

Price Outlook:

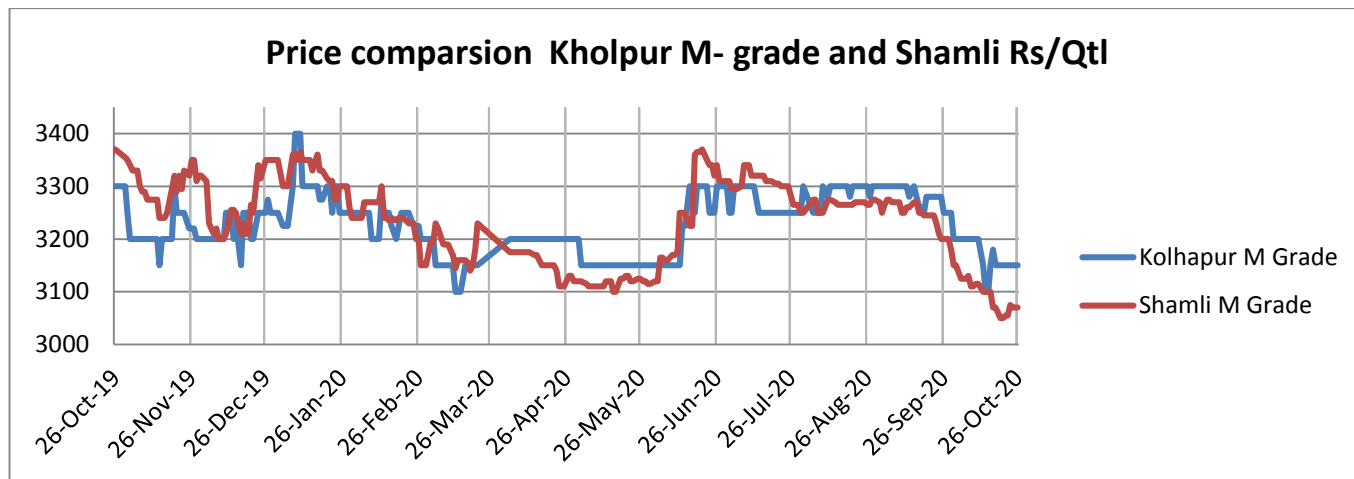
The sugarcane harvesting in Uttar Pradesh in few areas have been started and likely to commence crushing in the first week of November. The rainfall impact in Maharashtra has delayed cane crushing in the state. So far by the end of 3rd week of October, the sugar commissioner's office has issued 128 licenses while 71 are still pending for approval to the sugar mills. The festive season is likely to support the market for few days and the sugar traders are waiting for the next month's sugar sales quota to be released by the government by the end of October. The average price declined in benchmark Kolhapur market that stood around Rs.3155/q. The prices in UP also stood weaker at Rs.3112/q.

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.3100 -3250 per quintal for next week.

Domestic Sugar Market Summary

Average price for sugar 'M' grade in key Kolhapur market were steady at Rs. 3155 per quintal, while spot sugar prices for the same grade in Shamli district stood low at Rs. 3058 per quintal during the week.

**Fundamental summary:**

Factors	Impact on prices
India's 2020/21 sugar production would climb over +12% y/y to 30.5 MMT, according to ISMA	Bearish
Manifold increase in coronavirus cases hindering the sugar domestic demand	Bearish
Lack of availability of migrant labour for sugarcane harvesting in 2020-21 sugar season	Bullish
Uncertainty in continuation of Sugar Export Subsidy Scheme in 2020-21 by the government	Bearish
No decision announced by the government with respect to the minimum support price of sugar in 2020-21	Bearish

Domestic Market Highlights

Recent Updates:

