

Price Outlook:

The sugar prices remained steady to weak due to the moderate demand during the week. The government has reallocated the sugar exports quantity to liquidate the sugar stocks. Hence, helping the mills to export sugar till Sep'20 end. The prices stood slightly lower at Rs.3250/q in Kolhapur bench market. The prices in UP and Delhi also stood weaker at Rs.3324/q and Rs.3262/q against last week.

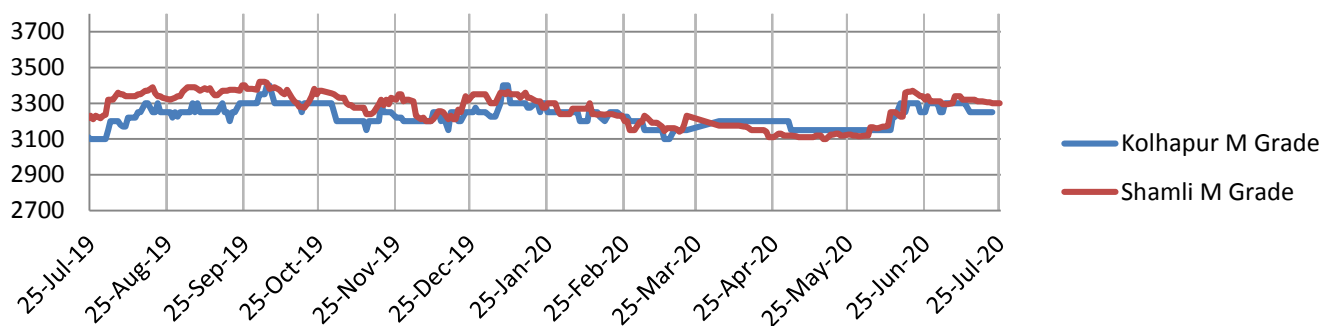
Price Projection for the Next week

As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market is likely to range steady next week between Rs.3200 -3350 per quintal for next week.

Domestic Sugar Market Summary

Average price for sugar 'M' grade in key Kolhapur market stood low at Rs. 3250 per quintal, while spot sugar prices for the same grade in Shamli district stood low at Rs. 3305 per quintal during the week.

Price comparsion Kholpur M- grade and Shamli Rs/Qtl

**Fundamental summary:**

Factors	Impact on prices
India's 2020/21 sugar production would climb +17.7% y/y to 32.01 MMT, according to ISMA	Bearish
Indian could achieve a target of 5million tonnes of sugar exports in 2019/20 despite lockdown	Bullish
The reallocation of sugar export sales would help sugar mill to clear sugar stock piles in 2019-20 season.	Bullish
The government is likely to increase the minimum support price of sugar and FRP of sugarcane for 2020-21 sugar season	Bullish

Domestic Market Highlights

Recent Updates:

- **The area under sugarcane increased to 51.54 lakh ha till 24th 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 23.71 lakh ha, 9.78 lakh ha and 5.47 lakh ha. Maharashtra is likely to revive this year as the state has faced bad weather conditions last year.
- **The government re-allocated 25000 tonnes of sugar out of the original quota that was allotted in the beginning of the season (Oct'19).** The restored quantity is allotted to the eligible sugar under Maximum Admissible Export Quota (MAEQ). India has allocated 60 lakh MAEQ quota for sugar marketing year 2019-20. As the reallocation of sugar export quota was delayed, some mills could not export sugar in July. Also, Industry has demanded release of the export incentives to enable payment of sugarcane to the farmers.
- **The Indian government has approved a quantity of 10,000 tonnes of sugar exports (raw/white) to EU.** The exports would undertake under CXL concessions to European Union for the period of Oct'20 to Sep'21. Availing the CXL concessions on export to the EU, traders can export sugar at relatively low or zero customs duty. Usually India exported around 25,000 tonnes in 2018-19 season and 18,465 tonnes during Oct'18-Apr'19. While the exports of 13,343 tonnes that declined by 28% this year during Oct'19 to Apr'20.
- **For sugar season 2020-21, UP has issued 131 new licenses to raw sugar producing units to increase their crushing capacities,** 14 were issued on priority to women entrepreneurs with established crushing capacity of 4,100 tonnes of cane per day (TCD). The new sugar units would generate an additional crushing capacity of 34,550 TCD. The new raw sugar units would play a crucial role in prompt procurement of sugarcane, thus, generating work and employment in their respective areas.

