

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.3200/q and the prices in Vijayawada stood steady at Rs.3600/q today. While the prices also stood low today in UP around Rs.3250 in Khatauli. Chennai sugar was steady at Rs.3350/q. The prices in Kolhapur stood steady at Rs.3150/q.

Weather Forecast:

Thunderstorm accompanied with lightning & gusty winds (speed reaching 40-50 kmph) at isolated places likely over Andaman & Nicobar Islands; with lightning & gusty winds (speed reaching 30-40 kmph) at isolated places over Odisha, Gangetic West Bengal and Coastal Andhra Pradesh & Yanam; with lightning at isolated places over Chhattisgarh, Bihar, Jharkhand, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura and Telangana. Heavy rainfall at isolated places likely over Odisha, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Konkan & Goa, Coastal Andhra Pradesh & Yanam, Telangana and Kerala & Mahe.

Previous Updates:

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.

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	392.9	8.10

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri June 05, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200605	11.74	12.06	11.73	12.02	0.29	69,975	280,658	-1,526
20-Oct	200605	11.78	12.12	11.78	12.09	0.29	42,142	286,207	6,345
21-Mar	200605	12.43	12.73	12.43	12.71	0.26	18,516	172,254	3,201
21-May	200605	12.3	12.54	12.3	12.52	0.23	7,121	78,612	432
21-Jul	200605	12.16	12.38	12.16	12.36	0.2	6,023	64,299	183
21-Oct	200605	12.25	12.39	12.22	12.39	0.19	1,944	52,899	-252
22-Mar	200605	12.64	12.75	12.6	12.73	0.18	1,148	30,832	64
22-May	200605	12.46	12.55	12.42	12.54	0.17	1,255	13,192	289
Total Volume and Open Interest							149,595	1,005,708	9,492

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Fri June 05, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200605	385	397.9	385	392.9	8.1	5,476	42,418	-43
20-Oct	200605	365	373.5	363.7	373	9	3,636	25,809	522
20-Dec	200605	356.7	364.2	355.2	363.9	8.5	1,308	10,992	238
21-Mar	200605	355	362.4	354	362.1	7.8	895	9,848	6
21-May	200605	358	364.8	357.9	364.7	7.1	309	4,123	61
Total Volume and Open Interest							11,907	99,050	782

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			8-Jun-20	6-Jun-20	
Delhi	Delhi	M-Grade	3200	3170	30
	Delhi	S-Grade	3180	3150	30
Uttar Pradesh	Khatauli	M-Grade	3250	3240	10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3150	3140	10
	Dhampur	S-Grade Ex-Mill	3130	3120	10
	Dhampur	L-Grade Ex-Mill	3200	3190	10
Maharashtra	Mumbai	M-Grade	3470	3490	-20
	Mumbai	S-Grade	3310	3290	20
	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)	NA	3700	-
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)			8-Jun-20	6-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3375	3450	-75
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	4000	Unch
	Muzaffarnagar	Khurpa (Fresh)	3225	3300	-75

	Muzaffarnagar	Laddoo (Fresh)	3375	3500	-125
	Muzaffarnagar	Rascut (Fresh)	2850	2763	88
	Hapur	Chaurasa	NR	NR	-
	Hapur	Balti	NR	NR	-
Andhra Pradesh	Chittur	Gold	4700	4700	Unch
		White	4300	4300	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	NA	3300	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3500	3500	Unch
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	3150	3150	Unch
	Mandya	Yellow (Medium)	3500	3480	20
	Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

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