

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

The prices across India showed mixed trend in prices today prices at Rs.3130/q in Delhi and Rs.3170 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 producing around 21 lakh liters of sanitizer till 20th Apr'20. Sugar mills have continued crushing during the lockdown. So far this year till 26th 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.

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 Marathwada.

Previous Updates:

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.

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 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.

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 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.

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	317.4	-4.6

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon April 27, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200427	9.58	9.75	9.17	9.21	-0.52	44,839	76,798	-15,562
20-Jul	200427	9.7	9.84	9.34	9.38	-0.43	54,613	352,355	8,193
20-Oct	200427	10	10.1	9.63	9.67	-0.4	20,690	217,092	1,814
21-Mar	200427	10.7	10.81	10.38	10.41	-0.35	9,387	129,409	1,454
21-May	200427	10.74	10.86	10.49	10.5	-0.29	2,976	60,548	182
21-Jul	200427	10.78	10.9	10.59	10.6	-0.22	1,104	44,811	120
21-Oct	200427	11.07	11.17	10.89	10.91	-0.16	1,053	40,886	171
22-Mar	200427	11.71	11.79	11.53	11.56	-0.11	796	20,056	201
Total Volume and Open Interest							135,848	959,560	-3,310

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Mon April 27, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200427	317.2	318.1	307	307.5	-9.9	4,458	51,601	139
20-Aug	200427	310.5	311	301.5	302.4	-8	1,317	18,043	-259
20-Oct	200427	312.1	312.9	303.5	304.3	-7.4	132	10,968	51
20-Dec	200427	314	315.2	306.5	307.2	-6.4	61	9,522	18
21-Mar	200427	320.4	321.8	313.5	313.9	-5.9	44	3,295	25
Total Volume and Open Interest							6,026	97,947	-18

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-Apr-20	27-Apr-20	
Delhi	Delhi	M-Grade	3130	3135	-5
	Delhi	S-Grade	3110	3115	-5
Uttar Pradesh	Khatauli	M-Grade	3170	3180	-10
	Ramala	M-Grade	3110	3115	-5
	Dhampur	M-Grade Ex-Mill	3130	3120	10
	Dhampur	S-Grade Ex-Mill	3110	3100	10
	Dhampur	L-Grade Ex-Mill	3180	3170	10
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	4250	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)			28-Apr-20	27-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2888	2855	33
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	9000	-6000
	Muzaffarnagar	Khurpa (Fresh)	2875	2803	73
	Muzaffarnagar	Laddoo (Fresh)	2963	3028	-65
	Muzaffarnagar	Rascut (Fresh)	2438	2413	25

	Hapur	Chaurasa	2788	Closed	-
	Hapur	Balti	2725	Closed	-
Andhra Pradesh	Chittur	Gold	4600	4500	100
		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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