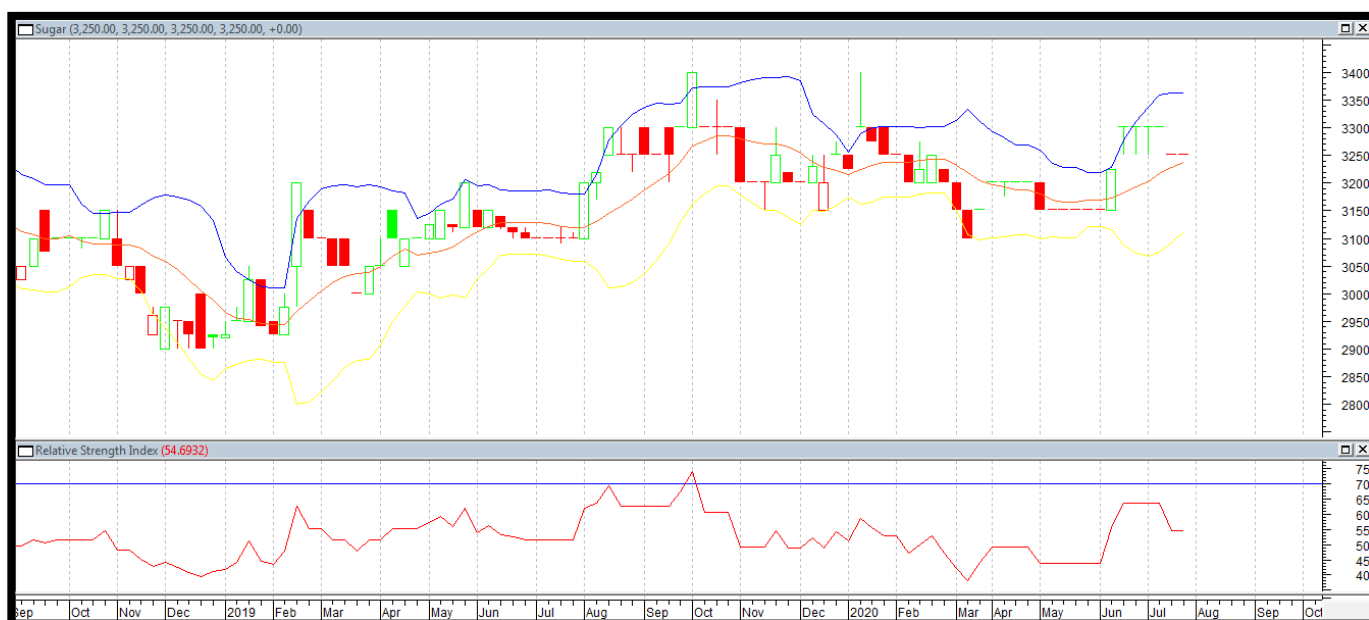
Previous Updates

- **The decision to hike in minimum selling price of sugar is still pending.** A meeting held between the Group of Ministers on 15th July'20 had recommended a hike of Rs.2/kg to Rs.33/kg to ensure mills clear the pending arrears of Rs.20,000 crore in 2019-20 at the earliest. If the government approves, the increment in MSP will come into effect from October 1. The government will also consider other options if an increase in MSP of sugar does not help in reducing cane arrears to farmers.
- **The area under sugarcane increased to 51.29 lakh ha till 16th 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 23.59 lakh ha, 9.73 lakh ha and 5.39 lakh ha. Maharashtra is likely to revive this year as the state had 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.

