

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

The prices across India showed steady trend in prices today prices at Rs.3115/q in Delhi and Rs.3140 in Khatauli, UP. The prices in Vijayawada low at Rs.3660/q today. While Chennai sugar was steady at Rs.3350/q. The prices in Kolhapur stood steady at Rs.3150/q.

Weather Forecast:

Thunderstorm accompanied with lightning, hail & squally winds (speed reaching 50-60 kmph) very likely at isolated places over Bihar, Gangetic West Bengal and Assam & Meghalaya; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Uttar Pradesh, Rajasthan, Chhattisgarh, Sub-Himalayan West Bengal & Sikkim, Odisha, Andaman & Nicobar Islands, Nagaland, Manipur, Mizoram & Tripura, Telangana, Lakshadweep, Kerala & Mahe and Tamilnadu, Puducherry & Karaikal and with lightning at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Madhya Pradesh, Vidarbha, Arunachal Pradesh, Madhya Maharashtra, Marathawada and Karnataka.

Previous Updates:

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.

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 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.

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 Fri May 08, 2020 | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Sugar #11(ICE) | | | | | | | | | |
| 20-Jul | 200508 | 10.33 | 10.39 | 10.11 | 10.29 | -0.04 | 56,189 | 344,681 | -2,762 |
| 20-Oct | 200508 | 10.52 | 10.59 | 10.34 | 10.5 | -0.06 | 29,651 | 220,007 | 889 |
| 21-Mar | 200508 | 11.21 | 11.27 | 11.03 | 11.18 | -0.07 | 21,212 | 144,897 | -211 |
| 21-May | 200508 | 11.18 | 11.19 | 10.97 | 11.13 | -0.04 | 8,245 | 68,543 | 1,163 |
| 21-Jul | 200508 | 11.04 | 11.12 | 10.9 | 11.07 | -0.02 | 4,696 | 51,628 | 338 |
| 21-Oct | 200508 | 11.14 | 11.24 | 11.02 | 11.2 | 0.01 | 3,328 | 44,727 | 682 |
| 22-Mar | 200508 | 11.62 | 11.72 | 11.53 | 11.69 | 0.02 | 2,010 | 23,281 | 324 |
| 22-May | 200508 | 11.52 | 11.64 | 11.45 | 11.6 | 0.02 | 1,026 | 11,072 | 338 |
| Total Volume and Open Interest | | | | | | | 128,355 | 925,519 | 1,735 |

International Sugar Futures LIFFE(US \$/MT)

| Daily Futures Price Listing Thu May 07, 2020 | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| London Sugar(LCE) | | | | | | | | | |
| 20-Aug | 200507 | 347.1 | 350.3 | 345.7 | 348 | 2.9 | 11,547 | 51,614 | -1,774 |
| 20-Oct | 200507 | 332.7 | 334.7 | 329.6 | 331.1 | 0.4 | 6,422 | 17,588 | -385 |
| 20-Dec | 200507 | 328 | 330 | 324.7 | 326.5 | 0.5 | 1,455 | 9,412 | -453 |
| 21-Mar | 200507 | 328.2 | 329.8 | 324 | 325.6 | 0.2 | 499 | 9,709 | 89 |
| 21-May | 200507 | 333.7 | 333.7 | 328.4 | 329.7 | -0.4 | 91 | 3,823 | -26 |
| Total Volume and Open Interest | | | | | | | 20,060 | 97,696 | -2,524 |

DOMESTIC PRICES AND ARRIVAL

| Sugar Prices at Key Spot Markets: | | | | | |
|-----------------------------------|------------|------------------------|-----------------|----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Sugar | | | 11-May-20 | 9-May-20 | |
| Delhi | Delhi | M-Grade | 3115 | 3100 | 15 |
| | Delhi | S-Grade | 3095 | 3080 | 15 |
| Uttar Pradesh | Khatauli | M-Grade | 3140 | 3140 | Unch |
| | Ramala | M-Grade | NA | NA | - |
| | Dhampur | M-Grade Ex-Mill | 3100 | 3100 | Unch |
| | Dhampur | S-Grade Ex-Mill | 3080 | 3080 | Unch |
| | Dhampur | L-Grade Ex-Mill | 3150 | 3150 | Unch |
| Maharashtra | Mumbai | M-Grade | Closed | 3600 | - |
| | Mumbai | S-Grade | Closed | 3350 | - |
| | 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 | 3660 | 3660 | Unch |
| | Vijayawada | S-Grade | 3600 | 3600 | Unch |
| West Bengal | Kolkata | M-Grade | 3750 | 3750 | Unch |
| Tamil Nadu | Chennai | S-Grade (With GST) | 3650 | 3650 | Unch |
| | Dindigul | M-Grade | 4250 | 4250 | Unch |
| | Coimbatore | M-Grade | 3900 | 3900 | 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) | | | 11-May-20 | 9-May-20 | |
| Uttar Pradesh | Muzaffarnagar | Chaku Fresh | 3163 | 3133 | 30 |

| | | | | | |
|----------------|--------------------|--------------------------|--------|------|-------|
| | Muzaffarnagar | Chaku(Arrival)(40kg Bag) | 8000 | 5000 | 3000 |
| | Muzaffarnagar | Khurpa (Fresh) | 2950 | 2913 | 38 |
| | Muzaffarnagar | Laddoo (Fresh) | 3100 | 3075 | 25 |
| | Muzaffarnagar | Rascut (Fresh) | 2600 | 2588 | 13 |
| | Hapur | Chaurasa | Closed | 2850 | - |
| | Hapur | Balti | Closed | 2725 | - |
| Andhra Pradesh | Chittur | Gold | NA | NA | - |
| | | White | 4500 | 4500 | Unch |
| | | 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 | 3250 | NA | - |
| | Gulbarga/Kalaburgi | Other (Average) | NA | NA | - |
| | Mahalingapura | Penti (Average) | NA | NA | - |
| | Mandya | Achhu (Medium) | 3400 | 3300 | 100 |
| | Mandya | Kurikatu (Medium) | 150 | 3150 | -3000 |
| | Mandya | Other (Medium) | 3250 | 3250 | Unch |
| | Mandya | Yellow (Medium) | 3450 | 3450 | Unch |
| | Shimoga/Shivamogga | Achhu (Average) | 3750 | NA | - |

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