

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

The prices across India showed mixed trend today. The price in Delhi stood firm at Rs. 3310/q, whereas, the prices in UP, Kolhapur and Vijayawada stood at Rs. Rs.3335/q, Rs. 3250, & Rs. 3640/q, respectively.

The sugar retail prices in Nepal surged to around Rs.100/kg from earlier Rs. 85/kg. Sugar prices have surged due to sugar shortage. The annual demand of the sugar in the country is around 250,000 tonnes and the maximum sugar is consumed during three months of the year starting from July when the festival season starts. Nepal's one of the largest sugar importer is India. India exported around 35,126 tonnes in 2019-20 (Apr-Mar), up by 32% compared to the previous year during the same period. The sugar exports to Nepal declined in April'20 to 2,271 tonnes from 14,264 tonnes in Mar'20 due to pandemic. Although, the improvement in port operations and unlocking in both the countries has helped increase in exports by India and expected to reach around 4,157 tonnes in June'20 from 3,305 tonnes in May'20.

Weather Forecast:

Heavy to very heavy rainfall at a few places with extremely heavy falls at isolated places likely over Konkan & Goa and Madhya Maharashtra; Heavy rainfall at a few places with very heavy falls at isolated places over Coastal Karnataka; heavy to very heavy rainfall at isolated places over Odisha, Gujarat Region, ghat areas of South Interior Karnataka and Kerala & Mahe and heavy rainfall at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Himachal Pradesh, Uttarakhand, Uttar Pradesh, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Bihar, Jharkhand, Gangetic West Bengal, Nagaland, Manipur, Mizoram & Tripura, Arunachal Pradesh, Assam & Meghalaya, Marathwada, north Coastal Andhra Pradesh, Telangana, North Interior Karnataka and Tamilnadu, Puducherry & Karaikal.

Previous Updates:

The area under sugarcane increased to 51.78 lakh ha as on 31st July'20, up by around 1% in 2020-21 sugar season compared to the corresponding time last year. The top three sugarcane producing states; Uttar Pradesh, Maharashtra, and Karnataka are leading in area for 2020-21 sugar season by covering 23.87 lakh ha, 9.82 lakh ha and 5.51 lakh ha. Maharashtra is likely to revive this year as the state has faced bad weather conditions last year and likely to cover around 10.5 to 11 lakh ha compared to 8.4 lakh ha covered in 2019-20 season.

ICE sugar futures rallied by the month end, up by 54 points and settled at 12.27 cents/lbs and highest since 1st June'20. The spike in prices was attributed to an additional import quota to be released by the Chinese government for 2.1 million tonnes of sugar. Czarnikow projects that Thailand's 2020-21 sugar production could drop more than -10% year on year to an 11-year low of 7.4 MMT. Also, from expectations for Indonesia to boost imports.

The monthly quota has been released for Aug'20 and allocated 20.5 LT of sugar sales limit to 547 mills. The July'20 sales quota is 1.5 MT higher compared to the previous year quota during the same time. Millers had witnessed fresh buying due to the rumours of hike in Minimum Selling Price (MSP) of sugar. Some demand had also been witnessed due to the easing nationwide lockdown due to the coronavirus pandemic.

According to the trade sources, India exported around 3.4 LT of total sugar (including White refined and raw sugar) in June'20. Around 1.6 LT of refined sugar and 1.25 LT of white sugar has been exported out of

the total sugar exports. Sudan, Somalia, Saudi Arabia, Lybia, Kenya, Qatar, Tanzania were the major importers for refined sugar. While Sri Lanka, Afghanistan, China were the largest importer of white sugar and Iran was the largest importer for raw sugar in June month.

In order to clear cane dues of farmers, the cane commissioner of Uttar Pradesh has announced that 85 percent amount of sale value of byproducts of sugarcane (molasses, bagasse, press-mud and ethanol) derived by sugar mills will be tagged for cane price payment to farmers. Thus, 30% of the sale value of ethanol produced from C-grade molasses, 55% produced from B-heavy molasses and 80% produced directly from sugarcane juice will be used for repaying the dues.

Due to the pandemic, many migrant labours have left for their home during lockdown. The Coronavirus has limited the movement of people from one place to others. Due to which industries are facing the difficulty of getting labourers. Therefore, the sugar mills have placed orders for harvesting machines in Maharashtra, Karnataka and Gujarat in order to avoid the dependency on labours during harvesting of cane.