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

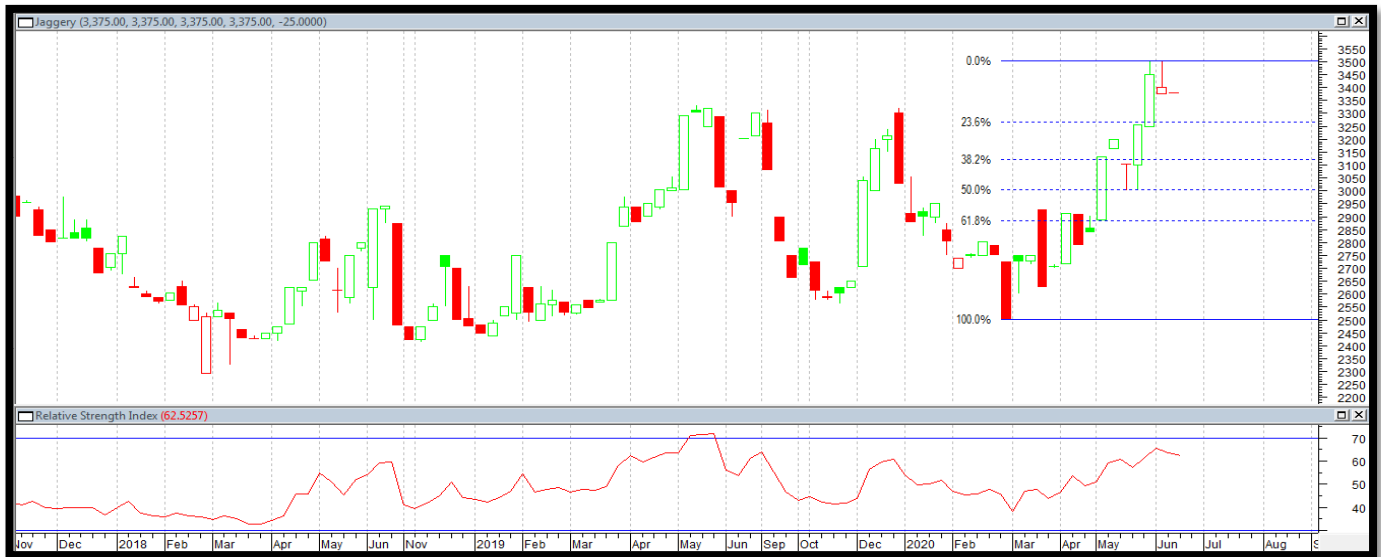
- Average sugar spot prices at benchmark Kolhapur market stood steady at Rs.3250/q in last week.
- Next resistance and support level for the next week is expected at Rs.3350 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- There were no arrivals during the last week for Chaku variety of gur in key Muzaffarnagar market.
- The arrivals are now likely to commence from October in the new season.
- 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.

International Market Highlights**Recent Updates:**

- **According to UNICA, there was a huge surge in the last two weeks of Jun'20 of around 23% producing 2.73 Mn T of sugar** taking it to a total of 13.29 million tonnes since the beginning of the season in April in Brazil. The mills had allocated 47.42% of the cane to produce sugar in 2nd half of Jun'20, compared to 37.06% at this time last year and 47.11% in the first half of June this year. Brazilian producers are expected to continue to maximize their sugar production, given the increased profitability of sugar production over ethanol production. The amount of sugarcane crushed was around 229 million tonnes so far till June'20, up by 5.2% compared to the same time previous year.
- **According to Thai Sugar Millers Corporation, Thailand exported 2.36 lakh tonnes of refined sugar and 3.21 lakh tonnes of raw sugar in May'20.** Total of 11.05 lakh tonnes of refined sugar (13.34% y/y) has been exported at an average FOB \$366.38/tonne and 22.32 lakh tonnes (2.5% y/y) of raw sugar at an average FOB \$300.57/tonne much lower sugar has been exported so far till May'20 from January'20. The exports were improved compared to the previous month as the demand was hit due to coronavirus.

Bullish and Bearish factors for International sugar market:

Factors	Impact on Prices
Brazil 2020/21 sugar production will climb +18.5% to 35.3 MMT from 26.4 MMT in the earlier season	Bearish
World sugar production in 2019-20 (Apr-Mar) fell -4.8% y/y to 166.7 MMT	Bullish
The world sugar ending stocks in 2019/20 will fall by -9.3MMT y/y	Bullish

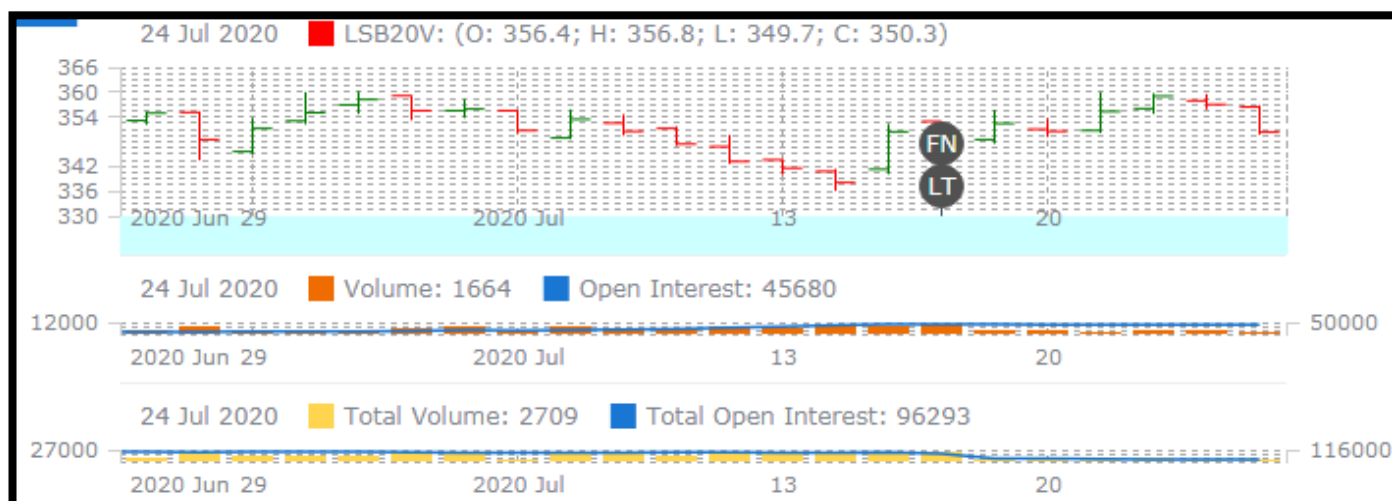
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Oct'20 Contract)

