

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

The prices across India showed steady to weak trend today. The price in UP stood weak at Rs. 3325/q, down by Rs. 10/q. Whereas, the prices in Delhi, Kolhapur and Vijayawada stood steady at Rs. Rs.3315/q, Rs. 3250, & Rs. 3640/q, respectively.

After a long dry weather, Thailand received as much as 20% more rainfall so far this year than a year earlier. This change in weather may limit the sugarcane crop loss as expected earlier in the starting of the season. White-sugar premium fell to the lowest in more than two-weeks on Wednesday on speculation beneficial rains will boost supply outlook. In 2020-21 sugar production is estimated to recover to 12.9 MMT, up 56 percent from 2019- 20. In 2019-20 sugar production is forecast to decline to 8.3 MMT in earlier estimates in May.

Weather Forecast:

Heavy to very heavy rainfall very likely at a few places over Kerala & Mahe and at isolated places over Coastal Karnataka and Tamilnadu, Puducherry & Karikal and heavy rainfall at isolated places over Uttarakhand, East Uttar Pradesh, Andaman & Nicobar Islands, Assam & Meghalaya, Gujarat state, Nagaland, Manipur, Mizoram & Tripura, ghat areas of Madhya Maharashtra. Konkan & Goa and South Interior Karnataka.

Previous Updates:

In UP, so far 14.62 million litre of sanitizer has been produced till 3rd 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 3rd 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.

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 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.

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	369.2	-5.4

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Wed August 05, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
20-Oct	200805	12.8	12.96	12.49	12.54	-0.24	72,691	386,381	-2,338
21-Mar	200805	13.38	13.51	13.1	13.15	-0.2	36,359	238,328	605
21-May	200805	13.07	13.19	12.83	12.89	-0.17	20,347	104,960	3,110
21-Jul	200805	12.73	12.83	12.53	12.59	-0.13	10,934	82,721	1,448
21-Oct	200805	12.66	12.71	12.42	12.5	-0.11	7,386	67,890	-1,229
22-Mar	200805	12.79	12.9	12.65	12.72	-0.08	4,959	41,208	1,560
22-May	200805	12.47	12.54	12.34	12.4	-0.05	2,034	23,243	625
22-Jul	200805	12.2	12.27	12.12	12.17	-0.01	1,707	21,553	143
Total Volume and Open Interest							157,844	986,701	4,258

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Wed August 05, 2020									
Most Recent Information							Previous Day		
Mth	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar(LCE)									
20-Oct	200805	375.3	378.8	368.1	369.2	-5.4	5,123	45,814	-174
20-Dec	200805	374.4	377.9	368	368.9	-4.6	3,548	23,584	632
21-Mar	200805	373	376.1	366.3	367.7	-4.7	1,832	15,526	84
21-May	200805	375.7	378.1	369.6	371	-3.9	922	8,535	254
21-Aug	200805	371.6	374.8	366.6	368.1	-3.1	346	4,319	-97
Total Volume and Open Interest							11,907	101,719	739

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			6-Aug-20	5-Aug-20	
Delhi	Delhi	M-Grade	3315	3315	Unch
	Delhi	S-Grade	3295	3295	Unch
Uttar Pradesh	Khatauli	M-Grade	3325	3335	-10
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3225	3275	-50
	Dhampur	S-Grade Ex-Mill	3205	3255	-50
	Dhampur	L-Grade Ex-Mill	3275	3325	-50
Maharashtra	Mumbai	M-Grade	3600	3600	Unch
	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	3800	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)			6-Aug-20	5-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)	NA	3483	-
	Mandya	Achhu (Medium)	3620	3650	-30
	Mandya	Kurikatu (Medium)	3300	3280	20
	Mandya	Other (Medium)	3400	3370	30
	Mandya	Yellow (Medium)	3700	3680	20
	Shimoga/Shivamogga	Achhu (Average)	3550	3500	50

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