

**Price Outlook:**

The sugar market remained steady to low because of lower demand across the nation. The crop harvesting is in its peak in Punjab, Haryana and UP. Sugarcane harvesting has been completed in Maharashtra, Karnataka, Gujarat, Andhra Pradesh and Punjab. The maximum area is left for harvesting is in Uttar Pradesh with 15-20%. For the states of Tamil Nadu, Bihar, Haryana and Uttarakhand, 92-98% harvesting has been completed. The prices in Vijayawada stood low at Rs.3740/q and steady at Rs.3200/q in Kolhapur bench market whereas the prices in UP stood lower at Rs.3165/q against last week.

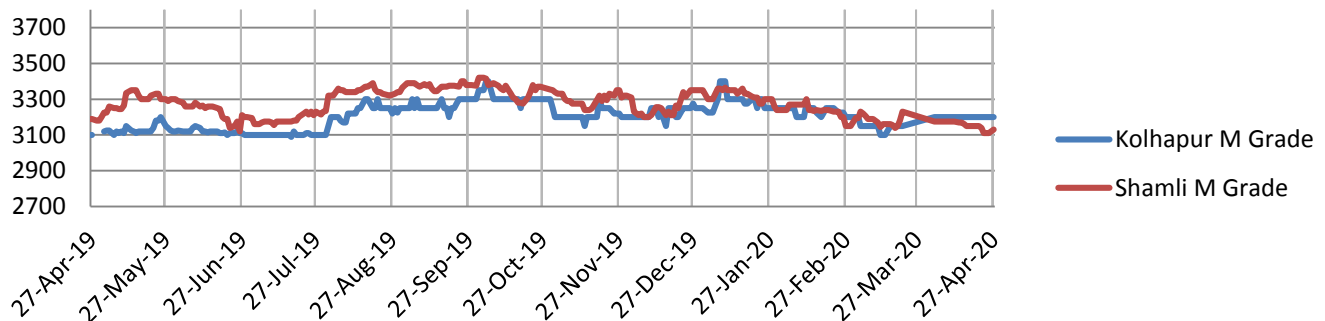
**Price Projection for the Next week**

As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to range higher next week between Rs.3100 -3300 per quintal for next week due to expectation of higher demand amid summer season.

**Domestic Sugar Market Summary**

Average price for sugar 'M' grade in key Kolhapur market stood unchanged at Rs. 3200 per quintal, while spot sugar prices for the same grade in Shamli district stood low at Rs. 3141 per quintal during the week.

**Price comparsion Kholpur M- grade and Shamli  
Rs/Qtl**

**Fundamental summary:**

Factors	Impact on prices
2019-20 SS Production is estimated to be lower and estimated not more than 26.5 million tonnes, according to ISMA.	Bullish
Indian Sugar Mills Association expects to reduction in export and could hardly reach a target of 5.5 million tonnes in 2019/20 amid the lockdown effects.	Bearish
The reallocation of sugar export sales would help sugar mill to clear sugar stock piles in 2019-20 season.	Bullish
The outbreak of coronavirus will affect the sales of sugar in domestic market as well as cause disruption in sugar exports.	Bearish

### Domestic Market Highlights

#### Recent Updates:

- **The crop harvesting is in its peak in Punjab, Haryana and UP.** Sugarcane harvesting has been completed in Maharashtra, Karnataka, Gujarat, Andhra Pradesh and Punjab. The maximum area is left for harvesting is in Uttar Pradesh with 15-20%. For the states of Tamil Nadu, Bihar, Haryana and Uttarakhand, 92-98% harvesting has been completed.
- **So far this year till 26th Apr'20, around 1005 LT of sugarcane in Uttar Pradesh is crushed by producing 114.06 LT of sugar up by 2.72% compared to the previous year sugar production during the same period.** The sugar recovery rate reached at 11.35% compared to 11.46% in last year during the same period.
- **Karnataka sugar mills crushed 338 lakh tonnes of sugarcane declined by 15% y/y producing 33.6 LT of sugar in 2019-20 sugar season.** Around 1 LT of sugarcane left uncrushed due to the sudden closure of mills after the lockdown. Therefore, the sugar industry is seeking as relief package of Rs.1000 crores that is facing from the severe financial crunch due to the coronavirus lockdown. Along the decline in sugar demand, the ethanol sales also plunged due to the slowdown in demand in petrol and diesel.
- **The sugar exports have been resumed from India few days back in the week.** Around 1.34 LT of raw sugar is in line waiting for loading at the Kandla port by this week end. All the major contracts are being sent to Kandla port because the port is known for following good safety measure required for exports. Also, few shipments are in line in Jaigad and Kakinada port of around 28,000 tonnes in each port for loading. Mostly the sugar from Maharashtra is being transported to Kandla port by train at the price of around Rs.2300-2400/q.

