

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

*The prices across India showed steady to firm trend today. The price in Delhi stood firm at Rs. 3315/q, whereas, the prices in UP, Kolhapur and Vijayawada stood steady at Rs. Rs.3335/q, Rs. 3250, & Rs. 3640/q, respectively.*

***In UP, so far 14.62 million litre of sanitizer has been produced till 3<sup>rd</sup> Aug'20***, out of which 13.58 million litre of sanitizer has been supplied within the state and to other states of the country. At present the state is producing are 5.83 lakh litre sanitizers daily. Uttar Pradesh is leading in the production of hand sanitizer. While Maharashtra has produced around 11 million litre sanitizer as on 3<sup>rd</sup> Aug'20 and producing 1.36 million litre per day. As coronavirus has created panic among the people and Maharashtra is facing the highest number of Covid-19 cases, therefore, the demand will continue to be flowing as it is now an essential item required on a daily basis.

***Philippines sugar production likely to decline in 2020-21 to the lowest levels since 2017 amid erratic weather conditions.*** According to the Sugar Regulatory Administration (SRA), the country's total sugar supply, including the 2.14MMT (higher from earlier estimates of 2.025) output for the current sugar crop year 2019-20 (Sep-Aug), now stood at 2.39 MMT (+3.5% y-o-y). Philippines is seen to import 0.4 MMT of sugar as local production of the sweetener may fall to its lowest level in a decade.

**Weather Forecast:**

*Heavy to very heavy rainfall with extremely heavy falls very likely at isolated places over Gujarat state, Kerala & Mahe and Tamilnadu, Puducherry & Karaikal; Heavy to very heavy rainfall at isolated places over ghat areas of Madhya Maharashtra, north Konkan , Coastal & South Interior Karnataka and heavy rainfall at isolated places over East Uttar Pradesh, East Rajasthan, Madhya Pradesh, Jharkhand, Odisha, Marathawada, Telangana, North Interior Karnataka and Assam & Meghalaya.*

**Previous Updates:**

***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.

***The area under sugarcane increased to 51.78 lakh ha as on 31<sup>st</sup> 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 1<sup>st</sup> 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.

## 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	374.6	-0.6

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

Daily Futures Price Listing Tue August 04, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
<a href="#">20-Oct</a>	200804	12.67	12.8	12.55	12.78	0.06	96,843	388,719	6,810
<a href="#">21-Mar</a>	200804	13.25	13.38	13.13	13.35	0.06	47,044	237,723	790
<a href="#">21-May</a>	200804	12.98	13.09	12.87	13.06	0.06	19,084	101,850	2,678
<a href="#">21-Jul</a>	200804	12.63	12.76	12.56	12.72	0.04	11,040	81,273	1,560
<a href="#">21-Oct</a>	200804	12.56	12.65	12.45	12.61	0.03	6,498	69,119	1,563
<a href="#">22-Mar</a>	200804	12.73	12.82	12.64	12.8	0.02	3,462	39,648	705
<a href="#">22-May</a>	200804	12.39	12.45	12.27	12.45	0.04	2,085	22,618	1,105
<a href="#">22-Jul</a>	200804	12.12	12.21	11.98	12.18	0.05	1,305	21,410	190
Total Volume and Open Interest							188,564	982,443	15,653

Source: MRCI

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

Daily Futures Price Listing Tue August 04, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
<a href="#">20-Oct</a>	200804	375	377	371	374.6	-0.6	6,667	45,988	-133
<a href="#">20-Dec</a>	200804	374.6	375.2	369.9	373.5	-0.4	4,869	22,952	1,398
<a href="#">21-Mar</a>	200804	372	372.8	368.3	372.4	0.9	2,843	15,442	43
<a href="#">21-May</a>	200804	373.2	375.2	370.4	374.9	2.2	809	8,281	-21
<a href="#">21-Aug</a>	200804	368.5	371.4	367.2	371.2	2.8	135	4,416	58
Total Volume and Open Interest							15,586	100,980	1,562

Source: MRCI

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			5-Aug-20	4-Aug-20	
Delhi	Delhi	M-Grade	3315	3310	5
	Delhi	S-Grade	3295	3290	5
Uttar Pradesh	Khatauli	M-Grade	3335	3335	Unch
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3275	3275	Unch
	Dhampur	S-Grade Ex-Mill	3255	3255	Unch
	Dhampur	L-Grade Ex-Mill	3325	3325	Unch
Maharashtra	Mumbai	M-Grade	3600	3590	10
	Mumbai	S-Grade	3350	3350	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	3640	3640	Unch
	Vijayawada	S-Grade	3700	3700	Unch
West Bengal	Kolkata	M-Grade	3720	3720	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3750	3750	Unch
	Dindigul	M-Grade (DCA)	3800	3840	-40
	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)			5-Aug-20	4-Aug-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg 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)	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)	3483	3457	26
	Mandya	Achhu (Medium)	3650	3600	50
	Mandya	Kurikatu (Medium)	3280	3300	-20
	Mandya	Other (Medium)	3370	3300	70
	Mandya	Yellow (Medium)	3680	3650	30
	Shimoga/Shivamogga	Achhu (Average)	3500	NA	-

## Disclaimer

Information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Business Systems Ltd.