425	795
21-Jul	200415	11.42	11.44	11.3	11.38	-0.06	6,011	42,085	75
21-Oct	200415	11.68	11.68	11.53	11.6	-0.1	4,000	41,323	1,098
22-Mar	200415	12.19	12.19	12.05	12.1	-0.11	1,120	18,790	172
Total Volume and Open Interest							158,992	1,031,193	7,965

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wed April 15, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200415	349.2	353	342.4	342.7	-2.5	9,698	12,130	-2,855
20-Aug	200415	330.6	332.4	326.7	331.7	0.5	8,070	47,340	76
20-Oct	200415	320.6	322.1	316.2	321.1	-0.3	3,182	17,496	612
20-Dec	200415	323.7	323.7	318.4	322.7	-0.7	1,188	10,214	184
21-Mar	200415	325.4	325.4	320.6	324.4	-0.7	615	9,472	175
Total Volume and Open Interest							23,398	103,475	-1,580

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:B2					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			16-Apr-20	15-Apr-20	
Delhi	Delhi	M-Grade	3140	3140	Unch
	Delhi	S-Grade	3120	3120	Unch
Uttar Pradesh	Khatauli	M-Grade	3215	3225	-10
	Ramala	M-Grade	3120	3120	Unch
	Dhampur	M-Grade Ex-Mill	3140	3145	-5
	Dhampur	S-Grade Ex-Mill	3120	3125	-5
	Dhampur	L-Grade Ex-Mill	3190	3195	-5
Maharashtra	Mumbai	M-Grade	Closed	Closed	-
	Mumbai	S-Grade	Closed	Closed	-
	Nagpur	M-Grade	3325	3325	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3200	3200	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	3820	3820	Unch
	Vijayawada	S-Grade	3760	3760	Unch
West Bengal	Kolkata	M-Grade	3750	3750	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3800	3800	Unch
	Dindigul	M-Grade	4160	4160	Unch
	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)			16-Apr-20	15-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2775	2788	-13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	7000	1000
	Muzaffarnagar	Khurpa (Fresh)	2750	2763	-13
	Muzaffarnagar	Laddoo (Fresh)	2975	2988	-13
	Muzaffarnagar	Rascut (Fresh)	2438	2450	-13

	Hapur	Chaurasa	2550	2575	-25
	Hapur	Balti	2563	2588	-25
Andhra Pradesh	Chittur	Gold	5500	5500	Unch
		White	5200	5200	Unch
		Black	NA	NA	-
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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