#### Previous Updates

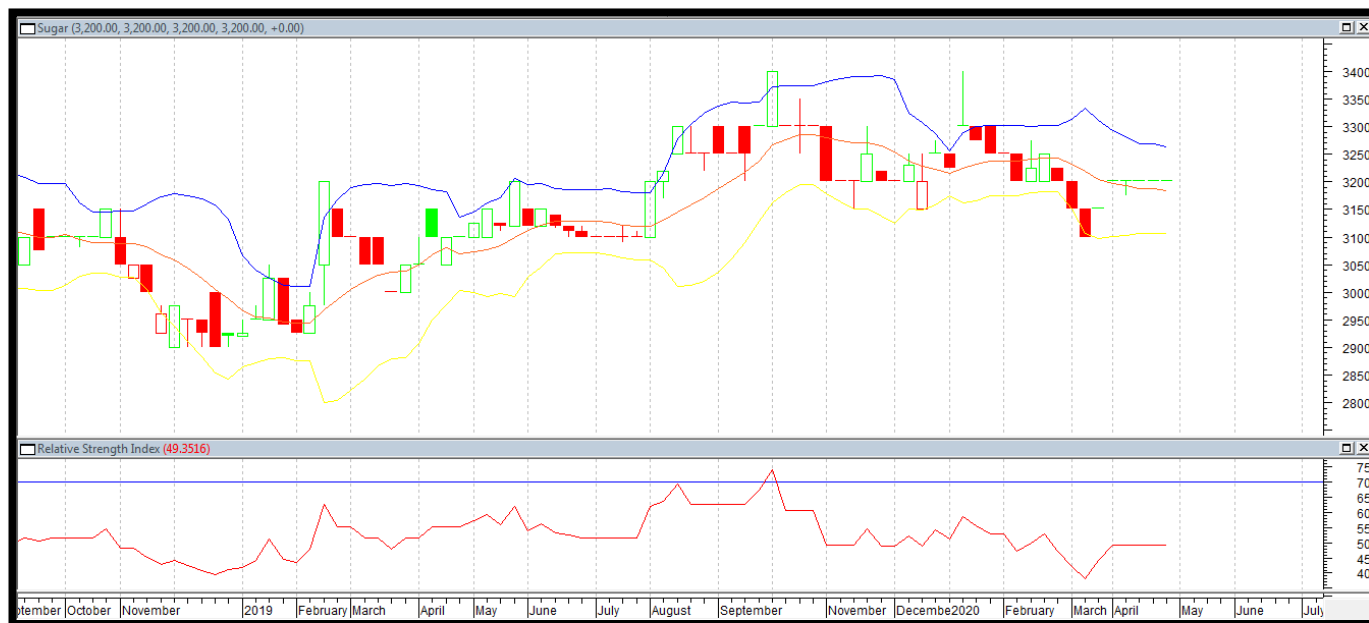
- **According to ISMA, 247.8 lakh tonnes of sugar have been produced till 15<sup>th</sup> April'20 across India down by 20% as against 311.75 lakh tonnes produced in the same time last year.** As on 15<sup>th</sup> April'20, 139 mills were operational while 172 sugar mills that were still crushing sugarcane on 15th April 2019 last year. In UP, sugar mills have produced 108.25 LT of sugar compared to 105.55 LT of sugar with only 98 mills operational mills till 15th April'20 and 103 mills were operational last year. In Maharashtra, 136 mills have closed their operations with only 10 mills operating at this time with producing 60.12 LT compared with 106.71LT produced year on year. Similarly, this year Karnataka has also produced less sugar i.e., around 33.82 LT against 43.2 LT last year till 15th April. All mills are closed so far in the state while 1 mill was in operation during the same time last year. According to Agriwatch, Maharashtra is likely to produce around 60-61 LT followed by UP estimated around 122 LT of sugar and around 34 LT of sugar in Karnataka.
- **The sugar mills are facing the sharp decline in sugar demand after the lockdown started.** DFPD allocated the 18LT of sales quota for the month April'20 and extended the sales quota of sugar for March'20 by 15 days. And so far only 20% of the allocated sugar quota for the month of April'20 has been sold in UP

because of poor demand. Similarly, in Maharashtra also the demand declined to an average of 30% and remained stagnant for a while. As the demand from the bulk consumers fall sharply across the country but few mills are expecting a slight surge in domestic demand in May due to the summers. It is expected that around 50-60% of the sales quota is going remain unsold in the April and could be carry forwarded to the next month in May.

