

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

The prices across India showed steady to weak trend. Today prices in Delhi was slightly firm at Rs.3145/q and the prices in Vijayawada stood steady at Rs.3600/q today. While the prices also stood low today in UP around Rs.3240 in Khatauli. Chennai sugar was steady at Rs.3350/q. The prices in Kolhapur stood steady at Rs.3150/q.

CACP is likely to surge sugarcane FRP by Rs.10/q to Rs.285/q in 2020-21. Sugar industry is also demanding a raise in minimum selling price of sugar between Rs.3 and Rs.5 /kg. But the government is may not increase more than Rs.2/kg. In the previous year, FRP was remained same at Rs. 275 per quintal linked to a basic recovery of 10% subject to a premium of Rs. 2.75/qrtl for each 0.1% increase of recovery over and above 10%. While minimum selling price was increased by Rs.2/kg from Rs.29/kg to Rs.31/kg for the year 2019-20.

India has permitted the additional exports of 3569 tonnes of raw and refined sugar up to 30th Sep'20 to USA under TRQ (Tariff Rate Quota) i.e., exporting under relatively low tariff. India has permitted the exports of 12,738 tonnes of raw sugar for the export to the USA under TRQ up to Sep'20. Till 3rd Sep'19, India permitted 8,424 tonnes of sugar and the rest of the quantity was to be shipped up till 30th Sep this year. India enjoys the duty free sugar exports to US under TRQ annually.

Weather Forecast:

Thunderstorm accompanied with lightning, squall (speed reaching 50-60 kmph) at isolated places over Punjab; with lightning & gusty winds (speed reaching 40-50 kmph) at isolated places over Sub-Himalaya West Bengal & Sikkim and Andaman & Nicobar Islands; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Interior Karnataka, Rayalaseema, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Jammu & Kashmir, Ladakh, Gilgit-Baltistan & Muzaffarabad, Himachal Pradesh, Uttarakhand, Uttar Pradesh and Rajasthan; with lightning at isolated places over Madhya Pradesh, Vidarbha, Chhattisgarh, Gangetic West Bengal, Bihar, Jharkhand, Arunachal Pradesh, Haryana, Chandigarh & Delhi and Tamilnadu, Puducherry & Karaikal.

Previous Updates:

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.

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).

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	384.8	9.2



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu June 04, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200604	11.61	11.74	11.44	11.73	0.11	51,985	282,184	-6,897
20-Oct	200604	11.7	11.82	11.54	11.8	0.1	35,314	279,862	6,026
21-Mar	200604	12.34	12.46	12.19	12.45	0.11	24,753	169,053	-2,796
21-May	200604	12.17	12.3	12.04	12.29	0.09	11,893	78,180	629
21-Jul	200604	12.07	12.17	11.91	12.16	0.08	6,881	64,116	-486
21-Oct	200604	12.12	12.21	11.98	12.2	0.08	2,901	53,151	348
22-Mar	200604	12.4	12.58	12.36	12.55	0.06	477	30,768	119
22-May	200604	12.39	12.39	12.22	12.37	0.03	304	12,903	-34
Total Volume and Open Interest							134,745	996,216	-3,088

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thu June 04, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200604	375.5	386.2	374.1	384.8	9.2	3,532	42,461	-275
20-Oct	200604	359	365	357.1	364	4.2	2,226	25,287	620
20-Dec	200604	352	356.3	350.4	355.4	2.5	667	10,754	193
21-Mar	200604	350.9	355	349.3	354.3	2.5	287	9,842	79
21-May	200604	354.4	357.6	352.8	357.6	2.6	67	4,062	25
Total Volume and Open Interest							7,170	98,268	649

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			5-Jun-20	4-Jun-20	
Delhi	Delhi	M-Grade	3145	3160	-15
	Delhi	S-Grade	3125	3140	-15
Uttar Pradesh	Khatauli	M-Grade	3240	3245	-5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3140	3150	-10
	Dhampur	S-Grade Ex-Mill	3120	3130	-10
	Dhampur	L-Grade Ex-Mill	3190	3200	-10
Maharashtra	Mumbai	M-Grade	3490	3500	-10
	Mumbai	S-Grade	3290	3300	-10
	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 (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)			5-Jun-20	4-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3500	3388	113
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2500	3000	-500

	Muzaffarnagar	Khurpa (Fresh)	3313	3175	138
	Muzaffarnagar	Laddoo (Fresh)	3375	3313	63
	Muzaffarnagar	Rascut (Fresh)	2663	2663	Unch
	Hapur	Chaurasa	NR	NR	-
	Hapur	Balti	NR	NR	-
Andhra Pradesh	Chittur	Gold	4700	4800	-100
		White	4300	4400	-100
		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	3300	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3358	3347	11
	Mandya	Achhu (Medium)	3550	3550	Unch
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	3150	3150	Unch
	Mandya	Yellow (Medium)	3500	3470	30
	Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

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