

Sugar & Gur Domestic & International Fundamentals

Recent Update:

A mixed tone was witnessed in Sugar physical markets today in India. Sugar prices were steady in Delhi by Rs.05-10 at Rs. 3250/q. Prices were firm in Kolhapur at Rs. 3100/q.

Philippines sugar production reached at 2.13 million metric tonnes. According to the Sugar Regulatory Administration (SRA), Sugar output in Philippines has reached 2.137 million metric tonnes in the first week of July which is slightly lower around 2.14 million MT during the same period last year. However, despite the decline, the sugar output in the country has already exceeded its set target. According to the SRA, the sugar production for the current season has surpassed the government's full-year target. The sugar crop year starts in September and ends in August.

Weather Forecast:

Thunderstorm accompanied with lightening & gusty winds very likely at isolated places over Coastal Andhra Pradesh & Yanam, Telangana and with lightening at isolated places over Bihar, Jharkhand, Sub- Himalayana West Bengal & Sikkim, and Andaman & Nicobar Islands. Heavy to very heavy rainfall at isolated places over Konkan & Goa, and heavy rainfall at isolated places over Ghat areas of Madhya Pradesh, Chhattisgarh, Telangana, Kerala & Mahe, Odisha, Coastal Andhra Pradesh, & Yanam, Coastal Karnataka, and Heavy rainfalls at isolated places over Uttarakhand, Uttar Pradesh, East Rajasthan, Madhya Pradesh, Vidarbha, Jharkhand, Nagaland, Manipur, Mizoram, & Tripura, Marathwada, Gujarat region, Interior Karnataka, and ghat areas of Tamil Nadu.

Previous Updates:

Thailand sugar millers predicts sugar production around 6.6 million tonnes in 2020-21 season. According to the Thai Sugar Millers Corporation, the domestic sugar production for the 2020-21 is around 6.6 million tonnes, which is lowest in the decade. Thailand had received less rainfall this year during the rainy season and also drought in the previous year which has impacted the sugar production. Many farmers are shifting to cassava which is drought resistant.

ISMA has estimated Sugar Production for 2020-21 seasons at 309 lakh tonnes. According to ISMA, opening balance is estimated at 107 lakh tonnes, whereas sugar production for the current sugar season 2020-21 is estimated around 309 lakh tonnes, expected domestic sales of around 260 lakh tonnes and exports are estimated at around 70 lakh tonnes. The opening balance of about 87 lakh tons on 1st Oct. 2021, will be about 20 lakh tonnes less than the opening stock as on 1st Oct 2020.

According to ISMA, sugar mills have produced 307 lakh tonnes of sugar till 14th July 2021: Around 502 sugar mills were operating in the current season as compared to 457 sugar mills in the previous season. Sugar mills have produced around 307 lakh tonnes of sugar till 14th July '2021. Another around 2 lakh tonnes is expected to be produced in the special season till September 2021 in Tamil Nadu and Karnataka, taking the total sugar production in 2020-21 sugar seasons to 309 lakh tonnes.

The Indian government on 14th July 2021 has permitted exports of specified quantities of sugar and other commodities to the Maldives for the financial year 2021-24 under a bilateral trade agreement. The directorate general of foreign trade (DGFT) has issued a notification stating that the exports will be

exempted from any existing or future restrictions. Sugar quantity allowed to export for the financial year 2021-22 is 61,423.17 MT, 2022-23 is 61,423.17 MT, and 2023-24 is 61,423.17 MT.

Brazil has witnessed higher sugar output in second half of June month, in the Center-South region. According to data released by trade association UNICA Sugar production in the center-south region of Brazil has recovered from the poor performance in the first half of June 2021 with production around 2.19 million tonnes to 2.89 million tonnes production in second half of June'2021. UNICA stated that the Brazil's CS sugar output late in June was also 5.6 percent better than in the same period last year. The sugar mills in the region have crushed 45 million tonnes of cane which is 4.4 percent more than the last year.

Uttar Pradesh Farmers are demanding hike in Sugarcane price. Farmers have started urging the government to increase the sugarcane price to Rs. 400 per quintal, they are also demanding to release the pending cane dues and take actions against the default cane payments. Farmers are pressing their demand by staging a protest and meeting the concerned officials.

European Union's sugar production is likely to rise in the season 2021-22. According to the European Commission short-term outlook report, Sugar output in EU is estimated to increase in 2021-22 season. Sugar production in the previous season was 14.5 million tonnes, whereas in the 2021-22 seasons it is forecasted to increase 15.5 million tonnes.

Sri Lanka is planning to import sugar from India. Sri Lanka government is planning to import sugar from India to cool down the rising commodity prices in the country. Currently, the sugar imports are under license and require prior consent from the Controller of Imports and Exports. On recommendation of the trade ministry cabinet has allowed importing 2,500 tonnes of sugar per month.

Pakistan trade deficit widens by 32.9 percent in 2021. With high inflation, rising food prices, raised electricity charges, Pakistan trade deficit widen by 32.9 percent. The deficit was caused by lower export proceeds and higher than expected imports since December 2020. The annual import bill went up by 25.8 percent or USD 11.517 billion to USD 56.091 billion.

