

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

The prices across India showed steady to low trend in prices today prices at Rs.3100/q in Delhi and Rs.3150 in Khatauli, UP. The prices in Vijayawada low at Rs.3700/q today. While Chennai sugar was steady at Rs.3350/q. In UP, total production of 39,10,300 litres sanitizer has been done till date in the state and 29,79,700 litres of sanitizer have been supplied in the market and 33,77,500 sanitizer packs are still available for sale.

The average global raw sugar prices have fallen by around 2% since last month from 11.76 cents/lbs to 10.07 cents/lbs by the end of April month and similarly the average white sugar have plunged to \$331.81/tonne by the end of April from \$355/tonne during the same period due to the pandemic effect globally. The weakness in Brazilian real is negative for sugar prices. The fall in prices due to weak crude oil prices, growing risk and on expectation of a decline in demand amid outbreak of coronavirus. The downfall in crude oil prices is encouraging one of the largest sugar producing countries Brazil and a major competitor of India to divert the sugarcane crushing to sugar production instead of ethanol production in the coming sugar year in Brazil.

Weather Forecast:

Thunderstorm accompanied with lightning, hail & gusty winds (speed reaching 40-50 kmph) likely at isolated places over Sub-Himalayan West Bengal & Sikkim; with lightning & gusty winds (speed reaching 40-50 kmph) at isolated places over Bihar; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over East Madhya Pradesh, Vidarbha, & Telangana; Coastal Karnataka and Kerala & Mahe and with lightning at isolated places over West Madhya Pradesh, Chhattisgarh, Odisha, Arunachal Pradesh, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Interior Karnataka and Tamilnadu, Puducherry & Karaikal.

Previous Updates:

According to the trade sources, India exported 4.98 LT of total sugar (including white, refined and raw sugar) in March month. Out of the total sugar exports, largest quantity of raw sugar has been exported to Yemen exporting 1,04,900 tonnes at an average FOB of \$296/MT followed by Malaysia of 77,624 MT of sugar and at an average FOB \$335.64/MT and only 756 tonnes of refined sugar (\$374.76/MT). In March, Iran imported large quantity of raw around 40,720 tonnes (\$350.89/MT) and 1728 tonnes of white sugar at an average FOB of \$353/MT.

India exported around 43,590 tonnes of white sugar to Somalia and only 7,000 tonnes of white refined sugar at an average FOB of \$364/MT and \$366/MT respectively. India also exported to Sudan and Sri Lanka around 37,000 tonnes each at \$353.9/MT and \$356.39/MT to the respective country. Thailand preferred importing white sugar in March month 9,180 tonnes at an average FOB of \$385/MT. According to the contract signed with Indonesia, the raw sugar exports to Indonesia also resumed and India shipped around 6000 tonnes in March at an average FOB of \$309/MT.

India has produced around 258 LT of sugar till 30th Apr'20, down by 20% from last year and reached near the target of 2019-20 which is around 262 LT. In all the states, the crushing operations are completed so far except in UP. The mills in UP would continue crushing till the last week of May this year. According to Agriwatch estimates, as the disruption caused amid lockdown in the last few days due to which the cane that used to be delivered to the jaggery units are now moved to the sugar mills in UP. Also, some cane is crushed

in special season later in the year in Karnataka and Tamil Nadu. Considering all, the sugar production might increase by around 2-3 LT to reach around 265 LT this year from the previous estimate of 262.

As on 30th April'20, 112 mills were operational in UP while only 90 sugar mills that were still crushing sugarcane last year. In UP, sugar mills have produced 116.52 LT of sugar at 11.36% sugar recovery compared to 112.9 LT of sugar production at 11.46% sugar recovery with 75 mills operational mills till 30th April'20 and 68 mills were operational last year. **In Maharashtra, 143 mills have closed their operations with only 3 mills** operating at this time with producing 60.67 LT compared with 107.15 LT produced year on year.

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.

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 20thApr'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.

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	357.70	15.60

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tue May 05, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200505	10.42	10.86	10.37	10.78	0.38	91,480	366,744	-2,042
20-Oct	200505	10.66	11.09	10.65	11.02	0.37	42,863	214,366	4,528
21-Mar	200505	11.4	11.75	11.38	11.71	0.34	24,021	141,161	3,344
21-May	200505	11.38	11.66	11.35	11.64	0.3	11,935	65,993	1,253
21-Jul	200505	11.41	11.57	11.32	11.56	0.26	8,509	49,585	1203
21-Oct	200505	11.54	11.7	11.46	11.68	0.24	3,202	43,021	354
22-Mar	200505	12.01	12.16	11.95	12.15	0.23	1,868	22,663	414
22-May	200505	11.89	12.06	11.88	12.06	0.23	759	10,008	292
Total Volume and Open Interest							185,044	927,444	9,567

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tue May 05, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200505	344.2	358.3	342.6	357.7	15.6	7,171	52,977	-343
20-Oct	200505	333	343.3	332.1	342.4	10.9	4,996	17,991	41
20-Dec	200505	330	338.2	329.1	337.3	9.2	2,340	10,019	36
21-Mar	200505	332	336.3	329.5	335.8	7.6	618	9,749	113
21-May	200505	335.6	340.9	334.7	340.4	6.5	52	3,880	12
Total Volume and Open Interest							15,289	100,050	-124

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			6-May-20	5-May-20	
Delhi	Delhi	M-Grade	3100	3110	-10
	Delhi	S-Grade	3080	3090	-10
Uttar Pradesh	Khatauli	M-Grade	3150	3150	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3120	3120	Unch
	Dhampur	S-Grade Ex-Mill	3100	3100	Unch
	Dhampur	L-Grade Ex-Mill	3170	3170	Unch
Maharashtra	Mumbai	M-Grade	3560	3560	Unch
	Mumbai	S-Grade	3340	3340	Unch
	Nagpur	M-Grade	3275	3275	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3150	3150	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	3700	3700	Unch
	Vijayawada	S-Grade	3640	3640	Unch
West Bengal	Kolkata	M-Grade	3750	3750	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3700	3700	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)			6-May-20	5-May-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3013	2908	105
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	7000	5000	2000
	Muzaffarnagar	Khurpa (Fresh)	2800	2775	25
	Muzaffarnagar	Laddoo (Fresh)	2950	2938	13

	Muzaffarnagar	Rascut (Fresh)	2525	2525	Unch
	Hapur	Chaursa	2825	2825	Unch
	Hapur	Balti	2750	2750	Unch
Andhra Pradesh	Chittur	Gold	4900	4900	Unch
		White	4500	4500	Unch
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4500	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3200	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3299	3340	-41
	Mandya	Achhu (Medium)	3350	3400	-50
	Mandya	Kurikatu (Medium)	3200	3300	-100
	Mandya	Other (Medium)	3220	3200	20
	Mandya	Yellow (Medium)	3500	3450	50
	Shimoga/Shivamogga	Achhu (Average)	NA	3800	-

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