

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

The prices across India showed steady to firm trend. Today prices in Delhi was firm at Rs.3250/q and the prices in Vijayawada stood steady at Rs.3600/q today. While the prices stood Rs.65/q up today in UP around Rs.3325 in Khatauli and Chennai sugar was weaker at Rs.3310 q. The prices in Kolhapur stood steady at Rs.3150/q.

Thailand sugar exports declined significantly year on year till April this year. The imports of Thai sugar by other countries experienced a decline due to the fall in sugar demand during January and April. While Vietnam was the top importer of Thai refined sugar from January to April this year, as the country had abolished sugar import quota for ASEAN-origin sugar in January. For January-April, Vietnam imported 157,925 MT of white and refined sugar (10 times more y-o-y). Despite the strong off-take from Vietnam, Thai premiums are weakening as purchases were reported to have slowed in 2nd quarter 2020. The prices of Thai sugar is higher in the international market and the buyers would seek for cheaper alternative including Indian sugar.

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:

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 2nd 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 2nd 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.

Kharif crop sowing has started from June 1st 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/ql 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.

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 Icumsa	394.9	6.6

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed June 10, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200610	12	12.25	11.94	12.23	0.23	100,030	229,835	-25,315
20-Oct	200610	12.17	12.4	12.12	12.38	0.22	86,784	307,698	7,189
21-Mar	200610	12.8	13	12.76	12.97	0.17	32,429	180,339	4,310
21-May	200610	12.6	12.75	12.56	12.69	0.09	12,378	77,963	-940
21-Jul	200610	12.45	12.59	12.41	12.49	0.04	9,002	66,953	1235
21-Oct	200610	12.49	12.6	12.42	12.5	0.01	3,419	54,940	1009
22-Mar	200610	12.82	12.91	12.7	12.78	-0.03	979	31,057	-44
22-May	200610	12.55	12.58	12.4	12.49	-0.05	521	13,236	-13
Total Volume and Open Interest							246,847	989,494	-12,339

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Wed June 10, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200610	388	398.5	388	394.9	6.6	6,591	41,041	163
20-Oct	200610	371.8	377.9	371.8	376.5	4.4	4,567	28,284	578
20-Dec	200610	364.3	368.6	364.3	367.7	3.4	1,912	12,764	663
21-Mar	200610	364	366.9	363.2	366.3	3.2	803	10,386	395
21-May	200610	367.8	369.8	366.8	368.7	1.9	314	4,620	255
Total Volume and Open Interest							14,366	103,037	2,055

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			11-Jun-20	10-Jun-20	
Delhi	Delhi	M-Grade	3250	3190	60
	Delhi	S-Grade	3230	3170	60
Uttar Pradesh	Khatauli	M-Grade	3325	3260	65
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3200	3170	30
	Dhampur	S-Grade Ex-Mill	3180	3150	30
	Dhampur	L-Grade Ex-Mill	3250	3220	30
Maharashtra	Mumbai	M-Grade	3360	3360	Unch
	Mumbai	S-Grade	3290	3290	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	3600	3650	-50
	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)			11-Jun-20	10-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3450	3500	-50
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	3000	Unch
	Muzaffarnagar	Khurpa (Fresh)	3275	3413	-138

	Muzaffarnagar	Laddoo (Fresh)	3413	3375	38
	Muzaffarnagar	Rascut (Fresh)	2813	2888	-75
	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	3400	3300	100
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3480	3450	30
	Mandya	Kurikatu (Medium)	3200	3250	-50
	Mandya	Other (Medium)	3250	3200	50
	Mandya	Yellow (Medium)	3400	3380	20
	Shimoga/Shivamogga	Achhu (Average)	3750	3825	-75

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