Technical Commentary

- LIFFE future market was bearish during the week.
- Both total volume & open interest decreased over a week.
- Strategy: Buy at level 350, T1 355

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'20	350.3	335-360

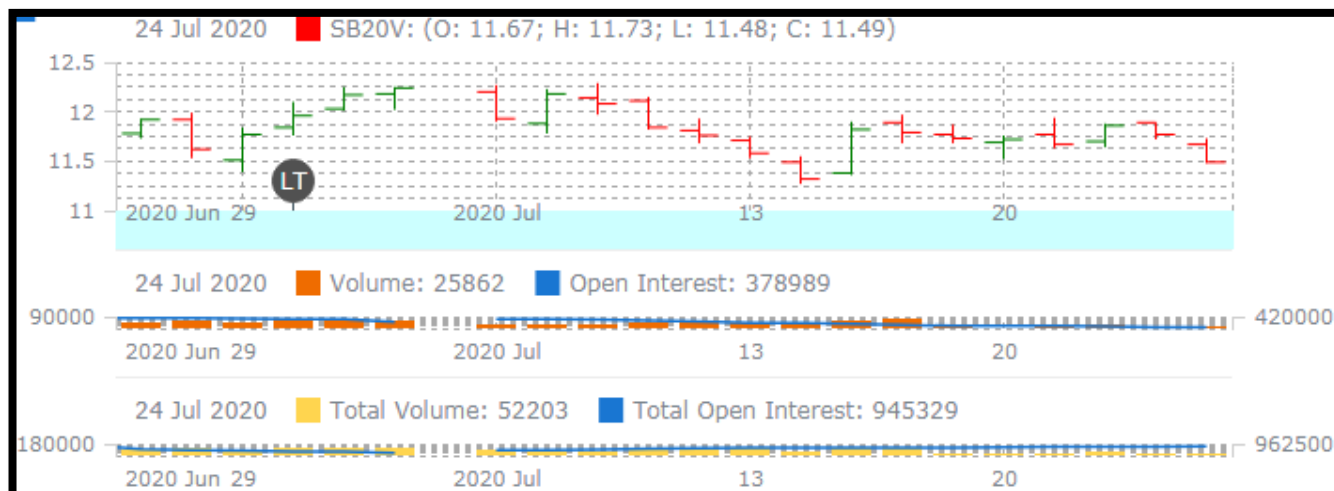


ICE (Raw Sugar Exchange) Future Market Scenario (Oct'20 Contract)

Technical Commentary:

- ICE raw sugar futures were bearish during the week.
- Total volume decreased & open interest increased in a week.
- Strategy: Buy at rate 11.6 Targeting 11.8.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'20	11.49	10-15



Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			17th Jul'20 to 23rd Jul'20	10th Jul'20 to 16th Jul'20	
Delhi	Delhi	M-Grade	3262	3341	-79
	Delhi	S-Grade	3242	3321	-79
Uttar Pradesh	Khatauli	M-Grade	3324	3345	-21
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3304	3323	-19
	Dhampur	S-Grade Ex-Mill	3284	3303	-19
	Dhampur	L-Grade Ex-Mill	3354	3373	-19
Maharashtra	Mumbai	M-Grade	3570	3573	-3
	Mumbai	S-Grade	3365	3367	-2
	Nagpur	M-Grade	3375	3392	-17
	Nagpur	S-Grade	3275	3292	-17
	Kolhapur	M-Grade	3250	3267	-17
	Kolhapur	S-Grade	3150	3167	-17
Assam	Guhawati	S-Grade	3461	3478	-17
Meghalaya	Shillong	S-Grade	3470	3487	-17
Andhra Pradesh	Vijayawada	M-Grade	3700	3700	Unch
	Vijayawada	S-Grade	3700	3690	10
West Bengal	Kolkata	M-Grade	3690	3645	45
Tamil Nadu	Chennai	S-Grade	3755	3750	5
	Dindigul	M-Grade (DCA)	3840	3820	20
	Coimbatore	M-Grade (DCA)	3620	3620	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3400	3350	50

