

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

The prices across India showed mixed trend today. The prices in Delhi and Vijayawada that stood firm at Rs. 3420/q and Rs. 3740/q respectively. Whereas the prices stood low at Rs.3250/q in Kolhapur. The prices were steady in Khatauli at Rs.3400/q.

The sugar domestic prices increased in last 10 days, up by around Rs.30 to 150/q across India. Amid the ministry is likely to announce a surge minimum support price sooner by Rs.2/kg to Rs.33/kg and a raise the fair and remunerative price (FRP) of sugarcane by Rs 10 a quintal to Rs 285 for 2020-21 in the next coming days. This has made a positive impact on the sugar market. The demand has increased after the unlocking of lockdown in phased manner and the bulk purchases has been increased slightly.

Sugar mills in Muzaffarnagar district have produced more sugar this season. According to the district official, mills register 116.75 lakh quintals sugar production, which is 11 lakh quintals more than last year. The sugar mills from Khatoli, Mansurpur, Khaikheri, Bhudhana, Tikola, Morna, Titawi and Rohana produced the 116.75 lakh quintal sugar by purchasing 1058.10 lakh quintal sugarcane from farmers during this season. All the sugar mills have stopped cane crushing as of now.

Weather Forecast:

Heavy to very heavy rainfall at isolated places likely over Uttarakhand, Uttar Pradesh, Arunachal Pradesh and Assam & Meghalaya and heavy rainfall at isolated places over Himachal Pradesh, north Haryana & Chandigarh, East Rajasthan, West Madhya Pradesh, Bihar, Sub-Himalayan West Bengal & Sikkim, Nagaland, Manipur, Mizoram & Tripura, Gujarat State, Coastal Andhra Pradesh & Yanam, Coastal Karnataka, Tamil Nadu, Puducherry & Karaikal and Kerala & Mahe.

Previous Updates:

According to ISO, the global sugar demand-supply scenario indicating a sugar deficit of 6.9 million tonnes globally, although India again being surplus. Due to Covid-19, the prices of sugar have gone down in the global markets and during the sugar year 2019-20 (October 2019-September 2020), more than 2.3 million tonnes of sugar consumption has been lost till now and the future is uncertain. Due to the fall in crude oil prices, Brazil may prefer for production of sugar from sugarcane rather than ethanol. The main buyers of sugar shall be Egypt, Saudi Arabia and Indonesia and looking to the fact Thailand, the main exporting country from Asia, expected to be down by 40% in sugar production. India may take advantage of the same by exporting sugar to these countries.

Uttar Pradesh alone has put a record of producing 126.5 LT of sugar this year in the current season that crushed 1,116 lakh tons of sugarcane. And a record cane price payment of more than Rs. 1,00,000 crores has been paid between 2017 and 2020 to the 47.20 lakh sugarcane farmers in the state. The demand across UP has seen a significant rise in prices in last one week to 10 days. The lifting up of restriction on lockdown picked up the demand supported the sugar prices. The prices stood between Rs.3255/q and Rs.3400/q in last 10 days.

After the lockdown from first week of June, the sugar markets are witnessing a good demand in sugar. The prices are gradually increasing in last 3-5 days by Rs.20-150/q across India within 5 days. The sugar industry feel a relief after a long stagnant demand amid COVID-19 lockdown for more than 2.5 months.

In order to help sugar mills improve their cash flow, the Food ministry has planned to liquidate stocks worth Rs 30,000 crore in 4 months. It will help sugar mills to improve cash flow and pay cane arrears to farmers. The sugar sales in March and April'20, was lower by about 10 lakh tonnes. Due to low sales, mills are under deep financial crisis and are unable to pay cane dues. Apart from that, the ministry is releasing assistance of Rs. 1,100 crore on account of export and buffer subsidy to sugar mills this month itself. This would facilitate sugar mills in clearance of their balance arrears, which have crossed Rs. 22,000 crore.

According to UNICA, a huge surge in the second two weeks of May'20 was by around 36% producing 25.48 LT of sugar and a total of 8 million tonnes in two months. The mills allocated 47.35% of the cane to produce sugar in 2nd half of May'20, compared to 35.28% 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 was around 144 million tonnes so far till May end in 2 months up by around 12% compared to the same time previous year.

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.

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.

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 Icmsa	364.5	-3.8



International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon June 22, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Jul	200622	12.04	12.11	11.82	11.92	-0.13	40,888	86,369	-6,937
20-Oct	200622	12.14	12.25	11.95	12.06	-0.12	66,561	398,527	11,490
21-Mar	200622	12.7	12.78	12.55	12.66	-0.05	28,035	188,450	4,650
21-May	200622	12.36	12.45	12.29	12.39	0.03	17,074	81,712	-2,254
21-Jul	200622	12.07	12.17	12.03	12.15	0.08	8,587	70,808	336
21-Oct	200622	11.99	12.12	11.98	12.11	0.12	4,072	61,064	1131
22-Mar	200622	12.29	12.47	12.24	12.45	0.21	2,428	38,097	854
22-May	200622	12.06	12.27	12.03	12.25	0.25	1,291	14,997	491
Total Volume and Open Interest							171,758	972,777	10,928

International Sugar Futures LIFFE(US \$/MT)

Daily Futures Price Listing Mon June 22, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200622	370	371	361	364.5	-3.8	10,111	37,964	-1,662
20-Oct	200622	361.1	362.1	355.4	357.7	-2.1	6,298	30,533	-305
20-Dec	200622	358.5	358.7	354.1	356.2	0.2	2,051	17,083	374
21-Mar	200622	357.9	358.4	353.8	356.1	0.9	1,027	12,730	175
21-May	200622	357.9	359.7	356.9	359.1	1.6	210	5,503	75
Total Volume and Open Interest							20,013	110,237	-1,109

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			23-Jun-20	22-Jun-20	
Delhi	Delhi	M-Grade	3420	3355	65
	Delhi	S-Grade	3400	3335	65
Uttar Pradesh	Khatauli	M-Grade	3400	3400	Unch
	Ramala	M-Grade	3320	3300	20
	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	3560	3560	Unch
	Mumbai	S-Grade	3360	3360	Unch
	Nagpur	M-Grade	3375	3425	-50
	Nagpur	S-Grade	3275	3325	-50
	Kolhapur	M-Grade	3250	3300	-50
	Kolhapur	S-Grade	3150	3200	-50
Assam	Guhawati	S-Grade	3461	3512	-51
Meghalaya	Shillong	S-Grade	3470	3520	-50
Andhra Pradesh	Vijayawada	M-Grade	3740	3700	40
	Vijayawada	S-Grade	3680	3640	40
West Bengal	Kolkata	M-Grade	3580	3580	Unch
Tamil Nadu	Chennai	S-Grade	Closed	Closed	-
	Dindigul	M-Grade (DCA)	3640	3640	Unch
	Coimbatore	M-Grade (DCA)	3620	3620	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-

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)			23-Jun-20	22-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	3288	3303	-15
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-

	Muzaffarnagar	Rascut (Fresh)	2775	2778	-3
	Hapur	Chaurasa	NR	NR	-
	Hapur	Balti	NR	NR	-
Andhra Pradesh	Chittur	Gold	Closed	Closed	-
		White	Closed	Closed	-
		Black	Closed	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4300	4300	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	3450	3400	50
	Gulbarga/Kalaburgi	Other (Average)	4050	NA	-
	Mahalingapura	Penti (Average)	3410	NA	-
	Mandya	Achhu (Medium)	3550	3600	-50
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	3200	3250	-50
	Mandya	Yellow (Medium)	3550	3600	-50
	Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

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