

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

The prices across India showed steady to firm trend. Today prices in Delhi was slightly firm at Rs.3160/q and he prices in Vijayawada also stood steady at Rs.3600/q today. While the prices rose due to good demand in UP that stood at Rs.3245 in Khatauli. Chennai sugar was steady at Rs.3350/q. The prices in Kolhapur stood steady at Rs.3150/q.

Sugar mills can now liquidate the excess unsold sugar after a positive step taken by OMCs. OMCs have released a tender announcing a requirement of 99 crore litres of ethanol for supplies from 1st Jul'20 to 30th Nov'20. Out of the total requirement, bids for around 190 crore litres have been finalized so far. Of this 76 crore litres have been supplied. The government has requested to divert sugar and sugarcane directly for ethanol production. The government is targeting to divert at least 7 million tonnes of surplus sugar in each of the next two years for ethanol production to maximize profitability of sugar companies and to reach a target of 10% ethanol blending with fuel.

Weather Forecast:

Thunderstorm accompanied with lightning, hail & gusty winds (speed reaching 40-50 kmph) at isolated places likely over Himachal Pradesh and Uttarakhand; with lightning & squall (speed reaching 50-60 kmph) at isolated places over Punjab, Haryana, Chandigarh & Delhi and Uttar Pradesh; with lightning & gusty winds (speed reaching 40-50 kmph) at isolated places over Andaman & Nicobar Islands, East Rajasthan and Sub-Himalayan West Bengal & Sikkim; with lightning at isolated places over Madhya Pradesh, Vidarbha, Jharkhand, Arunachal Pradesh and Tamilnadu, Puducherry & Karaikal.

Previous Updates:

Sugarcane crushing in all the states have come to end except 14 mills in Uttar Pradesh and 4 mills in Tamil Nadu that are still in operation. Around 2-3 LT of sugar expected to produce in the special season in Tamil Nadu and Karnataka that would commence in Jul'20. Maharashtra has concluded the crushing producing 60.98 LT sugar about 43% less sugar compared to the previous year's sugar production. Karnataka have produced 33.82 lakh tonnes of sugar and the crushing lasted till 30th April'20. Till 31st May'20, sugar production in Tamil Nadu was 5.78 lakh tonnes, compared with 7.22 lakh tonnes produced on the corresponding date last year. The other remaining states together produced 42.17 LT of sugar till 31st May'20.

According to ISMA, 268.21 lakh tonnes of sugar have been produced till 31st May 2020 across India as against 327.53 lakh tonnes produced in the same time last year. As on 31st May 2020, 10 sugar mills are crushing sugarcane compared 18 sugar mills which were crushing sugarcane in the same time last year. In UP, sugar mills have produced 125.46 LT of sugar compared to 117.81 LT of sugar with only 14 mills operational mills till 31st May'20. In Maharashtra, all the mills have closed their operations that have produced 60.98 LT compared with 107.20 LT produced year on year.

The crushing season is almost completed in Uttar Pradesh but few mills are still crushing this year. This year UP is going to produce record sugar production to around 125 LT of sugar due to the diversion of cane from jaggery units to sugar mills. The sugar mills from Muzaffarnagar district have set a record by purchasing 10 crore quintal sugarcane this season. This year western UP has witnessed bumper production including Muzaffarnagar where sugar recovery stood around 11.73%.

Mexico is likely to increase sugar production by 19 percent to 6.5 million tons on a return to normal weather and growing conditions. Consumption is also projected higher only slightly as it faces many challenges due to fall in economy that would affect consumer purchasing power. Exports are also forecasted 717,000 tons higher, are projected at the expected level of U.S. needs, as defined in the amended Suspension Agreements and exports to other markets.

According to the trade sources, India exported around 4 LT of total sugar (including white refined and raw sugar) in April month only a slight decline compared to the exports in March. Out of the total sugar exports, largest quantity of raw sugar has been exported to China 87,935 tonnes at an average FOB of \$306/MT followed by Indonesia 83,680 MT of raw sugar and at an average FOB \$320.49/MT and imported few quantity of white sugar of around 25,000 tonnes from India. Iran imported 26,420 tonnes of raw sugar (\$316.72/MT) and 1080 tonnes of white sugar at \$349/MT. India exported large amount raw sugar in April'20 of around 2LT followed by refined sugar (1.68 LT) and white sugar (69,000 tonnes).

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.

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.

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 Icmsa	375.6	5.6



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed June 03, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200603	11.3	11.64	11.22	11.62	0.4	52,161	289,081	-3,033
20-Oct	200603	11.38	11.71	11.33	11.7	0.4	31,585	273,836	5,177
21-Mar	200603	12.01	12.36	11.99	12.34	0.38	17,746	171,849	726
21-May	200603	11.88	12.2	11.85	12.2	0.38	5,563	77,551	292
21-Jul	200603	11.76	12.08	11.76	12.08	0.37	3,366	64,602	1453
21-Oct	200603	11.8	12.12	11.8	12.12	0.38	1,850	52,803	972
22-Mar	200603	12.15	12.49	12.15	12.49	0.41	349	30,649	25
22-May	200603	11.97	12.36	11.97	12.34	0.44	98	12,937	10
Total Volume and Open Interest							112,781	999,304	5,644

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wed June 03, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200603	372	376.7	371.1	375.6	5.6	3,256	42,736	-365
20-Oct	200603	355.5	360.5	355.5	359.8	5.7	2,430	24,667	595
20-Dec	200603	346.8	353.2	346.7	352.9	8	845	10,561	325
21-Mar	200603	345	352	344.8	351.8	8.7	335	9,763	77
21-May	200603	348.3	355.4	348.3	355	8.7	87	4,037	4
Total Volume and Open Interest							7,058	97,619	651

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			4-Jun-20	3-Jun-20	
Delhi	Delhi	M-Grade	3160	3150	10
	Delhi	S-Grade	3140	3130	10
Uttar Pradesh	Khatauli	M-Grade	3245	3245	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3150	3150	Unch
	Dhampur	S-Grade Ex-Mill	3130	3130	Unch
	Dhampur	L-Grade Ex-Mill	3200	3200	Unch
Maharashtra	Mumbai	M-Grade	3500	Closed	-
	Mumbai	S-Grade	3300	Closed	-
	Nagpur	M-Grade	3350	3275	75
	Nagpur	S-Grade	3300	3225	75
	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 (DCA)	3640	3640	Unch
	Coimbatore	M-Grade (DCA)	3650	3650	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)			4-Jun-20	3-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3388	3375	13
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	2500	500
	Muzaffarnagar	Khurpa (Fresh)	3175	3163	13
	Muzaffarnagar	Laddoo (Fresh)	3313	3300	13

	Muzaffarnagar	Rascut (Fresh)	2663	2675	-13
	Hapur	Chaurasa	NR	NR	-
	Hapur	Balti	NR	NR	-
Andhra Pradesh	Chittur	Gold	4800	4800	Unch
		White	4400	4400	Unch
		Black	4100	4100	Unch
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4450	4450	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3300	3350	-50
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3550	3510	40
	Mandya	Kurikatu (Medium)	3300	3250	50
	Mandya	Other (Medium)	3150	3120	30
	Mandya	Yellow (Medium)	3470	3550	-80
	Shimoga/Shivamogga	Achhu (Average)	NA	3750	-

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