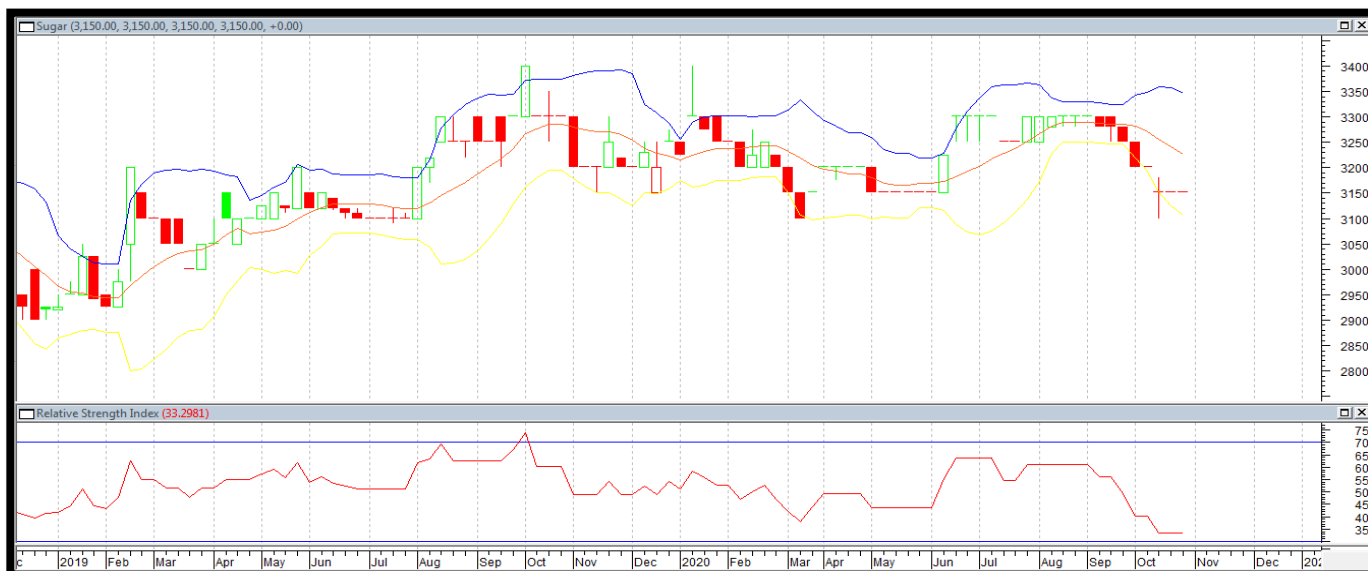
- **The Maharashtra State Cooperative Sugar factories Federation Ltd. has requested the government to approve the sugar mills to use alcohol produced from B- heavy molasses for selling** and shall help in completely avoid producing C- heavy molasses. Also, the sugar mills should be allowed to sell alcohol, rectified spirit, extra neutral alcohol and denatured spirit from B-heavy molasses. This will reduce the problem of separate storage for B and C- heavy molasses. Currently, the central government has allowed alcohol produced from B-heavy molasses to be used only for production of ethanol. Sugar mills can make and sell alcohol and spirit made by using C-heavy molasses.
- **The rainfall has affected the cane crushing in Maharashtra due to waterlogged fields.** The mills were initially decided to commence the harvesting process from 15th October 2020 due to the bumper production in the state this year. Therefore, there has been a delay in sugarcane arrivals from the fields to the mills and thus delay in sugar production.

