

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

Mixed trend are seen today in India. The prices in Delhi declined by Rs.30 to Rs.3220/q while, the prices in Kolhapur stood higher by Rs.50 to Rs.3300/q and Vijayawada stood steady at Rs. 3640/q, respectively.

**Indonesia has imported around 5,535 tonnes in 2019-20 FY from India, compared to only 144 tonnes in 2018-19 FY.** In 2019-20, approximately 2.26 million metric tons of sugar cane is expected to produce in Indonesia. As per the Indonesian Sugar Association, the country has witnessed 25 per cent dip in sugar consumption between March and June. Sugar demand is expected to be around 2.25 lakh tonnes this month as against usual demand of 2.5 to 2.6 lakh tonnes per month.

**Weather Forecast:**

Heavy to very heavy rainfall with extremely heavy falls very likely at isolated places over Odisha; Heavy to very heavy rainfall at isolated places over Himachal Pradesh, Punjab, Haryana, Chandigarh & Delhi, West Uttar Pradesh, Coastal Karnataka and Kerala & Mahe and heavy rainfall at isolated places over Jammu & Kashmir, Ladakh, Gilgit-Baltistan, Muzaffarabad, Uttarakhand, East Uttar Pradesh, Rajasthan, Madhya Pradesh, Vidarbha, Chhattisgarh, Jharkhand, West Bengal & Sikkim, Arunachal Pradesh, Assam & Meghalayan, Nagaland, Manipur, Mizoram & Tripura, Gujarat Region, Konkan & Goa, North Coastal Andhra Pradesh & Yanam, Telangana, South Interior Karnataka and Tamilnadu, Puducherry & Karaikal.

**Previous Updates:**

**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.

**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.

**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.

## 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	377.70	8.50

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

Daily Futures Price Listing Wed August 07, 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>	200807	12.95	13	12.63	12.67	-0.27	61,498	384,732	738
<a href="#">21-Mar</a>	200807	13.5	13.55	13.22	13.25	-0.25	29,912	236,062	-826
<a href="#">21-May</a>	200807	13.15	13.21	12.91	12.95	-0.22	17,651	111,916	3,687
<a href="#">21-Jul</a>	200807	12.81	12.83	12.53	12.6	-0.2	10,757	85,961	1,016
<a href="#">21-Oct</a>	200807	12.68	12.68	12.35	12.46	-0.2	3,848	69,140	1,114
<a href="#">22-Mar</a>	200807	12.82	12.84	12.48	12.63	-0.2	1,492	41,350	-79
<a href="#">22-May</a>	200807	12.43	12.46	12.13	12.29	-0.16	692	23,647	-10
<a href="#">22-Jul</a>	200807	12.15	12.17	11.87	12.03	-0.14	467	21,650	58
Total Volume and Open Interest							126,762	995,645	+5818

Source: MRCI

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

Daily Futures Price Listing Wed August 07, 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>	200807	377.7	379	371.3	372.3	-5.4	2,744	46,047	258
<a href="#">20-Dec</a>	200807	377.5	378.7	370.9	372.2	-4.9	2,161	24,116	572
<a href="#">21-Mar</a>	200807	375.3	375.8	370	370.8	-4.5	729	15,759	155
<a href="#">21-May</a>	200807	377.3	377.7	372.2	372.6	-4.8	165	8,588	0
<a href="#">21-Aug</a>	200807	373.4	373.4	368.9	369.1	-4.7	64	4,273	-10
Total Volume and Open Interest							6010	102,969	1015

Source: MRCI

## DOMESTIC PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			8-Aug-20	7-Aug-20	
Delhi	Delhi	M-Grade	3220	3250	-30
	Delhi	S-Grade	3200	3230	-30
Uttar Pradesh	Khatauli	M-Grade	Closed	3315	-
	Ramala	M-Grade	Closed	NA	-
	Dhampur	M-Grade Ex-Mill	Closed	3225	-
	Dhampur	S-Grade Ex-Mill	Closed	3205	-
	Dhampur	L-Grade Ex-Mill	Closed	3275	-
Maharashtra	Mumbai	M-Grade	3610	3600	10
	Mumbai	S-Grade	3346	3350	-4
	Nagpur	M-Grade	3425	3375	50
	Nagpur	S-Grade	3325	3275	50
	Kolhapur	M-Grade	3300	3250	50
	Kolhapur	S-Grade	3200	3150	50
Assam	Guhawati	S-Grade	3512	3461	51
Meghalaya	Shillong	S-Grade	3520	3470	50
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)			8-Aug-20	7-Aug-20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	Closed	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	NA	-
	Muzaffarnagar	Khurpa (Fresh)	Closed	NA	-

	Muzaffarnagar	Laddoo (Fresh)	Closed	NA	-
	Muzaffarnagar	Rascut (Fresh)	Closed	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)	NA	4550	-
	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)	3850	3750	100
	Mandya	Kurikatu (Medium)	3300	3300	Unch
	Mandya	Other (Medium)	3450	3450	Unch
	Mandya	Yellow (Medium)	3700	3700	Unch
	Shimoga/Shivamogga	Achhu (Average)	NA	3500	-

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