

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

The prices across India showed steady to low trend in prices today prices at Rs.3120/q in Delhi and Rs.3160 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.

After the lockdown in India, the sugar sales have declined and the unsold sugar is piling in the warehouses. The domestic consumption declined by around 40-50% due to the unavailability of demand from the bulk buyers and even the exports are in small quantity as maximum number of ports are closed due to failing in maintaining the quarantine measures. It was 18 LT sales quota for the April month and it is expected that around 12-13 LT of stock is sold and the rest would be carry forwarded in the coming month. As the summer season has arrived in the country, therefore, a slight increase in sugar sales can be expected in the coming month.

The sugar production in UP might increase from the expected production of 123 LT after the lockdown. Till 26th Apr'20, around 1005 LT of sugarcane is crushed by producing 114.06 LT of sugar while sugar production in Maharashtra reached around 60.65 LT by crushing 539 LT of cane this year till 26th April'20. Many sugarcane producers in UP give their produce to the sugar mills and few producers sell to the jaggery units. But, currently the small jaggery units are non-operational as the labour is not available. Therefore, farmers are forced to sell their produced cane to the sugar mills. Also, after the lockdown a fall in demand is reported in jaggery.

Weather Forecast:

Thunderstorm accompanied with lightning, hail & gusty winds (speed reaching 30-40 kmph) very likely at isolated places over Himachal Pradesh, Uttarakhand, Chhattisgarh, Telangana and Madhya Maharashtra; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, Madhya Pradesh, Vidarbha, and with lightning at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Rajasthan, Bihar, Jharkhand, Odisha, Arunachal Pradesh, Coastal Andhra Pradesh & Yanam and Rayalaseema.

Previous Updates:

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.

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.

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	311.70	4.20



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tue April 28, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200428	9.21	9.44	9.05	9.34	0.13	47,698	60,099	-16,699
20-Jul	200428	9.37	9.63	9.21	9.52	0.14	83,788	356,665	4,310
20-Oct	200428	9.68	9.93	9.52	9.82	0.15	35,017	209,938	-7,154
21-Mar	200428	10.45	10.66	10.29	10.57	0.16	15,157	131,996	2,587
21-May	200428	10.55	10.74	10.4	10.65	0.15	7,682	63,279	2731
21-Jul	200428	10.64	10.82	10.51	10.73	0.13	6,046	46,873	2062
21-Oct	200428	10.91	11.11	10.82	11.02	0.11	4,439	40,639	-247
22-Mar	200428	11.53	11.73	11.49	11.65	0.09	2,413	20,647	591
Total Volume and Open Interest							205,029	949,267	-10,293

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tue April 28, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200428	306.5	313.1	305	311.7	4.2	5,624	52,764	1,163
20-Aug	200428	301.5	307.5	300	305.5	3.1	2,365	18,274	231
20-Oct	200428	303.1	308.5	302.1	306.8	2.5	292	11,019	51
20-Dec	200428	306.2	311.7	305.1	309.6	2.4	234	9,624	102
21-Mar	200428	313.5	318.9	312.7	316.8	2.9	363	3,451	156
Total Volume and Open Interest							9,096	99,803	1,856

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			29-Apr-20	28-Apr-20	
Delhi	Delhi	M-Grade	3120	3130	-10
	Delhi	S-Grade	3100	3110	-10
Uttar Pradesh	Khatauli	M-Grade	3160	3170	-10
	Ramala	M-Grade	3100	3110	-10
	Dhampur	M-Grade Ex-Mill	3125	3130	-5
	Dhampur	S-Grade Ex-Mill	3105	3110	-5
	Dhampur	L-Grade Ex-Mill	3175	3180	-5
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)			29-Apr-20	28-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2903	2888	15
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	3000	5000
	Muzaffarnagar	Khurpa (Fresh)	2878	2875	3

	Muzaffarnagar	Laddoo (Fresh)	2975	2963	13
	Muzaffarnagar	Rascut (Fresh)	2475	2438	38
	Hapur	Chaurasa	2863	2788	75
	Hapur	Balti	2750	2725	25
Andhra Pradesh	Chittur	Gold	4600	4600	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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