- **DFPD has asked the sugar mills to submit the quarterly report of sugar export by April 20 extended by 17 days** which was supposed to be submitted by April 3rd. The ministry also warned that if mills fail to export the quota by 31st Mar'20, they would not be entitled for their claim for their quota of fourth quarter under the MAEQ scheme and also for maintenance of buffer stock of 40 LT notified by DFPD earlier in the previous year.

#### Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

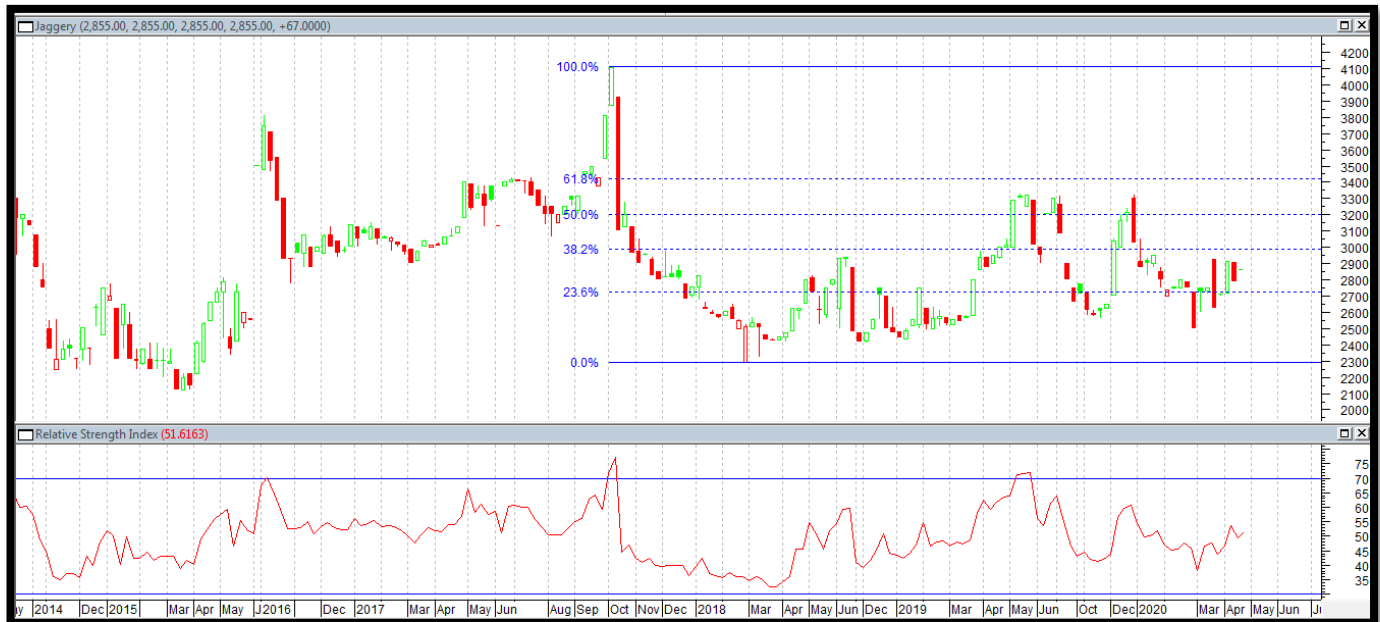
- Sugar spot prices at benchmark Kolhapur market was closed same at Rs.3200/q.
- Next resistance and support level for the next week is expected at Rs.3300 and Rs.3050 per quintal respectively.
- RSI is in the neutral region.



#### Technical Analysis - ChakuSukha-gur (fresh) at Spot (Muzaffarnagar) market.

##### Gur Market Scenario

- Chaku variety of gur in key Muzaffarnagar market the prices stood slightly firm at Rs.2855/q with higher arrivals of 61000 quintals in one week.
- RSI stood in the neutral region.