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 Jul'20 to 23rd Jul'20	10th Jul'20 to 16th Jul'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	Chaurasa	NA	NA	-
	Hapur	Balti	NA	NA	-
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4390	4250	140
	Belgaum	Mudde (Average)	3375	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	3500	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3525	3508	17
	Mandya	Achhu (Medium)	3765	3680	85
	Mandya	Kurikatu (Medium)	3425	3342	83
	Mandya	Other (Medium)	3350	3285	65
	Mandya	Yellow (Medium)	3633	3610	23
	Shimoga	Achhu (Average)	3760	3750	10

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			25-Jul-20	18-Jul-20	25-Jun-20	26-Jul-19
Delhi	Delhi	M-Grade	3305	3280	3320	3210
	Delhi	S-Grade	3285	3260	3300	3190
Uttar Pradesh	Khatauli	M-Grade	3320	Closed	3350	3325
	Ramala	M-Grade	NA	Closed	3310	NA
	Dhampur	M-Grade Ex-Mill	3300	Closed	3330	3240
	Dhampur	S-Grade Ex-Mill	3280	Closed	3310	3220
	Dhampur	L-Grade Ex-Mill	3350	Closed	3380	3290
Maharashtra	Mumbai	M-Grade	3580	3570	3550	3322
	Mumbai	S-Grade	3350	3370	3356	3222

	Nagpur	M-Grade	3375	3375	3375	3225
	Nagpur	S-Grade	3275	3275	3275	3155
	Kolhapur	M-Grade	3250	3250	3250	3100
	Kolhapur	S-Grade	3150	3150	3150	3030
Assam	Guhawati	S-Grade	3461	3461	3461	3339
Meghalaya	Shillong	S-Grade	3470	3470	3470	3350
Andhra Pradesh	Vijayawada	M-Grade	3700	3700	3740	3560
	Vijayawada	S-Grade	3700	3700	3680	3500
West Bengal	Kolkata	M-Grade	3690	3690	3580	3580
Tamil Nadu	Chennai	S-Grade	3750	3750	Closed	3600
	Dindigul	M-Grade (DCA)	3840	3840	3640	3540
	Coimbatore	M-Grade (DCA)	3620	3620	3620	3520
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	NA	3350

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

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity			Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)	Centre	Variety	25-Jul-20	18-Jul-20	25-Jun-20	26-Jul-19
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NR	Closed	NA	NA
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	Closed	NA	NA
	Muzaffarnagar	Khurpa	NA	Closed	NA	NA
	Muzaffarnagar	Laddoo	NA	Closed	NA	NA
	Muzaffarnagar	Rascut	NA	Closed	2750	NA
	Hapur	Chaurasa	NA	Closed	NA	NA
	Hapur	Balti	NA	Closed	NA	NA
Andhra Pradesh	Chittur	Gold	NR	NR	Closed	4200
		White	NR	NR	Closed	NA
		Black	NR	NR	Closed	3300
Maharashtra	Latur	Lal Variety	NR	NR	NA	NA
Karnataka	Bangalore	Mudde (Average)	NA	NA	4300	4350
	Belgaum	Mudde (Average)	NA	NA	NA	NA
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	3400	3200
	Gulbarga	Other (Average)	NA	NA	NA	NA
	Mahalingapura	Penti (Average)	NA	NA	3423	3226
	Mandya	Achhu (Medium)	NA	3750	3470	3200
	Mandya	Kurikatu (Medium)	NA	3500	3200	3000
	Mandya	Other (Medium)	NA	3300	3290	2900
	Mandya	Yellow (Medium)	NA	3600	3500	3200
	Shimoga	Achhu (Average)	NA	NA	3750	3600

International Sugar Prices (Weekly)				
	Contract Month	17th Jul'20 to 23rd Jul'20	10th Jul'20 to 16th Jul'20	Change
ICE Sugar #11 (US Cent/lb)	20-Oct	2030	2016	14.00
	21-Mar	1978	1976	2.00
	21-May	2064	2059	5.00
LIFFE Sugar (US \$/MT)	20-Oct	2647	2622	25.00
	20-Dec	2647	2568	79.00
	21-Mar	2636	2601	35.00

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