

Price Outlook:

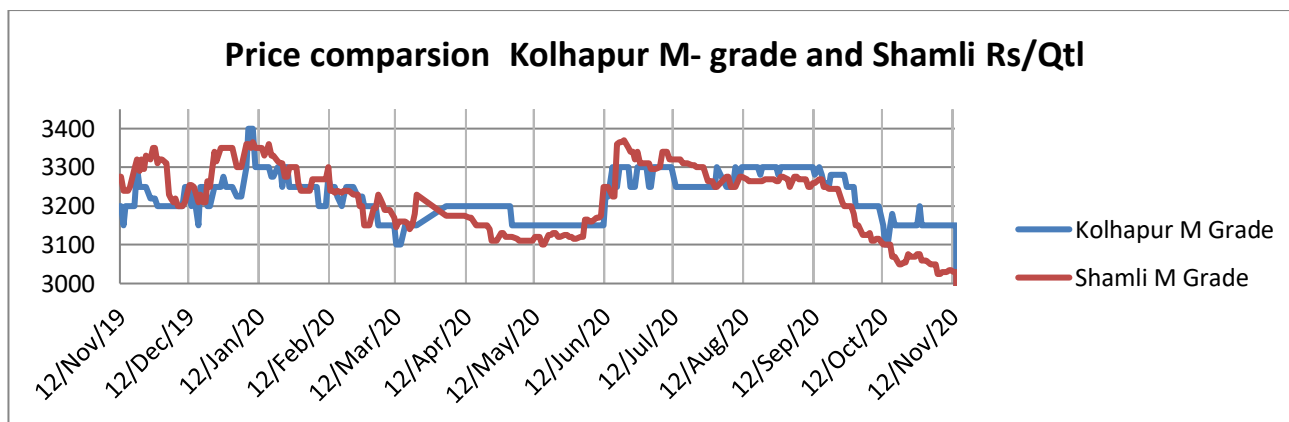
The sugarcane farmers are demanding a raise in SAP in various states. Haryana is leading in the country with maximum sugar prices of Rs. 350 per quintal from Rs. 340 per quintal earlier. Government is also planning to extend export subsidy as it will create more export opportunities for India. The average sugar prices declined in Khatauli market at Rs.3058/q to Rs.3104 previous week. The prices in Maharashtra also stood slightly firm at Rs.3275/q.

Price Projection for the Next week

As per the Agriwatch estimate, spot sugar prices (M grade) in benchmark Kolhapur market are likely to stay weak to steady and in range next week between Rs.3150 -3250 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3150 per quintal, while spot sugar prices for the same grade in Shamli district stood at Rs.3030 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 even during festival season	Bearish
Government planning to revive Sugar Export Subsidy Scheme in 2020-21	Bullish
Government increasing SAP in various states in 2020-21	Bullish
DFPD releasing higher monthly sugar sales quota	Bearish

Domestic Market Highlights

Recent Updates:

