

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

*The prices across India showed steady to weak trend today prices at Rs.3100/q in Delhi and Rs.3740 in Vijayawada. The prices in Khatauli, UP remained low at Rs.3155/q today. While the prices in Chennai stood same at Rs. 3350/q. The crop harvesting is in its peak in Punjab, Haryana and UP. Sugarcane harvesting has been completed in Maharashtra, Karnataka, Gujarat, Andhra Pradesh and Punjab. The maximum area is left for harvesting is in Uttar Pradesh with 15-20%. For the states of Tamil Nadu, Bihar, Haryana and Uttarakhand, 92-98% harvesting has been completed.*

**Weather Forecast:**

*Thunderstorm accompanied with lightning, hail & squall (speed reaching 50-60 kmph) very likely at isolated places over Jharkhand; with lightning & squall (speed reaching 50-60 kmph) very likely at isolated places over Gangetic West Bengal; with lightning, hail & gusty winds (speed reaching 30-40 kmph) at isolated places over Odisha and Telangana; with lightning & gusty winds (speed reaching 40-50 kmph) at isolated places over Sub Himalayan West Bengal & Sikkim, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Uttar Pradesh, Rajasthan, Coastal Andhra Pradesh & Yanam, South Interior Karnataka, Tamilnadu.*

**Previous Updates:**

***The sugar production in Thailand is estimated to recover to 12.9 MMT in 2020-21 season, up by 56% in 2019-20 year, according to USDA report.** Sugar production in 2019-20 is forecast to decline to 8.3 MMT due to reduced sugarcane acreage and reduced average yields caused by drought. Sugar exports in marketing year 2020-21 are expected to increase to around 11 MMT, up 3 percent from exports in MY 2019-20. Also, in MY 2020-21 sugar consumption is expected to be at around 2.5 MMT. As, Non-alcoholic beverage manufacturers in the country are likely to further reduce production of beverages with high-sugar content. However, the demand for sugar from household consumption and food-processing manufacturers will likely continue to increase slightly.*

***India has permitted the exports of 745 tonnes of raw sugar up to 30<sup>th</sup> 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 3<sup>rd</sup> Sep'19, India permitted 8,424 tonnes of sugar and the rest of the quantity would be shipped up till 30<sup>th</sup> 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.*

***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 as 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 15<sup>th</sup> April'20 across India** down by 20% as against 311.75 lakh tonnes produced in the same time last year. As on 15<sup>th</sup> 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 form 13<sup>th</sup> April to 26<sup>th</sup> April'20 to minimize the spread of coronavirus. Both the mills together contributes 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 3<sup>rd</sup>.** The ministry also warned that if mills fail to export the quota by 31<sup>st</sup> 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 10<sup>th</sup> 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 Icumsa	324.6	2.6

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

Daily Futures Price Listing Thu April 23, 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>	200423	9.93	10	9.75	9.84	0.01	38,413	101,061	-11,846
<a href="#">20-Jul</a>	200423	10.1	10.18	9.93	10.01	unch	92,528	343,191	3,790
<a href="#">20-Oct</a>	200423	10.38	10.46	10.22	10.3	unch	40,964	213,583	649
<a href="#">21-Mar</a>	200423	11.11	11.15	10.95	11.01	0.01	19,012	126,762	723
<a href="#">21-May</a>	200423	11.16	11.2	11.03	11.08	0.01	7,098	59,932	1698
<a href="#">21-Jul</a>	200423	11.19	11.23	11.12	11.16	0.02	4,977	44,417	634
<a href="#">21-Oct</a>	200423	11.43	11.46	11.38	11.42	0.04	2,508	40,681	-759
<a href="#">22-Mar</a>	200423	11.98	12.02	11.97	12.01	0.07	476	19,302	-7
Total Volume and Open Interest							206,355	965,724	-4,884

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

Daily Futures Price Listing Thu April 23, 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>	200423	327.7	328.2	321	322	-2.6	7,825	50,397	186
<a href="#">20-Aug</a>	200423	319.7	320.3	313.7	314.8	-2.6	3,548	18,239	950
<a href="#">20-Oct</a>	200423	320.5	320.7	315	315.8	-2.3	632	10,878	-16
<a href="#">20-Dec</a>	200423	321.6	321.9	317	318	-1.9	455	9,500	1
<a href="#">21-Mar</a>	200423	327.7	327.7	323.8	324.4	-1.9	305	3,270	10
Total Volume and Open Interest							13,087	96,791	1,369

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			24-Apr-20	23-Apr-20	
Delhi	Delhi	M-Grade	3100	3110	-10
	Delhi	S-Grade	3080	3090	-10
Uttar Pradesh	Khatauli	M-Grade	3155	3165	-10
	Ramala	M-Grade	3100	3100	Unch
	Dhampur	M-Grade Ex-Mill	3110	3110	Unch
	Dhampur	S-Grade Ex-Mill	3090	3090	Unch
	Dhampur	L-Grade Ex-Mill	3160	3160	Unch
Maharashtra	Mumbai	M-Grade	3510	3510	Unch
	Mumbai	S-Grade	3370	3370	Unch
	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	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3750	3750	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3800	3800	Unch
	Dindigul	M-Grade	4320	4320	Unch
	Coimbatore	M-Grade	4150	4150	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3700	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)			24-Apr-20	23-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2788	2788	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	12000	-4000
	Muzaffarnagar	Khurpa (Fresh)	2563	2538	25

	Muzaffarnagar	Laddoo (Fresh)	2878	2875	3
	Muzaffarnagar	Rascut (Fresh)	2413	2413	Unch
	Hapur	Chaurasa	2625	2613	13
	Hapur	Balti	2650	2600	50
Andhra Pradesh	Chittur	Gold	4600	4800	-200
		White	NA	NA	-
		Black	3900	4000	-100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	Belgaum	Mudde (Average)	NA	3150	-
	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	-

## Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or remove any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Business Systems Ltd.