Previous Updates

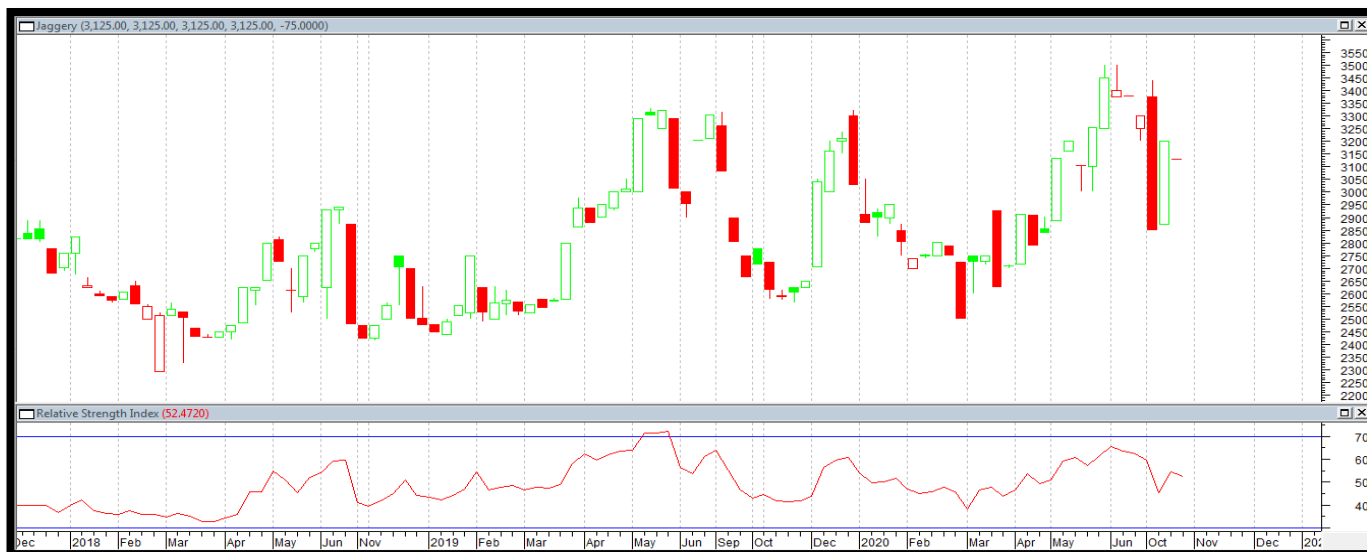
- **According to ISMA, the country's sugar industry has to plan to divert surplus 60-70 lakh tonnes of sugar into ethanol in the next two-three years, reduce sugar export by 20 lakh tonnes every year till 2023, and increase diversion of equivalent sugar into ethanol every year over the next three years.** Maharashtra mills have decided to produce 104 crore litres of ethanol this season.
- **The heavy rainfall in Maharashtra is expected to delay the crushing operations for 2020-21 sugar season.** Karnataka is also facing difficulty to harvest cane due to the wet fields. Therefore, the crushing is likely to start by the end of 1st week of November in both the states while the mills in Uttar Pradesh expects crushing to start from 25th Oct'20.
- **The Maharashtra government is taking serious action against the sugar mills that have failed to clear the pending cane arrears.** Around 190 sugar mills had applied for crushing licenses for season 2020-21. The government has granted licenses to only 90 sugar mills that have cleared the cane dues of the farmers. Twenty sugar factories had paid the cane dues in the past week after their licenses were put on hold.

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

- The sugar spot prices at benchmark Kolhapur market remained steady during the week ended last week at Rs.3155/q.
- Next resistance and support level for the next week is expected at Rs.3200 and Rs.3100 per quintal respectively.
- RSI is in the neutral region.

**Technical Analysis - ChakuSukha-gur (fresh) at Spot (Muzaffarnagar) market.****Gur Market Scenario**

- There were around 37000q arrivals during the last week for Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week stood at Rs. 2988/q and ended weaker while the prices in the last year during the same time were higher at Rs. 3206/q.
- RSI stood in the neutral region.