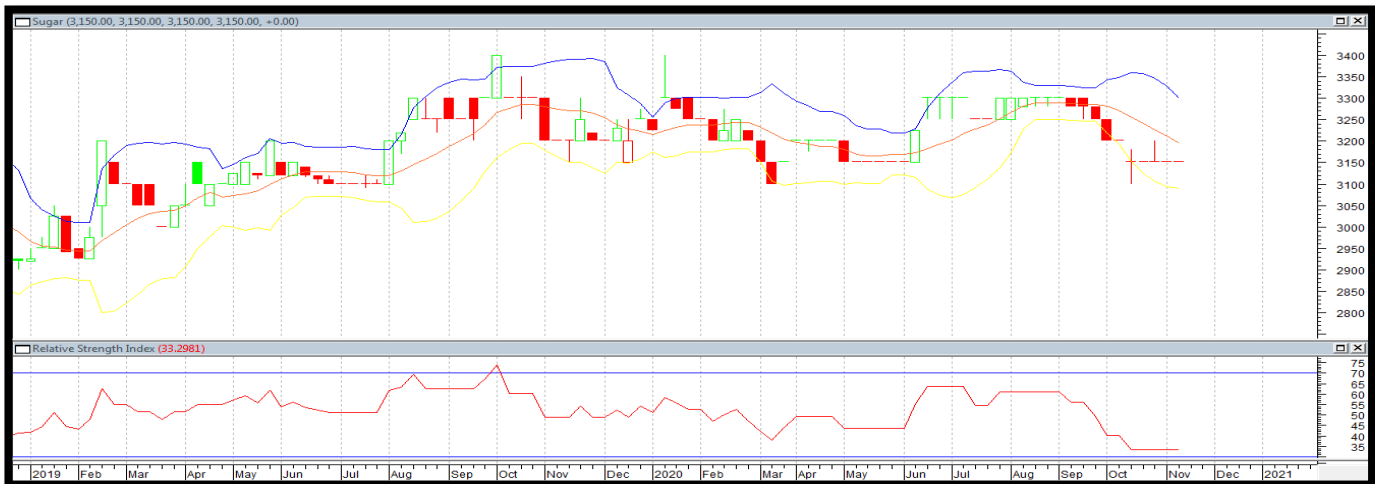
- **India has revived plans to offer incentives for 6 million tonnes of sugar export.** As to reduce overstock and boost local prices, the government is again planning to give incentives to sugar mills for export of 6 million tonnes of sugar in 2020-21, but it has yet to decide the exact amount of subsidy.
- **Government increased ethanol prices between 4.4% and 6.1% for different varieties.** The sugar mills are likely to invest Rs19, 000 crore to increase ethanol production capacity to 615 crorelitre per annum from the present 425 crore litre per annum capacity. However, the actual supply of ethanol only touched 180 crore litres in the previous sugar season, which resulted in just 6% blending with petrol. The distillery units are highly underutilized as they operate only for 6-7 months in a year. The rise in ethanol prices will encourage the year round operations, production and supply of ethanol. This will also help sugar mills to produce more ethanol and help OMCs meet the 10% blending with petrol target by 2022.

