

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

The prices across India showed steady weak trend. Today prices in Delhi was steady at Rs.3150/q and at Rs.3155 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.

Brazilian sugar mills produced around 54.92 LT of sugar in the South-Central region up by 83.8% y-o-y. A huge surge in the first two weeks of May'20 was by around 56% producing 25 LT. The mills allocated 47.23% of the cane to produce sugar in 1st half of May'20, compared to 36.02% at this time last year. While during the same time, Brazil reduced the percentage of cane diversion to ethanol production to 52.7% compared to 63.9% last year. The amount of sugarcane crushed from the beginning of the current season (2020-21) till 1st half of May'20 103 million tonnes up by 21.67% compared to the same time previous year.

Weather Forecast:

Thunderstorm accompanied with squally winds (speed reaching 50-60 kmph) & lightning likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, Haryana, Chandigarh & Delhi and Uttarakhand; with gusty winds (speed reaching 30-40 kmph) & lightning at isolated places over Tamilnadu, Puducherry & Karaikal, Kerala & Mahe, Punjab and South Interior Karnataka and with lightning at isolated places over Telangana, Madhya Pradesh, Chhattisgarh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura and Arunachal Pradesh. Duststorm/Thunderstorm with squally winds (speed reaching 50-60 kmph) very likely at isolated places over Uttar Pradesh and Rajasthan.

Previous Updates:

Telangana produced around 75 million litres of hand sanitizer till 20th May'20 followed by UP which is making sanitizers in full speed by producing around 5,000-7,000 liters per day. In UP, total production of 6,509,030 litres sanitizer has been done till 20th of May in the state and 56,24,313 litres of sanitizer have been supplied in the market so far.

Maharashtra sugar mills are paying off the arrears despite the sugar sales pressure. Mills have managed to clear 95 per cent dues of sugarcane farmers. Sugar mills have paid Rs 12548.30 crore out of Rs 13232.69 crore to the cane farmers till May 15. In Maharashtra, sugar production till 15th May'20 was 60.87 lakh tonnes, compared with 107.15 lakh tonnes produced in 2018-19 Sugarcane Season, almost 46.3 lakh tons less than last year. According to Agriwatch, Maharashtra is likely to produce around 61.5LT of sugar in 2019-20 season.

Brazilian sugar mills produced around 29.83 LT of sugar in the South-Central region up by 115% y-o-y, and a huge surge in the last two weeks of April'20 by around 93%. The mills allocated 43.78% of the cane to produce sugar in the period, compared to 28.66% at this time last year. And the amount of sugarcane crushed in the last half of April'20 is expected to total 41.5 MMT, up 6.35% year on year. Still the demand for ethanol is weaker due to which Brazil will produce more sugar than ethanol. In the last half of April'20, 1575 million litres of ethanol is produced which is still higher than the previous year but the production of hydrous ethanol declined by 3% in the last 15 days of April month. The total ethanol production of 2,556 million litres that rose by only 14% compared to the percentage increase in sugar production y-o-y.

A shortage in Indonesia has prompted mills in the Southeast Asian country to ask consumers to reduce sugar usage as the retail prices rallied to the highest in almost four years. Indonesia is likely to continue to

buy sugar from India due to shortage in the country as lockdown has delayed the supply. During lockdown period, the country will have 75,000 tons of sugar stock including 50,000 tons of sugar imported from India and 25,000 tons from local suppliers in June. Out of which India supplied around 21,000 tonnes to Indonesia and remaining would be shipped during June. Indonesia's sugar imports may rise to 4.65 million tons in the year that starts in May, from 4.03 million tons a year earlier.

In UP, usually out of the total cane production around 60% of cane is crushed to produce sugar and 30% cane is diverted to produce jaggery. During lockdown, the major jaggery units that are located in the western UP have been closed earlier than expected due to which the farmers are bringing cane to the sugar mills. Around 4-5% of the cane is expected to be diverted to sugar mills in western UP. Around 46 sugar mills are still functioning in the state producing around 122LT of sugar till 15th May'20, up by 5% compared to the previous year during the same time. While, the sanitizer production is in full swing producing around 57 lakh litres till mid-May and 47.85 lakh litres of sanitizer has been sold within and outside the state.

