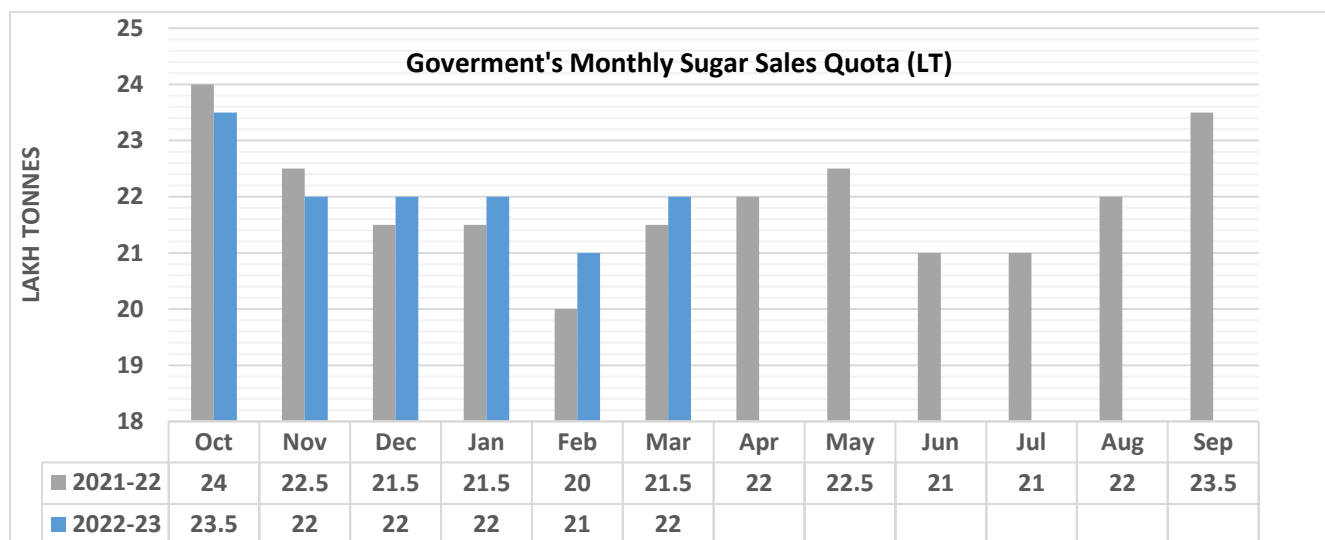


Recent Update:

Sugar physical market showed a stable trend today in India. Sugar prices in the Delhi market traded slightly lower at Rs. 3415/qtl as compared to yesterday evening whereas Kolhapur market remained stable at Rs. 3250 per quintal.

The food ministry has allocated higher monthly sale quota for March 2023. About 22 LMT of monthly sales quota has been allocated for March 2023, which is 0.5 LMT higher than the monthly sales quota for March 2022. With the increasing temperature and early summer season, sugar demand is likely to increase in the coming month.



All India Sugar Trade Association, has revised its sugar production estimate downwards to 33.5 million tonne against 34.5 million tonne estimated earlier for the 2022-23 season. The decline in sugar production is due to the expectation of lower sugar recovery and yield from the key growing states. Domestic Consumption is estimated at 27.5 million tonne and exports of around 6 million tonne.

Sugar Production Estimate:

States	Season	
	2022-23	2021-22
Maharashtra	11.3	13.7
Uttar Pradesh	10.8	10.2
Karnataka	5.5	6.2
All India	34.5	35.8

Source: AISTA; Unit- Million Tonne

With the lower sugar production expectation government is not likely to allow sugar exports further. Sugar production for the 2022-23 season is likely to be lower by 7% at 335 lakh tonne against previous season 359 lakh tonne. The lower sugarcane yield from Maharashtra and Karnataka along with Uttar Pradesh has resulted in lower production and poor recovery.

Also, as per National Sugar Federation, the lower sugar output will not lead to a spike in domestic prices this year as the demand for sugar is around 27 MT per year.

