

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

*The prices across India showed steady 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. The Maharashtra was closed today due to the precautions taken by the government amid coronavirus.*

***UP is making sanitizers in full speed by producing around 2 lakh liters per day.*** 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. UP has 85 units engaged in commercial production of hand sanitizer; 46 of these are dedicated sanitiser plants, 27 sugar mills, 12 distilleries and eight independent entities.

**Weather Forecast:**

*Thunderstorm accompanied with lightning, hail & gusty winds (speed reaching 30-40 kmph) likely at isolated places over Telangana; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over East Madhya Pradesh, Vidarbha, Bihar, Gangetic West Bengal, Assam & Meghalaya, South Interior Karnataka and Kerala & Mahe and with lightning at isolated places over West Madhya Pradesh, Chhattisgarh, Sub-Himalayan West Bengal & Sikkim, Odisha, Nagaland, Manipur, Mizoram & Tripura, Marathawada, Coastal Andhra Pradesh & Yanam, Rayalaseema and Tamilnadu, Puducherry & Karaikal.*

**Previous Updates:**

***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.

***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 30<sup>th</sup> 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 30<sup>th</sup> 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 31<sup>st</sup> 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 26<sup>th</sup> 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.

## 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	345.10	-12.60



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

Daily Futures Price Listing Wed May 06, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">20-Jul</a>	200506	10.63	10.74	10.24	10.27	-0.51	79,853	354,803	-11,941
<a href="#">20-Oct</a>	200506	10.9	10.99	10.51	10.53	-0.49	43,734	216,365	1,999
<a href="#">21-Mar</a>	200506	11.57	11.68	11.21	11.24	-0.47	26,756	142,859	1,698
<a href="#">21-May</a>	200506	11.53	11.62	11.18	11.21	-0.43	11,747	67,666	1,673
<a href="#">21-Jul</a>	200506	11.5	11.56	11.13	11.17	-0.39	7,161	50,280	695
<a href="#">21-Oct</a>	200506	11.59	11.66	11.28	11.32	-0.36	4,482	43,499	478
<a href="#">22-Mar</a>	200506	12.07	12.13	11.77	11.81	-0.34	2,726	22,971	308
<a href="#">22-May</a>	200506	11.99	12.01	11.72	11.76	-0.3	1,628	10,665	657
Total Volume and Open Interest							180,213	924,151	-3,293

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

Daily Futures Price Listing Wed May 06, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">20-Aug</a>	200506	355.3	355.6	344.4	345.1	-12.6	4,793	53,388	411
<a href="#">20-Oct</a>	200506	340	340.7	329.6	330.7	-11.7	3,718	17,973	-18
<a href="#">20-Dec</a>	200506	335.3	335.5	325.2	326	-11.3	1,977	9,865	-154
<a href="#">21-Mar</a>	200506	333.2	333.8	324.1	325.4	-10.4	672	9,620	-129
<a href="#">21-May</a>	200506	338.1	338.5	328.7	330.1	-10.3	255	3,849	-31
Total Volume and Open Interest							11,611	100,220	170

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			7-May-20	6-May-20	
Delhi	Delhi	M-Grade	3100	3100	Unch
	Delhi	S-Grade	3080	3080	Unch
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	Closed	3560	-
	Mumbai	S-Grade	Closed	3340	-
	Nagpur	M-Grade	Closed	3275	-
	Nagpur	S-Grade	Closed	3225	-
	Kolhapur	M-Grade	Closed	3150	-
	Kolhapur	S-Grade	Closed	3100	-
Assam	Guhawati	S-Grade	Closed	3410	-
Meghalaya	Shillong	S-Grade	Closed	3420	-
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)			7-May-20	6-May-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3063	3013	50
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2500	7000	-4500
	Muzaffarnagar	Khurpa (Fresh)	2850	2800	50
	Muzaffarnagar	Laddoo (Fresh)	3000	2950	50
	Muzaffarnagar	Rascut (Fresh)	2563	2525	38

	Hapur	Chaurasa	2875	2825	50
	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)	4500	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)	3320	3299	21
	Mandya	Achhu (Medium)	3300	3350	-50
	Mandya	Kurikatu (Medium)	3250	3200	50
	Mandya	Other (Medium)	3210	3220	-10
	Mandya	Yellow (Medium)	3450	3500	-50
	Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

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