### Domestic Sugar Market Technical Analysis (Future Market)

Commodity: Sugar

Exchange: NCDEX

Contract: Sugar 1 M Con (Dec)



Strategy: Wait

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Sugar	NCDEX	Dec	2850	2900	2989	3200	3250
Intraday Trade Call			Call	Entry	T1	T2	SL
Sugar	NCDEX	Dec	Wait				

\* Do not carry-forward the position next day

**Technical Commentary:**

- There is no trade volume in near month future contract. Market participants are advised to wait until trade in volume starts.
- In the daily chart the prices has gained but there is no bullish reversal pattern has evolved.
- Seems that the prices are to consolidate in the range with good probability of touching the recent lows again.
- RSI showing some strength with prices remaining below 9 and 18 days EMA.

**Sugar Domestic Balance Sheet**

SUGAR BALNCE SHEET 2019-20(LT)								
SUGAR BALNCE SHEET 2019-20(LT)	2016-17	2017-18	2018-19	2019-20*	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Carry in stock	77	34.1	82.67	119.78	119.78	130.77	204.02	162.01
Estimated sugar production	202.85	321.96	331.61	262.76	77.95	154.05	26.66	4.10
Imports	4.46	2.85	0.00	0.00	0.00	0.00	0.00	0.00
Estimated sugar availability (A + B + C)	284.31	358.91	414.28	382.54	197.73	284.82	230.68	166.11
Exports	4.6	16.24	38.00	53.46	7.80	21.77	14.13	9.76
Availability for domestic consumption (D - E)	279.71	342.67	376.28	329.08	189.93	263.05	216.55	156.35
Estimates sugar consumption	245.61	260	256.50	237.85	59.16	59.03	54.54	65.12
Carry out stock (F - G)	34.10	82.67	119.78	91.23	130.77	204.02	162.01	91.23

Source: Agriwatch and ISMA

- **Note:** Indian sugar marketing year begins from October – September.
- As per the Agriwatch latest estimate, India's sugar production is expected to reach upto 331.61 LT in 2018/19 whereas the new season expects to decline by around 21% at 262.76 LT in 2019-20.
- On the other hand, sugar domestic consumption is expected to decline to 237.85 lakh tonnes in 2019-20 (01<sup>st</sup> October, 2018 – 30<sup>th</sup> September, 2019) from the previous estimate of 259 LT in 2019-20.
- Although the production is estimated to decline, with an ending stock lower than the previous year at 70.08 LT in 2019-20.
- India likely to export around 53 LT against the target of 60 LT in 2019-20. Government has released the sugar export incentives for 60LT target which could help clear the stock as well as the arrears of cane farmers. It is expected that the sugar exports are disrupted amid coronavirus.

**International Market Highlights**

**Recent Updates:**

- **The sugarcane production in Mexico is has declined sharply and hit a seven year low in 2019-20 MY.**  
The severe drought and adverse weather conditions in many sugarcane producing states in countries subsequently lead to the reduced sugar production in 2019-20. The raw sugar production is estimated around 5.7 MMT for 2019-20 MY, a reduction from earlier forecast of 6 MMT. The sugar consumption in the country is seen to be affected after the pandemic hit the country and reduced the consumer purchasing power amid lower economic growth. Around 2% reduction is expected to 4.3 MMT from earlier estimate of 4.4 MMT in 2019-20 MY.
- **The sugar production in Thailand is estimated to recover to 12.9 MMT in 2020-21 season, up by 56% in 2019-20 year.** Sugar production in 2019-20 is forecast to decline to 8.3 MMT due to reduced sugarcane acreage and reduced average yields caused by drought. Sugar exports in marketing year 2020-21 are expected to increase to around 11 MMT, up 3 percent from exports in MY 2019-20. Also, in MY 2019-20 sugar consumption is forecast to be at around 2.4 MMT down by 3% from the previous year. As, Non-alcoholic beverage manufacturers in the country are likely to further reduce production of beverages with high-sugar content also. Also, the household consumption growth is in sluggish pace due to the slow economic growth since 2019 and is likely to reduce further in 2020 due to the sharp decline in tourism amid covid-19.