International Market

International Sugar Organization has revised the sugar production estimated to rise from 172.52 million tonne to 180.43 million tonne for the 2022-23 season. Meanwhile, consumption is projected to rise to 176.280 million tonne, up from 174.773 million tonnes last season. The projected trade balance has a surplus of 0.404 million tonne in 2022-23 season and 0.765 million tonnes in 2021-22 season.

ISO's fundamental view has changed from neutral-to-bearish to neutral for the next three months. In mid-January, raw sugar prices rose sharply supported by speculators re-establishing long positions. Meanwhile, the market continues to face a futures board in backwardation.

World Sugar Balance Sheet				
Details	Season		Difference	
	2022-23	2021-22	In Million Tonne	Percentage Change
Production	180.431	172.526	7.905	4.58
Consumption	176.280	174.773	1.507	0.86
Surplus/Deficit	4.151	-2.247		
Import	63.863	63.968	-0.105	-0.16
Export	64.548	64.372	0.176	0.27
Ending Stock	103.386	99.920	3.466	3.47
Stock/Consumption ratio (%)	58.65	57.17		

Source: ISO; Unit: Million Tonne

Weather Forecast

Indian Meteorological Department has released its seasonal outlook for hot weather for the coming months, as per that, during the upcoming hot weather season (March to May), above normal maximum temperatures are likely over most parts of northeast India, east and central India and some parts of northwest India. Normal to below normal maximum temperatures are most likely over the remaining parts of the country.

Thunderstorms accompanied with lightening at isolated places over Sub-Himalayan West Bengal and Sikkim.

Jaggery:

As per AgriWatch sources, overall jaggery stock is around 1.25 lakh quintal higher than the previous season in the Muzaffarnagar market.

Muzaffarnagar Stock Update Jaggery		
	28-02-22	27-02-23
Chaku	390569	430171
Papdi	47292	104922
Rascut	14652	34890
Shakar	96	99
Ladoo	411	812
Khurpa	11101	15548
Chausa	36919	44242
Robotin	162463	158296
Total	663503	788980
Surplus	125477	

The Jaggery arrivals in Anakapalle have declined by around 30-40% in the 2022-23 season as compared to the previous season. About 6,000-8,000 jaggery lumps are arriving per day against the previous season of 10,000-14,000. The major reason behind the lower arrivals is lower production as farmers have switched to other crops from Anakapalle and Vizianagaram districts.

GST Council has reduced tax on liquid jaggery, GST rate has been reduced to Rab, the kind of liquid jaggery between nil to 5 per cent. If it's sold loose, it will be nil and if it's pre-packaged and labelled, it will be 5 percent.

Ethanol:

World ethanol production in 2022 is estimated to have reached 109.4 billion liters, up from 104.6 billion liters in 2021. For 2023, ethanol output is expected to recover further, reaching 111.8 billion liters. Meanwhile ethanol consumption is expected to be at 104.2 billion liters in 2022, revised lower from 104.5 billion liters. Consumption in 2023 is expected to rise to 106.9 billion liters, driven by increases in India.

In 2023 India's ambitious Ethanol Blended Petrol Program is set to achieve a 12% blending, up from 10% in 2022. Meanwhile, the end of the federal tax exemption on fuels in Brazil may help additional hydrous ethanol offtake from March onwards, despite the coming season likely to continue to focus on sugar.

International Sugar Futures ICE (US Cent/lb)

Daily Futures Price Listing Monday, Feb 28th, 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
Sugar #11(ICE)									
22-Mar	230228	22.11	22.36	22	22.08	-0.01	45,151	24,305	-11,663
23-May	230228	20.31	20.47	19.96	20.07	-0.22	81,112	405,404	2,413
23-Jul	230228	19.72	19.86	19.45	19.58	-0.13	29,951	202,818	971
23-Oct	230228	19.54	19.68	19.32	19.47	-0.07	14,352	112,138	628
24-Mar	230228	19.59	19.75	19.45	19.6	-0.02	6,619	91,355	211
24-May	230228	18.55	18.7	18.44	18.58	unch	1285	25,654	18
24-Jul	230228	17.84	17.96	17.74	17.89	0.03	774	19,948	253
24-Oct	230228	17.46	17.56	17.39	17.51	0.01	669	17,162	-41
Total Volume and Open Interest							180,056	919,690	-7,114

