

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

The prices across India showed steady to firm trend today. The price in Delhi and khatauli stood firm at Rs.3300/q and Rs.3320/q, respectively. The prices in Kolhapur and Vijayawada stood steady at Rs.3250/q, and Rs.3700/q.

The government re-allocated 25000 tonnes of sugar out of the original quota that was allotted in the beginning of the season (Oct'19). The restored quantity is allotted to the eligible sugar under Maximum Admissible Export Quota (MAEQ). India has allocated 60 lakh MAEQ quota for sugar marketing year 2019-20. As the reallocation of sugar export quota was delayed, some mills could not export sugar in July. Also, Industry has demanded release of the export incentives to enable payment of sugarcane to the farmers.

The Indian government has approved a quantity of 10,000 tonnes of sugar exports (raw/white) to EU. The exports would undertake under CXL concessions to European Union for the period of Oct'20 to Sep'21. Availing the CXL concessions on export to the EU, traders can export sugar at relatively low or zero customs duty. Usually India exported around 25,000 tonnes in 2018-19 season and 18,465 tonnes during Oct'18-Apr'19. While the exports of 13,343 tonnes that declined by 28% this year during Oct'19 to Apr'20.

Weather Forecast:

Heavy rainfall at isolated places over Himachal Pradesh, Uttarakhand, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Bihar, Sub- Himalayan West Bengal & Sikkim, Assam & Meghalaya, Gujarat State and Konkan & Goa. Thunderstorm accompanied with lightning very likely at isolated places over Jharkhand, Coastal Andhra Pradesh & Yanam and Rayalaseema.

Previous Updates:

For sugar season 2020-21, UP has issued 131 new licenses to raw sugar producing units to increase their crushing capacities, 14 were issued on priority to women entrepreneurs with established crushing capacity of 4,100 tonnes of cane per day (TCD). The new sugar units would generate an additional crushing capacity of 34,550 TCD. The new raw sugar units would play a crucial role in prompt procurement of sugarcane, thus, generating work and employment in their respective areas.

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.

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	357	-2

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Thu July 23, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Oct	200723	11.89	11.89	11.72	11.77	-0.09	40,999	382,865	-1,800
21-Mar	200723	12.6	12.6	12.41	12.46	-0.1	19,891	226,733	809
21-May	200723	12.39	12.39	12.24	12.3	-0.08	9,262	94,827	950
21-Jul	200723	12.18	12.18	12.05	12.12	-0.06	4,042	77,647	317
21-Oct	200723	12.2	12.2	12.05	12.11	-0.06	2,123	66,188	47
22-Mar	200723	12.46	12.46	12.33	12.39	-0.06	1,066	38,116	2
22-May	200723	12.2	12.2	12.08	12.14	-0.05	707	20,219	171
22-Jul	200723	12.01	12.01	11.9	11.97	-0.04	479	18,987	99
Total Volume and Open Interest							79,019	944,754	671

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Thu July 23, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Oct	200723	357.9	359.5	355.8	357	-2	4,572	45,893	134
20-Dec	200723	354.1	355.2	352.1	353.5	-1.7	2,624	20,079	-297
21-Mar	200723	352.8	353.4	351.1	352.4	-1.8	879	14,950	-151
21-May	200723	355.8	356.1	354.8	355.8	-1.7	185	7,898	61
21-Aug	200723	355.7	355.7	355.7	355.7	-1.5	23	3,994	8
Total Volume and Open Interest							8,290	96,436	-251

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			24-Jul-20	23-Jul-20	
Delhi	Delhi	M-Grade	3300	3250	50
	Delhi	S-Grade	3280	3230	50
Uttar Pradesh	Khatauli	M-Grade	3320	3300	20
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3300	3300	Unch
	Dhampur	S-Grade Ex-Mill	3280	3280	Unch
	Dhampur	L-Grade Ex-Mill	3350	3350	Unch
Maharashtra	Mumbai	M-Grade	3570	3570	Unch
	Mumbai	S-Grade	3350	3360	-10
	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	3760	3760	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)			24-Jul-20	23-Jul-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NR	NR	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-

	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	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)	4550	4550	Unch
	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	3539	-
	Mandya	Achhu (Medium)	3750	3730	20
	Mandya	Kurikatu (Medium)	3250	3250	Unch
	Mandya	Other (Medium)	3450	3450	Unch
	Mandya	Yellow (Medium)	3600	3650	-50
	Shimoga/Shivamogga	Achhu (Average)	3650	3750	-100

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