**Previous Updates**

- **The world sugar exports has been hit after the outbreak of coronavirus in various countries since the last two months.** The supply declined especially when India has decided to lockdown for 21 days as many countries were keeping an eye on Indian sugar and about 1 MMT of sugar has been sold but not shipped. The demand and supply have been disrupted as all the countries have lockdown the cities and ports to avoid the spread of the virus. Also the weakening of crude oil prices weighed on sugar prices and ethanol. Researcher Czarnikow cut its global sugar consumption estimate for this year by 2.0 MMT, due to the collapse in demand sugar consumption due to the closure of restaurants because of the coronavirus pandemic.
- **Thailand cane crush season has ended operations in March that usually ends in early May**, with total cane crushed down 43% on the year at 74.9 MMT by producing only 8.27 million tonnes of sugar this year down by 43% against 14.58 MMT sugar produced during last year. The downfall is due to the severe drought weather conditions faced by the country leading to slower cane development and a reduction in sugar yield. Still the weather is not suitable for the sugarcane cultivation for the coming season 2020-21 as the drought is still under pressure. The total sugar production in the country is estimated around 8.9 MMT for the 2020-21 season with slightly higher sugarcane crop of around 82.3 MMT.

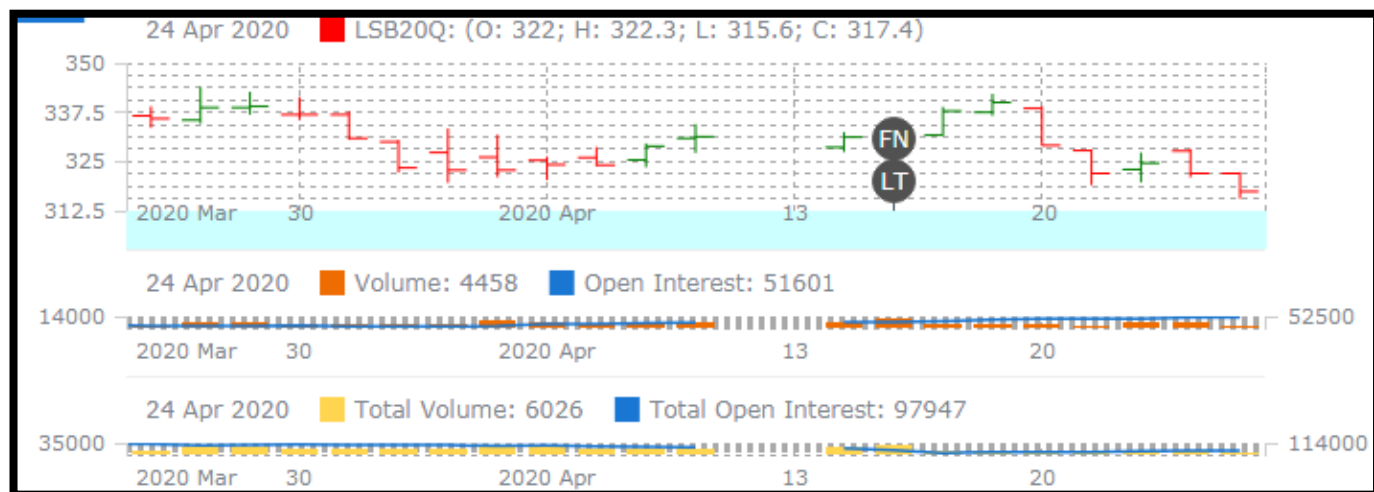
**Bullish and Bearish factors for International sugar market:**

Factors	Impact on Prices
Brazil 2020/21 sugar production will increase to 34 MMT from 26.4 MMT in the earlier season	<b>Bearish</b>
Global 2019/20 sugar production likely to decline by -4.8% y/y to 166.7 MMT (ISO) in 2019/20	<b>Bullish</b>
The world sugar balance in 2019/20 will tighten to a -9.4 MMT deficit from the -6.2 MMT surplus in the November estimate.	<b>Bullish</b>

**International Sugar Futures Price Projection****LIFFE (White Sugar Exchange) Future Market Sugar Scenario (May 20 Contract)****Technical Commentary**

- LIFFE future market was weak for the week.
- Total volume decreased & open interest increased over a week.
- Strategy: Buy at level 316, T1 345