Source: MRCI

International Sugar Futures LIFFE (US \$/MT)

Daily Futures Price Listing Friday, Feb 28th 2023									
Most Recent Information							Previous Day		
Month	Date	Open	High	Low	Close	Change	Volume	Open Int	Change
London Sugar (LCE)									
23-Mar	230228	572.3	577.2	561.5	562.4	-8.9	5,242	48,199	-1665
23-May	230228	556.4	561.1	549	550	-5.5	1,480	17,101	408
23-Aug	230228	544.1	548.3	537.5	539.4	-4.1	939	11,435	46
23-Oct	230228	534.2	538.1	529	531.6	-2.2	516	6,346	16
23-Dec	230228	528.7	532	524.9	526.9	-1.5	127	4,097	-13
Total Volume and Open Interest							8,308	88,302	-1230

Source: MRCI

DOMESTIC (SUGAR/ JAGGERY) PRICES AND ARRIVAL

Sugar Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Sugar			1-Mar-23	28-Feb-23	
Delhi	Delhi	M-Grade	3415	3405	10
	Delhi	S-Grade	3395	3385	10
Uttar Pradesh	Khatauli	M-Grade	3510	3510	Unch
	Ramala	M-Grade	3420	3410	10
	Dhampur	M-Grade Ex-Mill	3460	3460	Unch
	Dhampur	S-Grade Ex-Mill	3460	3460	Unch
	Dhampur	L-Grade Ex-Mill	3510	3510	Unch
Maharashtra	Mumbai	M-Grade	3616	3610	6
	Mumbai	S-Grade	3390	3390	Unch
	Nagpur	M-Grade	3375	3375	Unch
	Nagpur	S-Grade	3325	3325	Unch
	Kolhapur	M-Grade	3250	3250	Unch
	Kolhapur	S-Grade	3200	3200	Unch
Assam	Guhawati	S-Grade	3512	3512	Unch
Meghalaya	Shillong	S-Grade	3520	3520	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3760	3760	Unch
	Vijayawada	S-Grade (With Duty)	3720	3720	Unch
West Bengal	Kolkata	M-Grade	3900	3850	50
Tamil Nadu	Chennai	S-Grade (With GST)	3400	3400	Unch
	Dindigul	M-Grade (DCA)	3730	3730	Unch
	Coimbatore	M-Grade (DCA)	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3850	3850	Unch
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)					

Jaggery (Gur) Prices at Key Spot Markets:					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			1-Mar-23	28-Feb-23	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3075	3175	-100
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	15000	10000	5000

	Muzaffarnagar	Khurpa (Fresh)	2800	2800	Unch
	Muzaffarnagar	Laddoo (Fresh)	3100	3013	88
	Muzaffarnagar	Rascut (Fresh)	2475	2475	Unch
	Hapur	Chaurasa	NA	2900	-
	Hapur	Balti	NA	3050	-
Karnataka	Bangalore	Mudde (Average)	NA	4750	-
	Gulbarga/Kalaburgi	Other (Average)	NA	2700	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	NA	3470	-
	Mandya	Kurikatu (Medium)	NA	3400	-
	Mandya	Other (Medium)	NA	3420	-
	Mandya	Yellow (Medium)	NA	3700	-
	Shimoga/Shivamogga	Achhu (Average)	NA	3600	-

INTERNATIONAL SUGAR PRICES

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		28-Feb-23	21-Feb-23	27-Jan-23	28-Feb-22	28-Feb-23
Oct-23	15.22	3606	3577	3388	3130	82.68
Mar-23	31.30	4089	3954	3828	3114	
May-23	20.80	3717	3694	3582	3077	

International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		28-Feb-23	21-Feb-23	27-Jan-23	28-Feb-22	28-Feb-23



	previous year					
Oct-23	20.40	4460	4457	4376	3704	82.68
Dec-23	18.29	4356	4325	4181	3683	
Mar-23	20.84	4547	4569	4513	3763	

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