The area under sugarcane increased to 51.54 lakh ha till 24th July'20, up by around 1% in 2020-21 sugar season compared to the corresponding time last year. The top three sugarcane producing states; Uttar Pradesh, Maharashtra, and Karnataka are leading in area for 2020-21 sugar season by covering 23.71 lakh ha, 9.78 lakh ha and 5.47 lakh ha. Maharashtra is likely to revive this year as the state has faced bad weather conditions last year and likely to cover around 10.5 to 11 lakh ha compared to 8.4 lakh ha covered in 2019-20 season.

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.

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	375	-6.4

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Mon August 03, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Oct	200803	12.67	12.8	12.39	12.72	0.08	46,003	381,909	1,734
21-Mar	200803	13.15	13.36	12.99	13.29	0.09	19,518	236,933	-216
21-May	200803	12.93	13.04	12.74	13	0.09	7,591	99,172	-480
21-Jul	200803	12.59	12.71	12.49	12.68	0.07	3,127	79,713	9
21-Oct	200803	12.62	12.62	12.45	12.58	0.05	1,567	67,556	589
22-Mar	200803	12.7	12.82	12.69	12.78	0.05	944	38,943	137
22-May	200803	12.4	12.5	12.33	12.41	-0.01	786	21,513	404
22-Jul	200803	12.15	12.26	12.05	12.13	-0.06	395	21,220	173
Total Volume and Open Interest							79,996	966,790	2,386

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Mon August 03, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Oct	200803	380.2	381.4	369.8	375.2	-6.4	3,773	46,121	26
20-Dec	200803	376.6	376.8	368.3	373.9	-3.1	2,055	21,554	357
21-Mar	200803	372.2	373	366.5	371.5	-2.1	1,366	15,399	67
21-May	200803	372.8	373.8	368.7	372.7	-2.1	140	8,302	-11
21-Aug	200803	369.8	370.1	366	368.4	-2.8	71	4,358	69
Total Volume and Open Interest							7,475	99,418	534

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			4-Aug-20	1-Aug-20	
Delhi	Delhi	M-Grade	3310	3310	Unch
	Delhi	S-Grade	3290	3290	Unch
Uttar Pradesh	Khatauli	M-Grade	3335	Closed	-
	Ramala	M-Grade	NA	Closed	-
	Dhampur	M-Grade Ex-Mill	3275	Closed	-
	Dhampur	S-Grade Ex-Mill	3255	Closed	-
	Dhampur	L-Grade Ex-Mill	3325	Closed	-
Maharashtra	Mumbai	M-Grade	3590	3580	10
	Mumbai	S-Grade	3350	3356	-6
	Nagpur	M-Grade	3375	Closed	-
	Nagpur	S-Grade	3275	Closed	-
	Kolhapur	M-Grade	3250	Closed	-
	Kolhapur	S-Grade	3150	Closed	-
Assam	Guhawati	S-Grade	3461	Closed	-
Meghalaya	Shillong	S-Grade	3470	Closed	-
Andhra Pradesh	Vijayawada	M-Grade	3640	Closed	-
	Vijayawada	S-Grade	3700	Closed	-
West Bengal	Kolkata	M-Grade	3720	3720	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3750	3750	Unch
	Dindigul	M-Grade (DCA)	3840	3840	Unch
	Coimbatore	M-Grade (DCA)	3620	3620	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	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)			4-Aug-20	1-Aug-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	Closed	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	Closed	-

	Muzaffarnagar	Khurpa (Fresh)	NA	Closed	-
	Muzaffarnagar	Laddoo (Fresh)	NA	Closed	-
	Muzaffarnagar	Rascut (Fresh)	NA	Closed	-
	Hapur	Chaurasa	NA	Closed	-
	Hapur	Balti	NA	Closed	-
Andhra Pradesh	Chittur	Gold	NR	Closed	-
		White	NR	Closed	-
		Black	NR	Closed	-
Maharashtra	Latur	Lal Variety	NR	NR	-
Karnataka	Bangalore	Mudde (Average)	4550	NA	-
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur/Vijayapura	Achhu	NA	NA	-
	Gulbarga/Kalaburgi	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3457	NA	-
	Mandya	Achhu (Medium)	3600	NA	-
	Mandya	Kurikatu (Medium)	3300	NA	-
	Mandya	Other (Medium)	3300	NA	-
	Mandya	Yellow (Medium)	3650	NA	-
	Shimoga/Shivamogga	Achhu (Average)	NA	NA	-

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