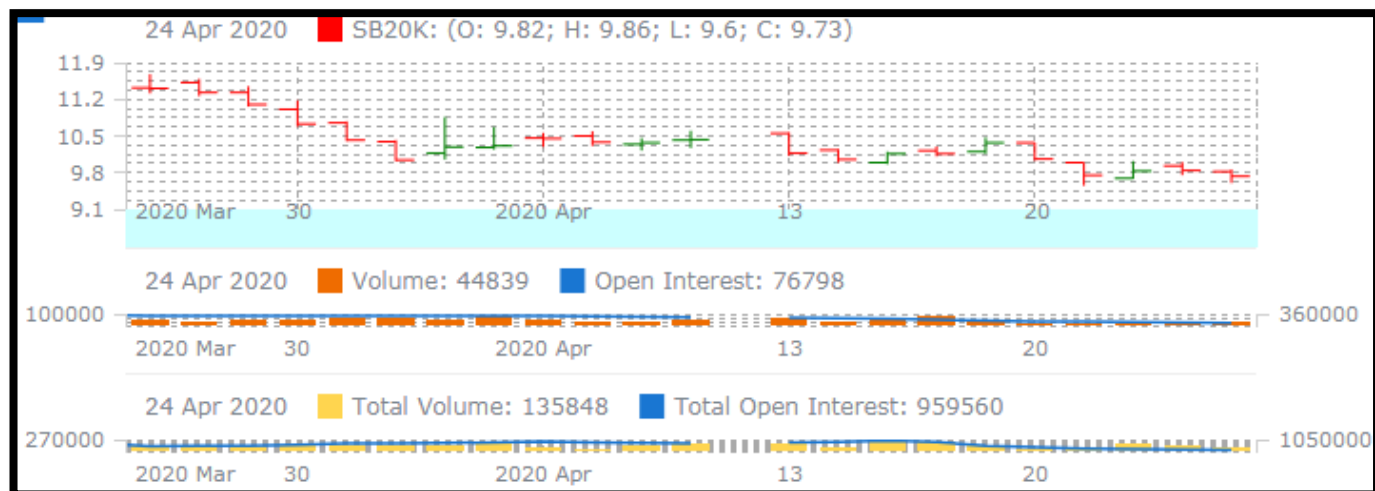
International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	May'20	317	310-345

**ICE (Raw Sugar Exchange) Future Market Scenario (May'20 Contract)****Technical Commentary:**

- ICE raw sugar futures were bearish in the week.
- Both total volume & open interest decreased.
- Strategy: Buy at rate 9.2 Targeting 12.

## International Sugar Futures Price Projection

	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	May'20	9.73	8-14



## Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			17th Apr'20 to 23rd Apr'20	10th Apr'20 to 16th Apr'20	
Sugar	Delhi	M-Grade	3113	3147	-34
		S-Grade	3093	3127	-34
Uttar Pradesh	Khatauli	M-Grade	3205	3233	-28
	Ramala	M-Grade	3115	3127	-12
	Dhampur	M-Grade Ex-Mill	3133	3164	-31
	Dhampur	S-Grade Ex-Mill	3113	3144	-31
	Dhampur	L-Grade Ex-Mill	3183	3214	-31
Maharashtra	Mumbai	M-Grade	3478	3600	-123
	Mumbai	S-Grade	3380	3460	-80
	Nagpur	M-Grade	3325	3325	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3200	3200	Unch
	Kolhapur	S-Grade	3100	3100	Unch
Assam	Guhawati	S-Grade	3410	3410	Unch
Meghalaya	Shillong	S-Grade	3420	3420	Unch
Andhra Pradesh	Vijayawada	M-Grade	3793	3820	-27
	Vijayawada	S-Grade	3733	3760	-27
West Bengal	Kolkata	M-Grade	3750	3750	Unch



Tamil Nadu	Chennai	S-Grade	3800	3783	17
	Dindigul	M-Grade	4213	4127	87
	Coimbatore	M-Grade	4063	4020	43
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3633	3600	33

