

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

The prices across India showed steady to firm trend today. The price Kolhapur and Vijayawada market stood steady at Rs.3250/q and Rs.3700/q, respectively. The prices stood firm in Delhi at Rs. 3280/q, up by Rs.20/q.

Weather Forecast:

Heavy to very heavy rainfall at a few places with extremely heavy falls at isolated places over Sub-Himalayan West Bengal & Sikkim; heavy to very heavy rainfall with extremely heavy falls at isolated places over Arunachal Pradesh and Assam & Meghalaya; Heavy to very heavy rainfall at isolated places likely over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, Uttar Pradesh, Bihar and Nagaland, Manipur, Mizoram & Tripura and heavy rainfall at isolated places over East Madhya Pradesh, Jharkhand, Gangetic West Bengal, Odisha, Rayalaseema, South Interior Karnataka, Tamilnadu, Puducherry & Karaikal and Lakshadweep.

Previous Updates:

The decision in hike in minimum selling price of sugar is yet pending. A meeting held between the Group of Ministers yesterday had recommended a hike of Rs.2/kg to Rs.33/kg to ensure mills clear the pending arrears of Rs.20,000 crore in 2019-20 at the earliest. The government will also consider other ways if an increase in MSP of sugar does not help in reducing cane arrears to farmers.

According to Thai Sugar Millers Corporation, Thailand exported 2.36 lakh tonnes of refined sugar and 3.21 lakh tonnes of raw sugar in May'20. Total of 11.05 lakh tonnes of refined sugar (13.34% y/y) has been exported at an average FOB \$366.38/tonne and 22.32 lakh tonnes (2.5% y/y) of raw sugar at an average FOB \$300.57/tonne much lower sugar has been exported so far till May'20 from January'20. The exports were improved compared to the previous month as the demand was hit due to coronavirus.

In UP, so far 13.39 million litre of sanitizer has been produced till 8th July'20, out of which 67.42 lakh litre of sanitizer has been supplied within the state and 47.15 lakh litre has been supplied to other states of the country. Quantity supplied within the state; 67.42 lakh litre includes the quantity of 2.47 lakh litre supplied to various government organizations and government hospitals through the District Magistrates.

According to the sources, the official announcement can be released in the coming week regarding hike in minimum selling price for sugar and sugarcane FRP. There is possibility of an increase of Rs.200/q in minimum selling price of sugar to Rs.3300/q and a rise of Rs.100/q in sugarcane FRP to Rs.285/q of cane.

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.

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.

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	348.5	-2.3

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Fri July 17, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Oct	200717	11.77	11.87	11.68	11.73	-0.06	75,226	387,896	-4,875
21-Mar	200717	12.45	12.56	12.38	12.43	-0.05	27,096	220,675	577
21-May	200717	12.23	12.31	12.17	12.21	-0.04	13,357	91,394	640
21-Jul	200717	12.02	12.08	11.96	11.99	-0.04	7,943	76,867	797
21-Oct	200717	12.1	12.1	11.95	11.98	-0.03	3,412	66,115	130
22-Mar	200717	12.31	12.36	12.24	12.27	-0.04	1,890	37,917	265
22-May	200717	12.08	12.08	11.97	12.01	-0.06	927	19,658	425
22-Jul	200717	11.87	11.87	11.79	11.83	-0.07	509	17,093	-11
Total Volume and Open Interest							130,569	936,693	-2,009

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Fri July 17, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Aug	200717	348.5	355.7	347.5	352.4	3.9	10,494	46,906	-111
20-Oct	200717	347.1	352.4	345.9	349.7	2.7	3,797	21,301	129
20-Dec	200717	348.5	351.7	346.6	349.8	1.7	1,212	15,257	-32
21-Mar	200717	352.6	355.1	351	353.1	1	576	7,706	157
21-May	200717	352.8	355.1	351.2	353.3	0.9	125	4,019	45
Total Volume and Open Interest							20,353	107,685	-3,345

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			18-Jul-20	17-Jul-20	
Delhi	Delhi	M-Grade	3280	3260	20
	Delhi	S-Grade	3260	3240	20
Uttar Pradesh	Khatauli	M-Grade	Closed	3340	-
	Ramala	M-Grade	Closed	NA	-
	Dhampur	M-Grade Ex-Mill	Closed	3320	-
	Dhampur	S-Grade Ex-Mill	Closed	3300	-
	Dhampur	L-Grade Ex-Mill	Closed	3370	-
Maharashtra	Mumbai	M-Grade	3570	3570	Unch
	Mumbai	S-Grade	3370	3370	Unch
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3275	3275	Unch
	Kolhapur	M-Grade	3250	3250	Unch
	Kolhapur	S-Grade	3150	3150	Unch
Assam	Guhawati	S-Grade	3461	3461	Unch
Meghalaya	Shillong	S-Grade	3470	3470	Unch
Andhra Pradesh	Vijayawada	M-Grade	3700	3700	Unch
	Vijayawada	S-Grade	3700	3700	Unch
West Bengal	Kolkata	M-Grade	3690	3690	Unch
Tamil Nadu	Chennai	S-Grade	3750	3750	Unch
	Dindigul	M-Grade	3840	3840	Unch
	Coimbatore	M-Grade	3620	3620	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	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)			18-Jul-20	17-Jul-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	Closed	NR	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	NA	-
	Muzaffarnagar	Khurpa (Fresh)	Closed	NA	-
	Muzaffarnagar	Laddoo (Fresh)	Closed	NA	-
	Muzaffarnagar	Rascut (Fresh)	Closed	NA	-

	Hapur	Chaurasa	Closed	NA	-
	Hapur	Balti	Closed	NA	-
Andhra Pradesh	Chittur	Gold	NR	NR	-
		White	NR	NR	-
		Black	NR	NR	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	NA	4250	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3750	3750	Unch
	Mandya	Kurikatu (Medium)	3500	3500	Unch
	Mandya	Other (Medium)	3300	3300	Unch
	Mandya	Yellow (Medium)	3600	3600	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3750	-

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