

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

The prices across India showed mixed trend today. The prices in Delhi stood firm at Rs. 3400/q, while remained weak in Khatauli at Rs.3380/q, down by Rs.10/q. The prices stood steady in Kolhapur and Vijayawada at Rs. 3300/q and 3700/q respectively.

India shipped out around 45 LT of sugar till June end, out of the total 50 LT contracts booked including 24 lakh tonnes raw sugar and around 20 lakh tonnes of refined or white sugar. The top 5 buyers were Iran, Somalia, Indonesia, Sri Lanka and Afghanistan.

Weather Forecast:

Heavy to very heavy rainfall very likely at isolated places over Saurashtra & Kutch, Arunachal Pradesh and Assam & Meghalaya and heavy rainfall at isolated places over Himachal Pradesh, Uttarakhand, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Chhattisgarh, Bihar, Sub-Himalayan West Bengal & Sikkim, Nagaland, Manipur, Mizoram & Tripura, Konkan & Goa, Rayalaseema and Coastal Karnataka.

Previous Updates:

Brazil sugar exports reached 3 million tonnes in June. This is around 14% higher than May and 97% above the same month in 2019. Sugar production continued to increase, reaching a near-record 36% increase early in June. The Brazilian ethanol market remained weak, thus, the global sugar market could be flooded, which would surge the prices.

India has been waiting for the export deals with China but are now in worry due to the border tensions between China and India. According to All India Sugar Trade Association, India can export 3 lakh tonnes of sugar to China in the next two to three months. So far, India has exported 1 LT of sugar to China. Now, the Indian sugar exporters are afraid to make deals and will wait for the situation to improve.

UP sets a record production of 50 LT of jaggery in 2019-20 against 45 LT in the previous year, up by around 11%. The western UP is the hub of jaggery production and around 30LT is expected to have produced this year. Everyday around 400-500 bags (40kg/bag) are arriving daily. Although few jaggery units got closed during lockdown that resulted in the diversion of cane to sugar producing units, thus, sugar production increased by 3-4LT. As the state has produced record production of sugarcane this year due to which there has been an increase by 7-8% in sugar production and jaggery production as well.

OMC's have been supplied with 92.5 crore litres of ethanol till 22nd June since December'19 by Indian sugar mills. A total contract of 170 crore litres was finalized between the sugar mills and OMCs for 2019-20 season. The states like UP, Haryana, Punjab, Uttarakhand, Bihar and Karnataka is much higher at 8.5% to 9.8% with petrol. Whereas, an average all India blending of 5.09% with petrol was achieved. India is expecting an increase in ethanol production capacity from the current 260-300 crore litres to 375-400 crore litres and achieve 7.5-8 per cent ethanol blend levels with petrol in 2020-21 season.

The Maharashtra government has lifted the ban imposed on the sale and transport of molasses within the state and export outside the state. The ban was imposed last year after the flood situation in west Maharashtra and drought in other parts of the state were prominent. As on 9th June, the molasses stock totaled to 13.9 LT including the mill's inventory of 8.47 LT while breweries have around 5.43 LT in 2019-20 in the state. The molasses recovery is expected to be 4.75 percent of cane crushed during sugar production.

Therefore, in the coming season Maharashtra is likely to crush 900-920 LT of cane producing around 40 to 42 LT of molasses.

The monthly quota has been released for Jul'20 for 21 LT of sugar sales limit to each 546 mills which is 2.5 LT higher compared to the previous month's sales quota. The July'20 sales quota is 50,000 MT higher compared to the previous year quota during the same time. The supply and demand chain has improved during the phased unlocking across the nation. No extension has been announced for the allocated quota of June 2020.

Maharashtra government in its recent meeting, has decided to start cane crushing earlier this year by 15th October'20. Last year, due to the bad weather conditions the crushing was delayed and commenced on 22nd November'19. According to the government, a total of 9.21 lakh ha has been covered as on 26th June'20 under sugarcane, up by around 9.6% year on year basis. According to Agriwatch, Maharashtra may see a surge of around 22-26% rise in area under sugarcane against the previous year. And the state may see a surge of 65-70% in sugar production in 2020-21. Around 40% of sugar production was declined in 2019-20 season with the reduction in yield. As per the IMD weather report, the country has received 22% more rainfall from the actual rainfall and around 55% more in Maharashtra so far. Thus, increase in yield by about 8-10% is expected in 2020-21 sugar season.

