

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

*The prices across India showed surge in prices today prices at Rs.3135/q in Delhi and Rs.3180 in Khatauli, UP. The prices in Vijaywada remained steady at Rs.3740/q today. While the prices in Chennai stood same at Rs. 3350/q.*

***UP is producing 61,000 liters of sanitizer per day as a result UP might become largest producer of ethanol.*** Sugar mills have continued crushing during the lockdown. So far this year till 26<sup>th</sup> Apr'20, around 1005 LT of sugarcane is crushed by producing 114.06 LT of sugar up by 2.72% compared to the previous year sugar production during the same period. The sugar recovery rate reached at 11.35% compared to 11.46% in last year during the same period.

***The sugarcane 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 & squall (speed reaching 50-60 kmph) likely at isolated places over Bihar; with lightning, hail & gusty winds (speed reaching 30-40 kmph) at isolated places over Uttarakhand, Rayalaseema and Tamilnadu, Puducherry & Karaikal; with lightning & gusty winds (speed reaching 40-50 kmph) at isolated places over Andaman & Nicobar Islands, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Uttar Pradesh, East Madhya Pradesh, Vidarbha, Jharkhand, West Bengal & Sikkim, Odisha, Coastal Andhra Pradesh & Yanam, Telangana, South Interior Karnataka and Kerala & Mahe and with lightning at isolated places over Chhattisgarh, Madhya Maharashtra and Marathawada.*

**Previous Updates:**

***The sugar exports have been resumed from India few days back in the week.*** Around 1.34 LT of raw sugar is in line waiting for loading at the Kandla port by this week end. All the major contracts are being sent to Kandla port because the port is known for following good safety measure required for exports. Also, few shipments are in line in Jaigad and Kakinada port of around 28,000 tonnes in each port for loading. Mostly the sugar from Maharashtra is being transported to Kandla port by train at the price of around Rs.2300-2400/q.

***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.

## 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 lcumsa	322	2.6



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

Daily Futures Price Listing Fri April 24, 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>	200424	9.82	9.86	9.6	9.73	-0.11	46,746	92,360	-8,701
<a href="#">20-Jul</a>	200424	9.99	10.01	9.72	9.81	-0.2	82,440	344,162	971
<a href="#">20-Oct</a>	200424	10.3	10.3	9.98	10.07	-0.23	30,989	215,278	1,695
<a href="#">21-Mar</a>	200424	11	11.01	10.69	10.76	-0.25	14,514	127,955	1,193
<a href="#">21-May</a>	200424	11.07	11.07	10.74	10.79	-0.29	3,590	60,366	434
<a href="#">21-Jul</a>	200424	11.15	11.15	10.79	10.82	-0.34	2,413	44,691	274
<a href="#">21-Oct</a>	200424	11.4	11.4	11.04	11.07	-0.35	1,433	40,715	34
<a href="#">22-Mar</a>	200424	11.98	11.98	11.66	11.67	-0.34	887	19,855	553
Total Volume and Open Interest							184,076	962,870	-2,854

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

Daily Futures Price Listing Fri April 24, 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>	200424	322	322.3	315.6	317.4	-4.6	7,511	51,462	1,065
<a href="#">20-Aug</a>	200424	314.9	315	308.7	310.4	-4.4	1,975	18,302	63
<a href="#">20-Oct</a>	200424	316.5	316.6	310.2	311.7	-4.1	469	10,917	39
<a href="#">20-Dec</a>	200424	317.6	317.6	313	313.6	-4.4	156	9,504	4
<a href="#">21-Mar</a>	200424	324.2	324.4	319	319.8	-4.6	32	3,270	0
Total Volume and Open Interest							10,204	97,965	1,174

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			27-Apr-20	25-Apr-20	
Delhi	Delhi	M-Grade	3135	3100	35
	Delhi	S-Grade	3115	3080	35
Uttar Pradesh	Khatauli	M-Grade	3180	3160	20
	Ramala	M-Grade	3115	3100	15
	Dhampur	M-Grade Ex-Mill	3120	3100	20
	Dhampur	S-Grade Ex-Mill	3100	3080	20
	Dhampur	L-Grade Ex-Mill	3170	3150	20
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	4250	4320	-70
	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)			27-Apr-20	25-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2855	2788	68
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9000	12000	-3000
	Muzaffarnagar	Khurpa (Fresh)	2803	2605	198
	Muzaffarnagar	Laddoo (Fresh)	3028	2963	65
	Muzaffarnagar	Rascut (Fresh)	2413	2400	13

	Hapur	Chaurasa	Closed	2625	-
	Hapur	Balti	Closed	2650	-
Andhra Pradesh	Chittur	Gold	4500	4600	-100
		White	NA	NA	-
		Black	4000	3900	100
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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