International Sugar Futures ICE(US Cent/lb)

| Daily Futures Price Listing Monday, July 19 th , 2021 | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| Sugar #11(ICE) | | | | | | | | | |
| Jul-21 | 210719 | 17.70 | 17.79 | 17.05 | 17.07 | -0.64 | 44,815 | 423,578 | -7,447 |
| Oct-21 | 210719 | 18.10 | 18.15 | 17.50 | 17.52 | -0.58 | 18,904 | 205,060 | -408 |
| Mar-22 | 210719 | 17.28 | 17.32 | 16.74 | 16.75 | -0.53 | 7,461 | 96,146 | +886 |
| May-22 | 210719 | 16.52 | 16.60 | 16.11 | 16.11 | -0.47 | 4,091 | 81,950 | +415 |
| Jul-22 | 210719 | 16.19 | 16.23 | 15.81 | 15.81 | -0.42 | 1,757 | 55,740 | -111 |
| Oct-22 | 210719 | 16.30 | 16.31 | 15.96 | 15.96 | -0.39 | 523 | 24,993 | +248 |
| Mar-23 | 210719 | 15.32 | 15.33 | 15.06 | 15.06 | -0.30 | 338 | 11,555 | +90 |
| May-23 | 210719 | 14.56 | 14.61 | 14.39 | 14.39 | -0.23 | 299 | 14,053 | +109 |
| Total Volume and Open Interest | | | | | | | 78,653 | 924,607 | -5,833 |

Source: MRCI

International Sugar Futures LIFFE(US \$/MT)

| Daily Futures Price Listing Monday, July 19 th , 2021 | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------------|----------|--------|
| Most Recent Information | | | | | | | Previous Day | | |
| Mth | Date | Open | High | Low | Close | Change | Volume | Open Int | Change |
| London Sugar(LCE) | | | | | | | | | |
| Aug-21 | 210719 | 460.70 | 460.70 | 443.20 | 443.80 | -19.40 | 4,664 | 38,630 | +278 |
| Oct-21 | 210719 | 467.00 | 468.70 | 452.80 | 453.30 | -17.40 | 1,221 | 11,262 | -14 |
| Dec-21 | 210719 | 471.70 | 472.70 | 459.50 | 459.80 | -15.70 | 153 | 9,574 | +37 |
| Mar-22 | 210719 | 466.00 | 467.40 | 456.10 | 456.10 | -13.60 | 93 | 6,399 | +27 |
| May-22 | 210719 | 456.90 | 456.90 | 447.60 | 447.60 | -11.80 | 238 | 4,465 | +8 |
| Total Volume and Open Interest | | | | | | | 8,033 | 75,085 | -221 |

Source: MRCI

DOMESTIC PRICES AND ARRIVAL

| Sugar Prices at Key Spot Markets: | | | | | |
|-----------------------------------|------------|------------------------|-----------------|-----------|--------|
| Commodity | Centre | Variety | Prices (Rs/Qtl) | | Change |
| Sugar | | | 20-Jul-21 | 19-Jul-21 | |
| Delhi | Delhi | M-Grade | 3270 | 3270 | Unch |
| | Delhi | S-Grade | 3250 | 3250 | Unch |
| Uttar Pradesh | Khatauli | M-Grade | NR | NR | - |
| | Ramala | M-Grade | NR | NR | - |
| | Dhampur | M-Grade Ex-Mill | NR | NR | - |
| | Dhampur | S-Grade Ex-Mill | NR | NR | - |
| | Dhampur | L-Grade Ex-Mill | NR | NR | - |
| Maharashtra | Mumbai | M-Grade | 3390 | 3390 | Unch |
| | Mumbai | S-Grade | 3206 | 3206 | Unch |
| | Nagpur | M-Grade | 3200 | 3200 | Unch |
| | Nagpur | S-Grade | 3125 | 3125 | Unch |
| | Kolhapur | M-Grade | 3075 | 3075 | Unch |
| | Kolhapur | S-Grade | 3000 | 3000 | Unch |
| Assam | Guhawati | S-Grade | 3309 | 3309 | Unch |
| Meghalaya | Shillong | S-Grade | 3320 | 3320 | Unch |
| Andhra Pradesh | Vijayawada | M-Grade (With Duty) | 3570 | 3570 | Unch |
| | Vijayawada | S-Grade (With Duty) | 3520 | 3520 | Unch |
| West Bengal | Kolkata | M-Grade | 3480 | 3480 | Unch |
| Tamil Nadu | Chennai | S-Grade (With GST) | 3500 | 3500 | Unch |
| | Dindigul | M-Grade (DCA) | 3520 | 3520 | Unch |
| | Coimbatore | M-Grade (DCA) | 3620 | 3620 | Unch |
| Chattisgarh | Ambikapur | M-Grade (Without Duty) | NA | NA | - |

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) | | | 20-Jul-21 | 19-Jul-21 | |
| 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 | Chaurasa | NA | Closed | - |
| | Hapur | Balti | NA | Closed | - |
| Andhra Pradesh | Chittur | Gold | NR | NR | - |
| | | White | NR | NR | - |
| | | Black | NR | NR | - |
| Maharashtra | Latur | Lal Variety | NR | NR | - |
| Karnataka | Bangalore | Mudde (Average) | 4600 | 4600 | 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 | NA | - |
| | Mandya | Achhu (Medium) | 3150 | 3150 | Unch |
| | Mandya | Kurikatu (Medium) | 3100 | 3100 | Unch |
| | Mandya | Other (Medium) | 3050 | 3050 | Unch |
| | Mandya | Yellow (Medium) | 3150 | 3150 | Unch |
| | Shimoga/Shivamogga | Achhu (Average) | 3650 | NA | - |

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