Due to the pandemic the sugar industry is affected. Maharashtra State Cooperative Sugar Factories Federation said that the sugar exported were hit and the process of exports slowed down during the lockdown. Around 36 LT of sugar has been exported during January to June. Another 5-6 LT sugar contracts have been booked and ready for shipment. So far, most of the sugar has been purchased by Indonesia and Iran. As Indonesia would continue to buy raw sugar from India amid the deal with increase in Indonesian palm oil purchases by India.

In Uttar Pradesh, around 70 per cent of the locust swarm that entered Uttar Pradesh's Jalaun from Jhansi was eliminated in a six-hour-long operation. Around 3-4 smaller swarm of locusts entered in UP last week. The sugarcane planting is almost completed and as on 26th Jun'20 around 23 lakh ha area has been covered. The crop is in the vegetative phase in few areas around 3 to 3.5 months old. The crop is more prone to damage in the first 3-4 months of the crop growth. So far no damage reported but the assessments are being done continuously in the fields in case of any damage.

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	348.3	-2.7

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon July 06, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Oct	200706	12.2	12.27	11.9	11.93	-0.31	66,016	398,738	-11,743
21-Mar	200706	12.88	12.89	12.57	12.59	-0.3	31,387	193,921	506
21-May	200706	12.5	12.54	12.26	12.29	-0.27	13,212	86,313	535
21-Jul	200706	12.22	12.23	12	12.02	-0.25	7,340	71,205	530
21-Oct	200706	12.16	12.16	11.96	11.97	-0.22	3,613	63,827	878
22-Mar	200706	12.39	12.42	12.27	12.27	-0.18	1,756	37,752	-41
22-May	200706	12.11	12.14	12.04	12.04	-0.12	705	17,958	249
22-Jul	200706	11.9	11.95	11.88	11.88	-0.06	496	16,688	117
Total Volume and Open Interest							124,915	904,354	-8,796

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Mon July 06, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200706	351	353	347.5	348.3	-2.7	12,004	26,144	-3,879
20-Oct	200706	355.5	355.6	350	350.7	-5.2	8,065	36,468	1,623
20-Dec	200706	356.8	357	350.3	351.2	-6	2,064	19,953	423
21-Mar	200706	358.8	358.9	352	353.1	-5.8	792	14,143	126
21-May	200706	362.1	362.1	356.1	356.3	-6	337	6,313	273
Total Volume and Open Interest							23,347	110,017	-1,418

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			7-Jul-20	6-Jul-20	
Delhi	Delhi	M-Grade	3400	3380	20
	Delhi	S-Grade	3380	3360	20
Uttar Pradesh	Khatauli	M-Grade	3380	3390	-10
	Ramala	M-Grade	3295	3270	25
	Dhampur	M-Grade Ex-Mill	3360	3340	20
	Dhampur	S-Grade Ex-Mill	3340	3320	20
	Dhampur	L-Grade Ex-Mill	3410	3390	20
Maharashtra	Mumbai	M-Grade	3580	3590	-10
	Mumbai	S-Grade	3370	3370	Unch
	Nagpur	M-Grade	3425	3425	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3300	3300	Unch
	Kolhapur	S-Grade	3200	3200	Unch
Assam	Guhawati	S-Grade	3512	3512	Unch
Meghalaya	Shillong	S-Grade	3520	3520	Unch
Andhra Pradesh	Vijayawada	M-Grade	3700	3700	Unch
	Vijayawada	S-Grade	3680	3680	Unch
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade	3750	3750	Unch
	Dindigul	M-Grade (DCA)	3800	3800	Unch
	Coimbatore	M-Grade (DCA)	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3300	3300	Unch

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)			7-Jul-20	6-Jul-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NR	NR	-
	Muzaffarnagar	Chaku(Arrival)(40 kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-

	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaursa	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4250	4250	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	3400	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	3423	-
	Mandya	Achhu (Medium)	3650	3600	50
	Mandya	Kurikatu (Medium)	3150	3300	-150
	Mandya	Other (Medium)	3300	3300	Unch
	Mandya	Yellow (Medium)	3650	3600	50
	Shimoga/Shivamogga	Achhu (Average)	3750	3750	Unch

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