Sugar mills have contracted around 42 LT of sugar so far this season till 15th May'20. Out of which, 36-37 LT of sugar have been shipped out of the country. The major destinations were Indonesia and Iran in recent past days. Also new export contracts are being signed by these two countries from India. And it is expected that export operation would be smoother in coming days.

According to ISMA, 264.65 lakh tonnes of sugar have been produced till 15th May 2020 across India as against 326.19 lakh tonnes produced in the same time last year. As on 15th May 2020, 63 sugar mills are crushing sugarcane compared 38 sugar mills which were crushing sugarcane in the same time last year. In UP, sugar mills have produced 122.28 LT of sugar compared to 116.8 LT of sugar with only 46 mills operational mills till 15th May'20. In Maharashtra, 145 mills have closed their operations with only 1 mill operating at this time with producing 60.87 LT compared with 107.15 LT produced year on year.

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 lcumsa	376.40	9.5



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed May 27, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200527	11.06	11.12	10.72	10.8	-0.25	50,249	301,639	-4,969
20-Oct	200527	11.11	11.15	10.82	10.94	-0.16	38,094	255,934	8,409
21-Mar	200527	11.79	11.81	11.52	11.65	-0.11	20,246	169,320	1,781
21-May	200527	11.71	11.73	11.47	11.6	-0.09	8,257	78,906	2,435
21-Jul	200527	11.61	11.62	11.4	11.54	-0.05	4,112	61,462	-644
21-Oct	200527	11.65	11.65	11.46	11.62	-0.02	1,780	50,316	505
22-Mar	200527	12.05	12.08	11.87	12.05	unch	1,232	26,501	-196
22-May	200527	11.94	11.98	11.76	11.95	0.01	652	14,022	-2
Total Volume and Open Interest							125,480	984,036	7,683

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wed May 27, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200527	377	379	363.2	364	-12.4	3,417	44,594	-181
20-Oct	200527	349.2	351.1	343.6	345.1	-4	1,150	21,044	215
20-Dec	200527	340	341.6	334.8	336.8	-3.6	385	9,803	-60
21-Mar	200527	338.7	339.5	334.3	335.2	-3.4	273	9,528	-160
21-May	200527	342.7	342.7	338.1	338.9	-2.9	161	4,014	57
Total Volume and Open Interest							5,529	94,798	-126

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			28-May-20	27-May-20	
Delhi	Delhi	M-Grade	3150	3150	Unch
	Delhi	S-Grade	3130	3130	Unch
Uttar Pradesh	Khatauli	M-Grade	3155	3155	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	3540	3540	Unch
	Mumbai	S-Grade	3360	3360	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	3600	3600	Unch
	Vijayawada	S-Grade	3540	3540	Unch
West Bengal	Kolkata	M-Grade	3530	3530	Unch
Tamil Nadu	Chennai	S-Grade	3650	3650	Unch
	Dindigul	M-Grade	3640	3640	Unch
	Coimbatore	M-Grade	3650	3650	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)			28-May-20	27-May-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3100	3000	100
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	5000	-1000
	Muzaffarnagar	Khurpa (Fresh)	2900	2878	23
	Muzaffarnagar	Laddoo (Fresh)	3138	3100	38
	Muzaffarnagar	Rascut (Fresh)	2563	2600	-38

	Hapur	Chaurasa	NR	NR	-
	Hapur	Balti	NR	NR	-
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	4400	4300	100
		Black	4100	4000	100
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4450	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3200	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3327	-
	Mandya	Achhu (Medium)	3400	3300	100
	Mandya	Kurikatu (Medium)	3200	3150	50
	Mandya	Other (Medium)	3100	3200	-100
	Mandya	Yellow (Medium)	3380	3380	Unch
	Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

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