

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

*The prices across India showed mixed trend. Today prices in Delhi was slightly lower at Rs.3190/q and the prices in Vijayawada also stood steady at Rs.3600/q today. While the prices stood Rs.5/q up today in UP around Rs.3260 in Khatauli. Chennai sugar was steady at Rs.3350/q. The prices in Kolhapur stood steady at Rs.3150/q.*

***According to the Platts Survey, a huge surge in the second two weeks of May'20 was by around 39.7% producing 26 LT of sugar. The mills allocated 48.4% of the cane to produce sugar in 2<sup>nd</sup> half of May'20, compared to 35.07% at this time last year. Brazilian producers are expected to continue to maximize their sugar production, given the increased profitability of sugar production over ethanol production. The amount of sugarcane crushed in the 2<sup>nd</sup> half of May'20 was around 42 million tonnes up by around 4% compared to the same time previous year.***

***Fresh contracts of sugar and rice can be expected this year and for the coming sugar season as well. As the relations between India and Malaysia got better after the formation of new cabinet. Malaysia's top buyer had bought around 88,000 metric tonnes of raw sugar from India last year, whereas it procured 130,000 metric tonnes of raw sugar worth \$50 million for the January-March quarter this year. As India being the world's largest buyer of edible oils, now Indian importers will also benefit from Malaysia's decision to fully exempt palm oil from export duty for the rest of this year.***

**Weather Forecast:**

*Thunderstorm accompanied with lightning very likely at isolated places over Jammu & Kashmir, Ladakh, GilgitBaltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, Rajasthan, Tamilnadu, Bihar, Marathwada, Madhya Maharashtra, Gujarat State. Heavy to very heavy rainfall with extremely heavy falls at isolated places very likely over Coastal Andhra Pradesh & Yanam; heavy to very heavy rainfall at isolated places over Rayalaseema, Telangana and Odisha and heavy rainfall at isolated places over Kerala & Mahe, Lakshadweep, Coastal Karnataka, Konkan & Goa, Madhya Maharashtra, Vidarbha, Chhattisgarh, Andaman & Nicobar Islands, Sub-Himalayan West Bengal & Sikkim, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura.*

**Previous Updates:**

***Kharif crop sowing has started from June 1<sup>st</sup> in Andhra Pradesh with the onset of monsoon. Kharif season has been set at 39.59 lakh hectares as against the normal crop acreage of 37.54 lakh hectares. Pulses, oilseeds and sugarcane crops are at vegetative stage. The targeted area under sugarcane for 2020-21 season is 1.09 lakh ha against normal crop acreage is 1.02 lakh ha.***

***After some crew members tested positive for Covid-19 in Santos, Brazil, the port has suspended operations and faced for 14 days quarantine. Around 70 cargo ships lined up at the port for loading sugar for export. There would be cancellations of orders if the vessels are unable to berth or load quickly. India, the second largest producer of sugar is the sole alternate at the time being as India has excess sugar stock and now the port operations are getting smoother making the way for sugar exports across the world. Brazil's top export destinations were Algeria, Bangladesh, Saudi Arabia, Nigeria and China in 2019-20 season.***

**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 30<sup>th</sup> 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 3<sup>rd</sup> Sep'19, India permitted 8,424 tonnes of sugar and the rest of the quantity was to be shipped up till 30<sup>th</sup> 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 1<sup>st</sup> Jul'20 to 30<sup>th</sup> 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 30<sup>th</sup> April'20. Till 31<sup>st</sup> 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 31<sup>st</sup> May'20.

## 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	388.3	1.00



### International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Tue June 09, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">20-Jul</a>	200609	11.9	12.03	11.8	12	0.06	85,151	255,150	-17,925
<a href="#">20-Oct</a>	200609	12.05	12.19	11.92	12.16	0.13	68,393	300,509	10,821
<a href="#">21-Mar</a>	200609	12.7	12.83	12.57	12.8	0.13	22,766	176,029	2,271
<a href="#">21-May</a>	200609	12.5	12.63	12.43	12.6	0.09	6,859	78,903	211
<a href="#">21-Jul</a>	200609	12.37	12.49	12.3	12.45	0.08	6,186	65,718	559
<a href="#">21-Oct</a>	200609	12.42	12.54	12.36	12.49	0.07	2,808	53,931	334
<a href="#">22-Mar</a>	200609	12.77	12.87	12.77	12.81	0.03	613	31,101	129
<a href="#">22-May</a>	200609	12.56	12.63	12.54	12.54	-0.04	329	13,249	0
Total Volume and Open Interest							194,144	1,001,833	-3,314

### International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Tue June 09, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">20-Aug</a>	200609	385.3	390.8	383.5	388.3	1	8,159	40,878	-455
<a href="#">20-Oct</a>	200609	368	372.9	366.4	372.1	2.6	6,031	27,706	1,266
<a href="#">20-Dec</a>	200609	360.5	364.6	358.7	364.3	2.3	2,091	12,101	695
<a href="#">21-Mar</a>	200609	359.5	363.4	357.7	363.1	2.1	846	9,991	95
<a href="#">21-May</a>	200609	363.3	367.2	361.6	366.8	2	163	4,365	93
Total Volume and Open Interest							17,451	100,982	1,693

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			10-Jun-20	9-Jun-20	
Delhi	Delhi	M-Grade	3190	3200	-10
	Delhi	S-Grade	3170	3180	-10
Uttar Pradesh	Khatauli	M-Grade	3260	3255	5
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3170	3160	10
	Dhampur	S-Grade Ex-Mill	3150	3140	10
	Dhampur	L-Grade Ex-Mill	3220	3210	10
Maharashtra	Mumbai	M-Grade	3360	3470	-110
	Mumbai	S-Grade	3290	3310	-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)	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)			10-Jun-20	9-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3500	3500	Unch
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	4000	-1000
	Muzaffarnagar	Khurpa (Fresh)	3413	3200	213
	Muzaffarnagar	Laddoo (Fresh)	3375	3400	-25
	Muzaffarnagar	Rascut (Fresh)	2888	2800	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	3300	3300	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3343	-
	Mandya	Achhu (Medium)	3450	3500	-50
	Mandya	Kurikatu (Medium)	3250	3300	-50
	Mandya	Other (Medium)	3200	3150	50
	Mandya	Yellow (Medium)	3380	3500	-120
	Shimoga/Shivamogga	Achhu (Average)	3825	3750	75

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