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			17th Apr'20 to 23rd Apr'20	10th Apr'20 to 16th Apr'20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2859	2742	117
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	54000	59000	-5000
	Muzaffarnagar	Khurpa (Fresh)	2573	2660	-87
	Muzaffarnagar	Laddoo (Fresh)	2884	2916	-33
	Muzaffarnagar	Rascut (Fresh)	2425	2454	-29
	Hapur	Chaurasa	2590	2558	32
	Hapur	Balti	2588	2490	98
Andhra Pradesh	Chittur	Gold	4933	5500	-567
		White	NA	5200	-
		Black	4050	Closed	-
Maharashtra	Latur	Lal Variety	0	NA	-
Karnataka	Bangalore	Mudde (Average)	NA	NA	-
	Belgaum	Mudde (Average)	3150	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3644	NA	-
	Mandya	Achhu (Medium)	3500	NA	-
	Mandya	Kurikatu (Medium)	3300	NA	-
	Mandya	Other (Medium)	3200	NA	-
	Mandya	Yellow (Medium)	NA	NA	-
	Shimoga	Achhu (Average)	NA	NA	-

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			27-Apr-20	20-Apr-20	28-Mar-20	29-Apr-19
Delhi	Delhi	M-Grade	3135	3110	Closed	3225
	Delhi	S-Grade	3115	3090	Closed	3205
Uttar Pradesh	Khatauli	M-Grade	3180	3215	Closed	3300
	Ramala	M-Grade	3115	3120	Closed	0
	Dhampur	M-Grade Ex-Mill	3120	3140	Closed	3200
	Dhampur	S-Grade Ex-Mill	3100	3120	Closed	3180
	Dhampur	L-Grade Ex-Mill	3170	3190	Closed	3250
Maharashtra	Mumbai	M-Grade	3510	3450	Closed	Closed
	Mumbai	S-Grade	3370	3380	Closed	Closed
	Nagpur	M-Grade	3325	3325	Closed	Closed
	Nagpur	S-Grade	3225	3225	Closed	Closed
	Kolhapur	M-Grade	3200	3200	Closed	Closed
	Kolhapur	S-Grade	3100	3100	Closed	Closed
Assam	Guhawati	S-Grade	3410	3410	Closed	Closed
Meghalaya	Shillong	S-Grade	3420	3420	Closed	Closed
Andhra Pradesh	Vijayawada	M-Grade	3740	3820	Closed	3580
	Vijayawada	S-Grade	3680	3760	Closed	3540
West Bengal	Kolkata	M-Grade	3750	3750	NR	3550
Tamil Nadu	Chennai	S-Grade	3800	3800	Closed	3580
	Dindigul	M-Grade	4250	4160	NR	3620
	Coimbatore	M-Grade	4150	4020	NR	3520
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3700	3600	4000	3400

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			27-Apr-20	20-Apr-20	28-Mar-20	29-Apr-19
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2855	2910	Closed	3000
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	9000	10000	Closed	6000
	Muzaffarnagar	Khurpa	2803	2563	Closed	2613
	Muzaffarnagar	Laddoo	3028	2878	Closed	2853
	Muzaffarnagar	Rascut	2413	2413	Closed	2340
	Hapur	Chaurasa	Closed	Closed	Closed	Closed
	Hapur	Balti	Closed	Closed	Closed	Closed
Andhra Pradesh	Chittur	Gold	4500	4900	Closed	4100
		White	NA	NA	Closed	3700
		Black	4000	4000	Closed	3200

<b>Maharashtra</b>	Latur	Lal Variety	NR	0	0	0
<b>Karnataka</b>	Bangalore	Mudde (Average)	NA	NA	NA	4400
	Belgaum	Mudde (Average)	NA	NA	NA	2800
	Belthangadi	Yellow (Average)	NA	NA	NA	0
	Bijapur	Achhu	NA	NA	NA	3000
	Gulbarga	Other (Average)	NA	NA	NA	2675
	Mahalingapura	Penti (Average)	NA	NA	NA	3158
	Mandya	Achhu (Medium)	NA	NA	NA	3750
	Mandya	Kurikatu (Medium)	NA	NA	NA	3450
	Mandya	Other (Medium)	NA	3600	NA	3400
	Mandya	Yellow (Medium)	NA	NA	NA	3600
	Shimoga	Achhu (Average)	NA	NA	NA	3800

International Sugar Prices (Weekly)				
	Contract Month	17th Apr'20 to 23rd Apr'20	10th Apr'20 to 16th Apr'20	Change
ICE Sugar #11 (US Cent/lb)	20-May	1708	1743	-35.00
	20-Jul	1741	1766	-25.00
	20-Oct	1789	1809	-20.00
LIFFE Sugar (US \$/MT)	20-May	2458	2488	-30.00
	20-Aug	2505	2621	-116.00
	20-Oct	2505	2540	-35.00

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