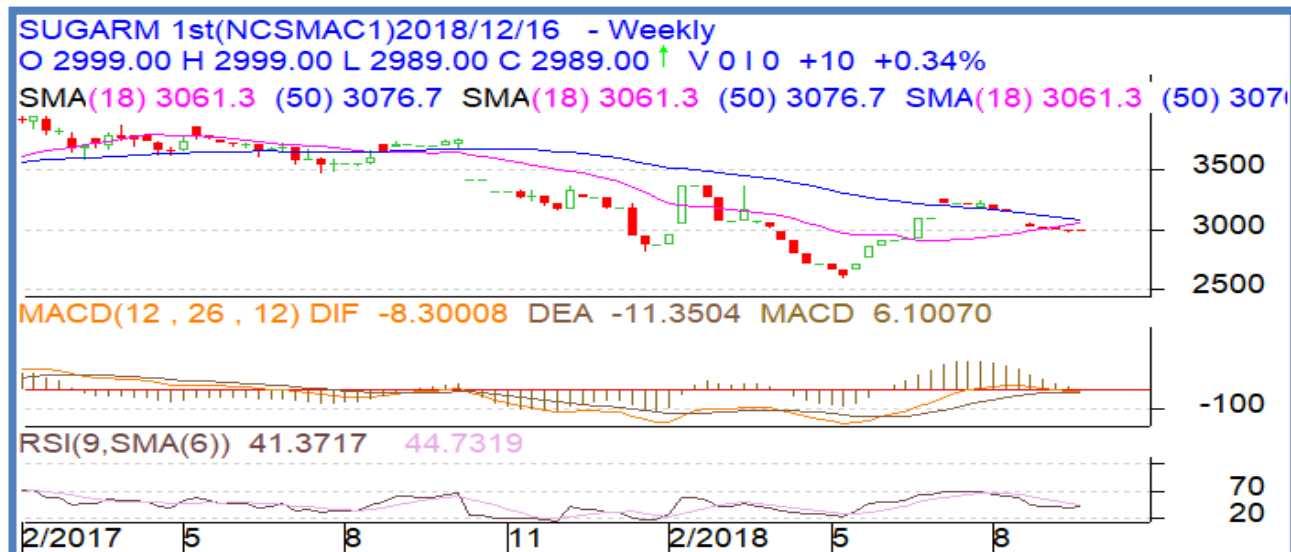


Domestic Sugar Market Technical Analysis (Future Market)

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:

- Philippines sugar production is expected to surge in 2020-21 supported with the favorable weather conditions.** According to the Sugar Regulatory Administration (SRA), in the current season, the sugar output till 4th October was increased by 131.89 per cent to 41,248 tonnes as compared to 17,788 tonnes during the same time last year.
- According to the Ministry of External affairs (MEA), India is likely to provide 270 MT of food items, including sugar (50MT)** and others, as an aid to South Sudan, Djibouti, Eritrea and Sudan. These countries were badly affected due to the pandemic and natural calamities. Sudan and Djibouti have been one of the major

sugar importing countries from India. Sudan imports around 10-15 LT every year from India followed by Djibouti importing around 4-5 LT from India.

- **The favourable growing conditions have resulted in an increase in the sugarcane cultivation Bangladesh.** As per Department of Agricultural Extension (DAE) data, about 1.06 LT of sugarcane likely to be harvested from 2,288 ha land across the region (Barishal district) in season 2020-21. Where, the six districts from the division had produced 1.04 LT of sugarcane from 2,266 hectares of land last year. So, sugar imports by Bangladesh could decline slightly in 2020-21 sugar season.

Bullish and Bearish factors for International sugar market:

Factors	Impact on Prices
CONAB projects, Brazil 2020/21 sugar production will climb to 39.3 MMT from 26.4 MMT in the earlier season	Bearish
International Sugar Organization (ISO) projected that global 2020-21 sugar production would increase by +2.3% y/y to 173.5 MMT	Bearish
The global 2020-21 sugar deficit to widen to -0.72 MMT from -0.14 MMT in 2019-20	Bullish

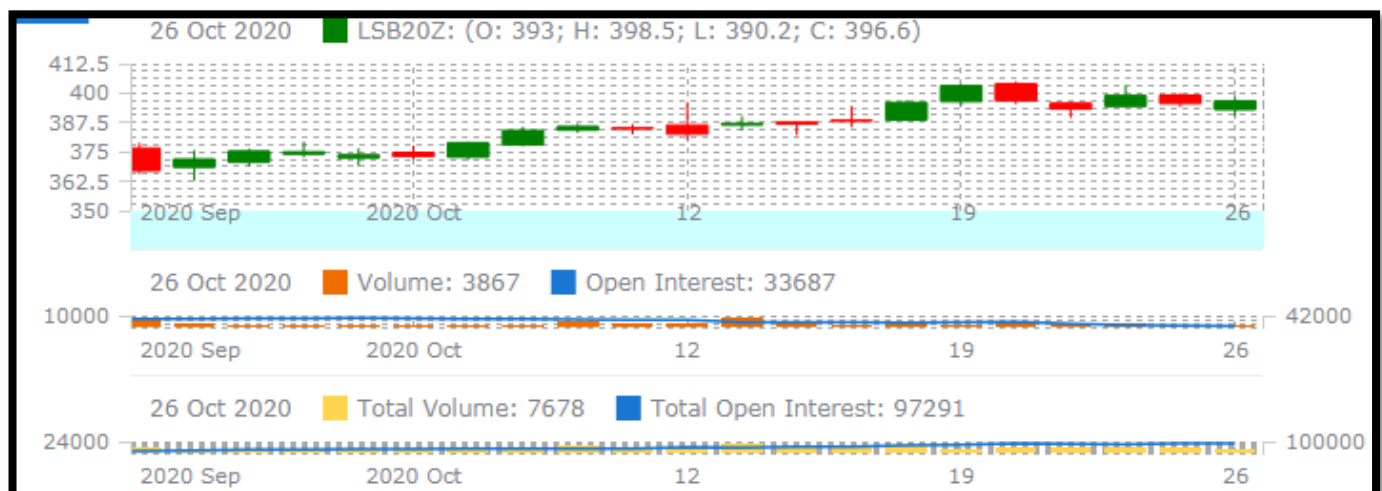
International Sugar Futures Price Projection

