

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

*The prices across India showed mixed trend today. The prices in Delhi stood low at Rs. 3300/q. While the prices in Kolhapur and Khatauli stood firm at Rs. 3300/q, Rs.3360/q respectively.*

***Maharashtra got the extension in producing sanitizer till December end this year.*** As there is a huge demand of sanitizers to stop the spread of Covid-19. So far till 21<sup>st</sup> June'20, UP produced around 11.84 million litres of sanitizer followed by Maharashtra producing around 11 million litres during the same period.

**Weather Forecast:**

*Heavy to very heavy rainfall at a few places with extremely heavy falls at isolated places likely over Sub-Himalayan West Bengal & Sikkim; heavy to very heavy rainfall at isolated places with extremely heavy falls at isolated places over Assam & Meghalaya and Kerala & Mahe; heavy to very heavy rainfall at isolated places over East Uttar Pradesh, Bihar, Arunachal Pradesh, Coastal & South Interior Karnataka and heavy rainfall at isolated places over Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura, Rayalaseema, North Interior Karnataka, Tamilnadu, Puducherry & Karaikal and Lakshadweep.*

**Previous Updates:**

***ISMA estimates an increase of 17% in sugar production from 2019-20 year to around 320 LT in 2020-21.*** In the view of normal to good rainfall this year, the area is likely to increase by around 8%. In the hope of increase in FRP and minimum selling price of sugar is encouraging to increase the area under sugarcane by the cane farmers. The sugar mills have cleared Rs. 47,127 crore cane price dues out of the total payable of Rs 64,261 crore as on May 28 on FRP basis of the 2019-20 season. Also, the government is reimbursing the carrying cost of Rs 1,674 crore towards the maintenance of buffer stock of 40 lakh tonne of sugar. The government is helping mills to clear off the cane arrears of farmers.

***According to the trade sources, India exported around 4 LT of total sugar*** (including White refined and raw sugar) in May month almost same quantity was shipped during April this year. As most of the mills has started refining sugar, therefore, more than 1.5 LT of refined sugar has been exported out of the total sugar exports. Sudan, Syria, Jordan, China, Tanzania, Afghanistan, Yemen, UAE, Qatar, Somalia were the major importers for refined sugar. Whereas Indonesia and Bangladesh were the largest importer of raw sugar purchasing around 77,000 tonnes and 27,000 tonnes respectively in May month.

***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.

**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.**

## 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	356.70	-0.1



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

Daily Futures Price Listing Thu June 25, 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>	200625	11.77	11.83	11.65	11.81	0.06	37,546	53,509	-16,442
<a href="#">20-Oct</a>	200625	11.78	11.93	11.73	11.92	0.08	44,965	412,788	423
<a href="#">21-Mar</a>	200625	12.45	12.58	12.4	12.57	0.08	20,450	189,066	753
<a href="#">21-May</a>	200625	12.22	12.33	12.15	12.31	0.08	9,612	82,970	212
<a href="#">21-Jul</a>	200625	11.97	12.1	11.94	12.08	0.06	6,080	71,483	446
<a href="#">21-Oct</a>	200625	11.94	12.07	11.93	12.05	0.04	3,858	62,338	-780
<a href="#">22-Mar</a>	200625	12.34	12.38	12.25	12.35	unch	1,616	37,118	-643
<a href="#">22-May</a>	200625	12.12	12.16	12.02	12.1	-0.03	859	15,914	405
Total Volume and Open Interest							125,701	958,619	-15,692

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

Daily Futures Price Listing Thu June 25, 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>	200625	355.6	357.3	353.1	356.6	-0.1	4,753	33,888	-1,062
<a href="#">20-Oct</a>	200625	353.1	355.3	352.1	354.9	0.8	3,423	31,816	-84
<a href="#">20-Dec</a>	200625	353.2	355.1	352.2	354.6	0.2	1,650	18,600	377
<a href="#">21-Mar</a>	200625	352.9	354	351.5	353.7	-0.4	503	13,796	-97
<a href="#">21-May</a>	200625	355.2	356.1	354.5	356.1	-0.8	205	5,557	7
Total Volume and Open Interest							10,746	110,326	-744

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			26-Jun-20	25-Jun-20	
Delhi	Delhi	M-Grade	3300	3320	-20
	Delhi	S-Grade	3280	3300	-20
Uttar Pradesh	Khatauli	M-Grade	3360	3350	10
	Ramala	M-Grade	NA	3310	-
	Dhampur	M-Grade Ex-Mill	3330	3330	Unch
	Dhampur	S-Grade Ex-Mill	3310	3310	Unch
	Dhampur	L-Grade Ex-Mill	3380	3380	Unch
Maharashtra	Mumbai	M-Grade	3540	3550	-10
	Mumbai	S-Grade	3356	3356	Unch
	Nagpur	M-Grade	3425	3375	50
	Nagpur	S-Grade	3325	3275	50
	Kolhapur	M-Grade	3300	3250	50
	Kolhapur	S-Grade	3200	3150	50
Assam	Guhawati	S-Grade	3512	3461	51
Meghalaya	Shillong	S-Grade	3520	3470	50
Andhra Pradesh	Vijayawada	M-Grade	3740	3740	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3710	3580	130
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)			26-Jun-20	25-Jun-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40k g Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-

	Muzaffarnagar	Rascut (Fresh)	2725	2750	-25
	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	3400	3400	Unch
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3436	3423	13
	Mandya	Achhu (Medium)	3450	3470	-20
	Mandya	Kurikatu (Medium)	3200	3200	Unch
	Mandya	Other (Medium)	3250	3290	-40
	Mandya	Yellow (Medium)	3500	3500	Unch
	Shimoga/Shivamogga	Achhu (Average)	3600	3750	-150

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