

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

The prices across India showed steady to firm trend. Today prices in Delhi was steady at Rs.3250/q and the prices in Vijayawada also stood steady at Rs.3600/q today. The prices stood Rs.65/q up today in UP around Rs.3325 in Khatauli and Chennai sugar was firm at Rs.3400 q. While the prices in Central and other southern states were firm including Kolhapur where the price was up by Rs.75/q at Rs.3225/q.

China produced only 197,400 tonnes of sugar, white value, in May 2020, down from 398,000 a month earlier but above 78,900 in the same month last year, according to China Sugar Association (CSA). As of May 31, Guangxi of China had a total of 45.79 million tons of sugarcane, a decrease of 8.92 million tons year-on-year and produced 6 million tons of mixed sugar, a year-on-year decrease of 340,000 tons. The sugar production rate was 13.11%, an increase of 1.52 percentage points year-on-year and cumulative sales 3.74 million tons of sugar, with a decrease of 4 million tons.

Weather Forecast:

Thunderstorm accompanied with lightning likely at isolated places over Jammu & Kashmir, Ladakh, Gilgit Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, Rajasthan, Bihar, Gujarat State, Jharkhand, Gangetic West Bengal, Arunachal Pradesh, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura. Heavy to very heavy rainfall likely at isolated places over Coastal Karnataka, Konkan & Goa and Madhya Maharashtra and heavy rainfall at isolated places over Kerala & Mahe, Telangana, Marathwada, Vidarbha, Madhya Pradesh, Chhattisgarh, South Interior Karnataka, Sub-Himalayan West Bengal & Sikkim, Arunachal Pradesh, Assam & Meghalaya and Nagaland, Manipur, Mizoram & Tripura.

Previous Updates:

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.

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/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.

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	387.8	-7.1

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu June 11, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200611	12.17	12.18	11.88	11.94	-0.29	121,245	190,069	-39,766
20-Oct	200611	12.29	12.34	12.02	12.1	-0.28	107,447	335,276	27,578
21-Mar	200611	12.92	12.92	12.63	12.72	-0.25	26,275	181,826	1,487
21-May	200611	12.63	12.63	12.45	12.54	-0.15	13,496	78,961	998
21-Jul	200611	12.46	12.46	12.3	12.38	-0.11	9,034	68,905	1952
21-Oct	200611	12.45	12.46	12.32	12.41	-0.09	3,585	56,223	1283
22-Mar	200611	12.68	12.75	12.65	12.71	-0.07	1,608	31,753	696
22-May	200611	12.43	12.47	12.4	12.44	-0.05	927	13,292	56
Total Volume and Open Interest							285,424	983,915	-5,579

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Thu June 11, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200611	392.1	394.4	386.8	387.8	-7.1	4,507	41,464	423
20-Oct	200611	373.4	375.4	369.2	371	-5.5	3,816	29,410	1,126
20-Dec	200611	364.3	366.3	362.2	362.9	-4.8	1,833	13,199	435
21-Mar	200611	362	364.7	361	361.8	-4.5	1,106	10,964	578
21-May	200611	367.1	367.1	364.5	365	-3.7	271	4,829	209
Total Volume and Open Interest							11,778	105,823	2,786

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			12-Jun-20	11-Jun-20	
Delhi	Delhi	M-Grade	3250	3250	Unch
	Delhi	S-Grade	3230	3230	Unch
Uttar Pradesh	Khatauli	M-Grade	3325	3325	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3200	3200	Unch
	Dhampur	S-Grade Ex-Mill	3180	3180	Unch
	Dhampur	L-Grade Ex-Mill	3250	3250	Unch
Maharashtra	Mumbai	M-Grade	3360	3360	Unch
	Mumbai	S-Grade	3290	3290	Unch
	Nagpur	M-Grade	3350	3275	75
	Nagpur	S-Grade	3250	3225	25
	Kolhapur	M-Grade	3225	3150	75
	Kolhapur	S-Grade	3125	3100	25
Assam	Guhawati	S-Grade	3436	3410	25
Meghalaya	Shillong	S-Grade	3445	3420	25
Andhra Pradesh	Vijayawada	M-Grade	3600	3600	Unch
	Vijayawada	S-Grade	3540	3540	Unch
West Bengal	Kolkata	M-Grade	3580	3530	50
Tamil Nadu	Chennai	S-Grade	3650	3600	50
	Dindigul	M-Grade	3600	3640	-40
	Coimbatore	M-Grade	3700	3650	50
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)			12-Jun-20	11-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3400	3450	-50
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	1500	3000	-1500
	Muzaffarnagar	Khurpa (Fresh)	3250	3275	-25
	Muzaffarnagar	Laddoo (Fresh)	3425	3413	13
	Muzaffarnagar	Rascut (Fresh)	2725	2813	-88

	Hapur	Chaurasa	NR	NR	-
	Hapur	Balti	NR	NR	-
Andhra Pradesh	Chittur	Gold	4800	4700	100
		White	4500	4300	200
		Black	4300	4100	200
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	3400	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3359	3368	-9
	Mandya	Achhu (Medium)	NA	3480	-
	Mandya	Kurikatu (Medium)	NA	3200	-
	Mandya	Other (Medium)	NA	3250	-
	Mandya	Yellow (Medium)	NA	3400	-
	Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

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