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

Technical Commentary

- LIFFE future market remained steady during the week.
- Total volume decreased & open interest increased over a week.
- Strategy: Buy at level 388.2, T1 399.2

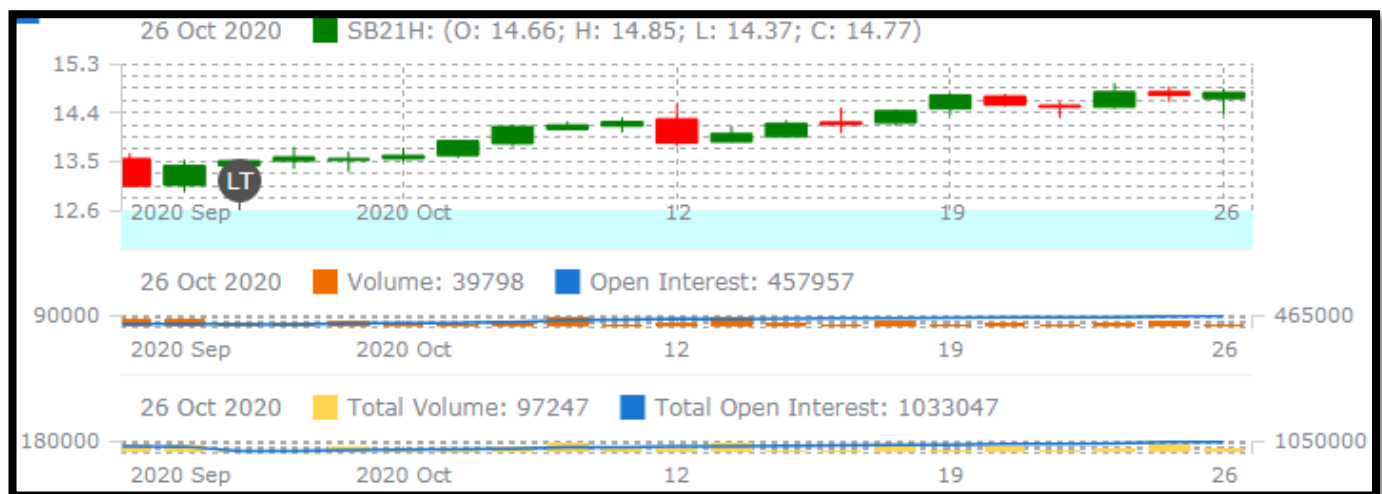
International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'20	396.6	379-407



ICE (Raw Sugar Exchange) Future Market Scenario (Mar'21 Contract) Technical Commentary:

- ICE raw sugar futures remained steady during the week.
- Both total volume & open interest increased in a week.
- Strategy: Sell at rate 14.15 Targeting 14.6.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'20	14.77	13.77-15



Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			16th Oct'20 to 22nd Oct'20	9th Oct'20 to 15th Oct'20	
Delhi	Delhi	M-Grade	3225	3200	25
	Delhi	S-Grade	3205	3180	25
Uttar Pradesh	Khatauli	M-Grade	3112	3188	-77
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3125	3160	-35
	Dhampur	S-Grade Ex-Mill	3105	3140	-35
	Dhampur	L-Grade Ex-Mill	3175	3210	-35
Maharashtra	Mumbai	M-Grade	3417	3417	0
	Mumbai	S-Grade	3269	3283	-15
	Nagpur	M-Grade	3280	3275	5
	Nagpur	S-Grade	3225	3225	Unch

