

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

The prices across India showed steady to weak trend in prices today prices at Rs.3130/q in Delhi and Rs.3145 in Khatauli, UP. The prices in Vijayawada stood steady at Rs.3600/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 & gusty winds (speed reaching 30-40 kmph) at isolated places over Telangana; with lightning & gusty winds (speed reaching (30-40 kmph) at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Vidarbha, Chhattisgarh, Odisha, Andaman & Nicobar Islands, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Coastal Andhra Pradesh & Yanam, Rayalaseema, Karnataka, Lakshadweep, Kerala & Mahe and Tamilnadu, Puducherry & Karaikal and with lightning at isolated places over Madhya Pradesh, Jharkhand and Madhya Maharashtra.

Previous Updates:

According to the sugar mills, exporting the sugar is the better option as they are getting better returns than selling in the domestic market. As the sugar is trading around Rs.3100/q across the country while the trade is taking place around Rs.3400-3500/q by exporting sugar. Most of the contracts are being received from Iran, Indonesia, & Malaysia. In the last few days, Iran and Indonesia were buying for May and June shipments. It is estimated that Indian sugar mills have already dispatched 35-37 LT out of around 41 LT of contracts signed for exports in the 2019-20 marketing year ending on September 30.

China is expecting that the sugar consumption might increase from the second half of the current year so the consumption likely to remain same at 15.2 MMT in 2020-21 MY. But, some industry experts are predicting consumption could fall as low as 14.4 MMT based on the assumption that the impact of COVID-19 could last longer. China applies a tariff-rate quota (TRQ) on imported sugar, most of which comes from Brazil, Cuba, and Thailand. However, the Chinese government has yet to make an official announcement stating its intentions to withdraw the safeguard. After the removal of this safeguard, the imports might surge. However, it seems difficult in such a surge in imports as the market is affected due to coronavirus. China usually imports major sugar from Brazil & Thailand.

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.

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	USD (\$/Tonne)	Change
Thai Sugar FOB 45 Icumsa	344.80	3.90

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed May 13, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200513	10.25	10.33	10.1	10.26	0.01	47,857	342,302	-276
20-Oct	200513	10.45	10.52	10.31	10.44	-0.01	28,145	228,079	2,817
21-Mar	200513	11.13	11.21	11.02	11.16	unch	14,481	148,614	-1,001
21-May	200513	11.09	11.14	10.99	11.08	-0.02	7,538	68,159	663
21-Jul	200513	11.01	11.05	10.9	10.98	-0.04	4,298	55,165	961
21-Oct	200513	11.08	11.11	10.95	11.01	-0.08	1,568	44,458	48
22-Mar	200513	11.53	11.54	11.38	11.43	-0.11	1,493	24,210	236
22-May	200513	11.42	11.42	11.2	11.24	-0.19	508	11,883	374
Total Volume and Open Interest							107,482	942,904	4,920

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wed May 13, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200513	343.4	347.4	342.2	344.8	0.6	6,296	46,493	-317
20-Oct	200513	326.7	329.6	324.6	328.7	1.3	2,353	18,022	221
20-Dec	200513	323.1	326	321.8	324.4	unch	738	9,587	28
21-Mar	200513	324.7	324.7	322.2	323.9	0.3	214	9,516	-11
21-May	200513	327.8	327.8	325.9	326.9	-0.2	171	3,849	72
Total Volume and Open Interest							9,904	93,099	59

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			14-May-20	13-May-20	
Delhi	Delhi	M-Grade	3130	3135	-5
	Delhi	S-Grade	3110	3115	-5
Uttar Pradesh	Khatauli	M-Grade	3145	3150	-5
	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	Closed	-
	Mumbai	S-Grade	Closed	Closed	-
	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	3600	3600	Unch
	Vijayawada	S-Grade	3540	3540	Unch
West Bengal	Kolkata	M-Grade	3670	3670	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3650	3650	Unch
	Dindigul*	M-Grade (DCA)	4250	4250	Unch
	Coimbatore*	M-Grade (DCA)	3900	3900	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3700	Unch

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

*DCA: Department of consumer affairs

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			14-May-20	13-May-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3195	3180	15
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	2500	2500

	Muzaffarnagar	Khurpa (Fresh)	2950	2978	-28
	Muzaffarnagar	Laddoo (Fresh)	3125	3128	-3
	Muzaffarnagar	Rascut (Fresh)	2613	2625	-13
	Hapur	Chaurasa	2925	2945	-20
	Hapur	Balti	NR	NR	-
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	4500	4500	Unch
		Black	3900	3900	Unch
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	3100	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3341	-
	Mandya	Achhu (Medium)	3370	3340	30
	Mandya	Kurikatu (Medium)	3200	3200	Unch
	Mandya	Other (Medium)	3200	3190	10
	Mandya	Yellow (Medium)	3410	3450	-40
	Shimoga/Shivamogga	Achhu (Average)	NA	3800	-

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