

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

The prices across India showed steady 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.

The monthly sales quota has been released at 17 LT for May'20 which is 3.99 LT lower compared to the previous year quota during the same time. 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. It was 18 LT sales quota for the April month and the unsold sugar is carry forwarded in the coming month till 31st May'20 by DFPD. As the summer season has arrived in the country, therefore, a slight increase in sugar sales can be expected in the coming month.

Weather Forecast:

Thunderstorm accompanied with lightning, hail & gusty winds (speed reaching 30-40 kmph) very likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Vidarbha and Chhattisgarh; with lightning & gusty winds (speed reaching 40-50 kmph) at isolated places over Andaman & Nicobar Islands; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over East Uttar Pradesh, East Madhya Pradesh, Bihar, Jharkhand, West Bengal & Sikkim, Odisha, Madhya Maharashtra, Coastal Andhra Pradesh & Yanam, Telangana and Kerala & Mahe and with lightning at isolated places over Konkan & Goa, Rayalaseema, Coastal & South Interior Karnataka and Tamilnadu, Puducherry & Karaikal.

Previous Updates:

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.

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 Wed April 29, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-May	200429	9.39	9.87	9.39	9.76	0.42	32,093	54,498	-5,601
20-Jul	200429	9.6	10.04	9.57	9.92	0.4	78,407	359,949	3,284
20-Oct	200429	9.85	10.33	9.85	10.21	0.39	36,924	208,047	-1,891
21-Mar	200429	10.61	11.06	10.61	10.92	0.35	15,390	131,613	-383
21-May	200429	10.75	11.12	10.72	10.97	0.32	6,255	64,043	764
21-Jul	200429	10.86	11.17	10.86	11.01	0.28	4,849	47,644	771
21-Oct	200429	11.25	11.42	11.14	11.26	0.24	3,084	41,117	478
22-Mar	200429	11.87	11.98	11.75	11.82	0.17	2,493	21,293	646
Total Volume and Open Interest							181,936	948,337	-930

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wed April 29, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-May	200429	315.6	323	315	321.2	9.5	5,687	52,316	-448
20-Aug	200429	309.7	315.9	308.7	314.3	8.8	2,744	18,239	-35
20-Oct	200429	312	316.8	310.2	315.3	8.5	702	11,024	5
20-Dec	200429	313.5	319.9	313.2	318.4	8.8	766	9,888	264
21-Mar	200429	320.1	326.8	320.1	325.4	8.6	313	3,668	217
Total Volume and Open Interest							10,672	100,102	299

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			30-Apr-20	29-Apr-20	
Delhi	Delhi	M-Grade	3120	3120	Unch
	Delhi	S-Grade	3100	3100	Unch
Uttar Pradesh	Khatauli	M-Grade	3160	3160	Unch
	Ramala	M-Grade	3100	3100	Unch
	Dhampur	M-Grade Ex-Mill	3125	3125	Unch
	Dhampur	S-Grade Ex-Mill	3105	3105	Unch
	Dhampur	L-Grade Ex-Mill	3175	3175	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	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)			30-Apr-20	29-Apr-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2875	2903	-28
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	8000	-5000
	Muzaffarnagar	Khurpa (Fresh)	2838	2878	-40

	Muzaffarnagar	Laddoo (Fresh)	3000	2975	25
	Muzaffarnagar	Rascut (Fresh)	2500	2475	25
	Hapur	Chaurasa	2875	2863	13
	Hapur	Balti	2775	2750	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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