	Kolhapur	M-Grade	3155	3150	5
	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 (With Duty)	3540	3573	-33
	Vijayawada	S-Grade (With Duty)	3618	3633	-15
West Bengal	Kolkata	M-Grade	3680	3680	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3633	3645	-12
	Dindigul	M-Grade (DCA)	3810	3780	30
	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

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			16th Oct'20 to 22nd Oct'20	9th Oct'20 to 15th Oct'20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2988	3327	-340
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	37000	31000	6000
	Muzaffarnagar	Khurpa (Fresh)	2620	2721	-101
	Muzaffarnagar	Laddoo (Fresh)	2908	3044	-136
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	2493	2583	-91
	Hapur	Balti	2583	2663	-80
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4390	4375	15
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3446	3177	270
	Mandya	Achhu (Medium)	3347	3278	68
	Mandya	Kurikatu (Medium)	3193	3143	50
	Mandya	Other (Medium)	3097	2938	158
	Mandya	Yellow (Medium)	3268	3173	95
	Shimoga	Achhu (Average)	3625	3620	5

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			26-Oct-20	21-Oct-20	26-Sep-20	26-Oct-19
Delhi	Delhi	M-Grade	3245	3220	3295	3400
	Delhi	S-Grade	3225	3200	3275	3380
Uttar Pradesh	Khatauli	M-Grade	3120	3115	3250	3480
	Ramala	M-Grade	NA	0	0	0
	Dhampur	M-Grade Ex-Mill	3150	3150	3225	3390
	Dhampur	S-Grade Ex-Mill	3130	3130	3205	3370
	Dhampur	L-Grade Ex-Mill	3200	3200	3275	3440
Maharashtra	Mumbai	M-Grade	3426	3416	3496	3580
	Mumbai	S-Grade	3282	3272	3342	3346
	Nagpur	M-Grade	3275	3275	3375	Closed
	Nagpur	S-Grade	3225	3225	3275	Closed
	Kolhapur	M-Grade	3150	3150	3250	Closed
	Kolhapur	S-Grade	3100	3100	3150	Closed
Assam	Guhawati	S-Grade	3410	3410	3461	Closed
Meghalaya	Shillong	S-Grade	3420	3420	3470	Closed
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3540	3540	3600	3740
	Vijayawada	S-Grade (With Duty)	3610	3620	3660	3680
West Bengal	Kolkata	M-Grade	3680	3680	3680	3700
Tamil Nadu	Chennai	S-Grade	3600	3640	3650	Closed
	Dindigul	M-Grade (DCA)	3810	3810	3810	3640
	Coimbatore	M-Grade (DCA)	3620	3620	3620	3700
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	3600	3600

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

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Spot Jaggery(Gur) Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			26-Oct-20	21-Oct-20	26-Sep-20	26-Oct-19
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3125	3000	0	2803
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	8000	5000	0	9000
	Muzaffarnagar	Khurpa	2350	2625	0	2528
	Muzaffarnagar	Laddoo	2900	2925	0	2813
	Muzaffarnagar	Rascut	NA	0	0	2278
	Hapur	Chaurasa	Closed	2425	0	2475

	Hapur	Balti	Closed	2500	0	2575
Andhra Pradesh	Chittur	Gold	NR	0	0	Closed
		White	NR	0	0	Closed
		Black	NR	0	0	Closed
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	NA	4400	0	0
	Belgaum	Mudde (Average)	NA	0	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	NA	3430	0	0
	Mandya	Achhu (Medium)	NA	3380	3000	3450
	Mandya	Kurikatu (Medium)	NA	3230	3150	3200
	Mandya	Other (Medium)	NA	3200	2900	3230
	Mandya	Yellow (Medium)	NA	3310	3100	3300
	Shimoga	Achhu (Average)	NA	3600	NA	0

International Sugar Prices (Weekly Average)

	Contract Month	16th Oct'20 to 22nd Oct'20	9th Oct'20 to 15th Oct'20	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	14.59	14.09	0.50
	21-May	13.92	13.62	0.30
	21-Jul	13.40	13.22	0.18
LIFFE Sugar (US \$/MT)	20-Dec	397.66	385.94	11.72
	21-Mar	397.80	386.84	10.96
	21-May	393.28	385.46	7.82

Source: MRCI

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