

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

The prices across India showed steady to weak trend today prices at Rs.3115/q in Delhi and Rs.3780 in Vijayawada. The prices in Khatauli, UP remained low at Rs.3205/q today. While the prices in Chennai stood same at Rs. 3800/q.

India has permitted the exports of 745 tonnes of raw sugar up to 30th Sep'20 to USA under TRQ (Tariff Rate Quota) i.e., exporting under relatively low tariff. India has permitted the exports of 9,169 tonnes of raw sugar for the export to the USA under TRQ up to Sep'20. Till 3rd Sep'19, India permitted 8,424 tonnes of sugar and the rest of the quantity would be shipped up till 30th Sep this year. India enjoys the duty free sugar exports to US under TRQ annually. India has this preferential quota with the European nations as well.

Weather Forecast:

Thunderstorm accompanied lightning, hail & gusty winds (speed reaching 40-50 kmph) West Bengal & Sikkim and Assam & Meghalaya; with lightning, hail & gusty winds (speed reaching 30-40 kmph) very likely at isolated places over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, West Uttar Pradesh, Telangana, Uttarakhand, Chhattisgarh and Madhya Pradesh; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Vidarbha, Kerala & Mahe, East Uttar Pradesh and with lightning at isolated places over Bihar, South Interior Karnataka, Jharkhand, Coastal Andhra Pradesh & Yanam and Rayalaseema.

Previous Updates:

Although the sugar demand declined in both domestic and international market but soon after the lockdown is lifted, it is expected that the demand would surge. As the demand would increase from the bulk consumers when the restaurants, malls, the processing factories would resume their operations. Also, the demand from Indonesia and Thailand could compensate the exports that are halted for a while in lockdown period. Usually Indonesia imports a major quantity of sugar from Thailand but the country is itself facing from sugar shortage of around 5 million tonnes. Therefore, as soon as the lockdown is lifted in all countries the sudden demand is likely to receive by India from Indonesia, Thailand along with Australia with the preferential duty most probably by June and July.

Karnataka sugar mills crushed 338 lakh tonnes of sugarcane declined by 15% y/y producing 33.6 LT of sugar in 2019-20 sugar season. Around 1 LT of sugarcane left uncrushed due to the sudden closure of mills after the lockdown. Therefore, the sugar industry is seeking a relief package of Rs.1000 crores that is facing from the severe financial crunch due to the coronavirus lockdown. Along the decline in sugar demand, the ethanol sales also plunged due to the slowdown in demand in petrol and diesel.

According to ISMA, 247.8 lakh tonnes of sugar have been produced till 15th April'20 across India down by 20% as against 311.75 lakh tonnes produced in the same time last year. As on 15th April'20, 139 mills were operational while 172 sugar mills that were still crushing sugarcane on 15th April 2019 last year. In UP, sugar mills have produced 108.25 LT of sugar compared to 105.55 LT of sugar with only 98 mills operational mills till 15th April'20 and 103 mills were operational last year. In Maharashtra, 136 mills have closed their operations with only 10 mills operating at this time with producing 60.12 LT compared with 106.71LT produced year on year. Similarly, this year Karnataka has also produced less sugar i.e., around 33.82 LT against 43.2 LT last year till 15th April. All mills are closed so far in the state while 1 mill was in operation

during the same time last year. According to Agriwatch, Maharashtra is likely to produce around 60-61 LT followed by UP estimated around 122 LT of sugar and around 34 LT of sugar in Karnataka.

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.

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.

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 Icmsa	340	2.2



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tue April 21, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200421	9.99	9.99	9.55	9.75	-0.31	34,669	126,828	-15,864
20-Jul	200421	10.18	10.2	9.77	10.01	-0.25	53,720	344,344	-2,077
20-Oct	200421	10.48	10.48	10.09	10.34	-0.19	20,121	208,979	270
21-Mar	200421	11.17	11.17	10.85	11.09	-0.12	11,618	124,900	2,412
21-May	200421	11.21	11.23	10.95	11.18	-0.07	3,395	57,817	567
21-Jul	200421	11.26	11.32	11.06	11.27	-0.03	2,027	42,800	-28
21-Oct	200421	11.47	11.57	11.34	11.53	0.03	1,132	42,268	30
22-Mar	200421	12	12.13	11.93	12.09	0.07	276	19,068	76
Total Volume and Open Interest							127,162	983,187	-14,552

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tue April 21, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200421	327.8	328.1	319	322	-7.1	5,278	50,245	588
20-Aug	200421	318.8	318.8	312	314.6	-5.3	2,400	16,827	-517
20-Oct	200421	318.7	319.1	313.8	316.4	-3.6	764	10,660	-88
20-Dec	200421	320.5	320.7	315.8	318.8	-2.6	361	9,428	-46
21-Mar	200421	326.3	327.3	322.5	325.6	-1.7	19	3,273	5
Total Volume and Open Interest							8,842	94,667	-60

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			22-Apr-20	21-Apr-20	
Delhi	Delhi	M-Grade	3115	3120	-5
	Delhi	S-Grade	3095	3100	-5
Uttar Pradesh	Khatauli	M-Grade	3205	3215	-10
	Ramala	M-Grade	3110	3120	-10
	Dhampur	M-Grade Ex-Mill	3130	3140	-10
	Dhampur	S-Grade Ex-Mill	3110	3120	-10
	Dhampur	L-Grade Ex-Mill	3180	3190	-10
Maharashtra	Mumbai	M-Grade	3510	3440	70
	Mumbai	S-Grade	3370	3400	-30
	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	3780	3780	Unch
	Vijayawada	S-Grade	3720	3720	Unch
West Bengal	Kolkata	M-Grade	3750	3750	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3800	3800	Unch
	Dindigul	M-Grade	4320	4160	160
	Coimbatore	M-Grade	4150	4020	130
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3600	100

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)			22-Apr-20	21-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2853	2878	-25
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	8000	4000
	Muzaffarnagar	Khurpa (Fresh)	2550	2588	-38

	Muzaffarnagar	Laddoo (Fresh)	2875	2900	-25
	Muzaffarnagar	Rascut (Fresh)	2425	2413	13
	Hapur	Chaurasa	2613	2560	53
	Hapur	Balti	2588	2563	25
Andhra Pradesh	Chittur	Gold	4800	4800	Unch
		White	NA	NA	-
		Black	4000	4000	Unch
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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