Previous Updates

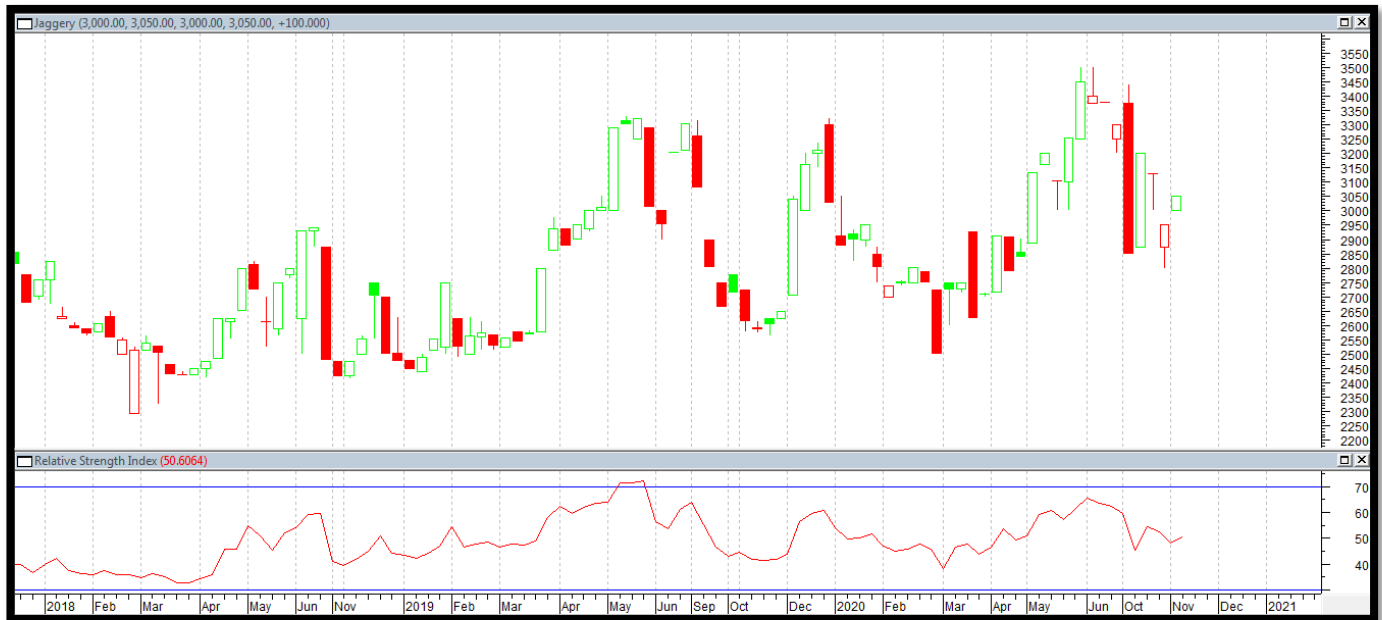
- **Haryana is likely to start crushing sugarcane by the coming week.** The state has increased the targets of crushing in the sugar mills this season. Also, the Haryana government has planned to set up a new sugar mill with a capacity of 5,000 TCD in Panipat district and the crushing capacity of the new mill would be 50,000 quintals per day. This will benefit the farmers from Panipat as well as neighbouring districts. **The target of 754 lakh quintals is set for sugarcane crushing** in Haryana for 20-21 seasons. This year the target is higher as compared with last season, so sugar mills have to start their operation as scheduled.
- **Extension of Export Subsidies will create export opportunities for India.** As the Thailand's Production is expected to be lower this year, and Brazil's crushing will start only from April 2021,, India has an export window until April 2020-21. The government is reconsidering extension of sugar export subsidies as to increase export in the international market. The government has been offering export subsidies for the past 2 years in order to reduce surplus stocks and help sugar mills clear cane payments to the growers.
- **Sugarcane farmers demanded a raise in SAP in Punjab.** Like Haryana and various other states, sugarcane farmers in Punjab are now demanding to raise SAP (State Advised Price) by Rs350 per quintal, since the sugarcane prices have remained the same in Punjab for the last 3 years.

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

- The sugar spot prices at benchmark Kolhapur market remained steady during last week and ended at Rs.3150/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 was an increase in arrivals to around 68000q last week of the Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week stood firm at Rs. 2970.8/q and the prices in the last year during the same time were lower at Rs. 2745/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:

- **The sugar production has dropped in Fiji this year** despite the sugarcane crushed this season is more than 1.6 million tonnes. The TCTS (Cumulative Tonnes cane to sugar) ratio has been reported 11.2 this year which is the lowest in the last 3years. This has been due to the low cane purity leading to adverse weather and supply of high levels of burnt sugarcane.

Previous Updates:

- **Pakistan sold sugar at subsidized rates** as the sugar prices were high in the country, government has decided to sell sugar at subsidized rate of Rs 70 per kg, less than the price offered in the open market i.e. Rs 120 per Kg. The government has fixed a quota of 5 kg per person to ensure that maximum people get the sugar at low rate.
- **Syrian state agency issues a tender to purchase and import 85,000 tonnes of refined white sugar.** Shipment is sought within 3 months after the letter of credit opening on the purchase. The deadline decided for the tender is 9th December 2020.

Bullish and Bearish factors for International sugar market:

Factors	Impact on Prices
CONAB projects Brazilian 2020/21 sugar production is likely to decline to 36 MMT from 39 MMT in the previous estimates	Bullish
According to the Thailand Sugar Mills Corp, Thailand's 2020-21 sugar production would fall - 13% y/y to 7.2 MMT as dry weather this year damaged the cane plantations	Bullish
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

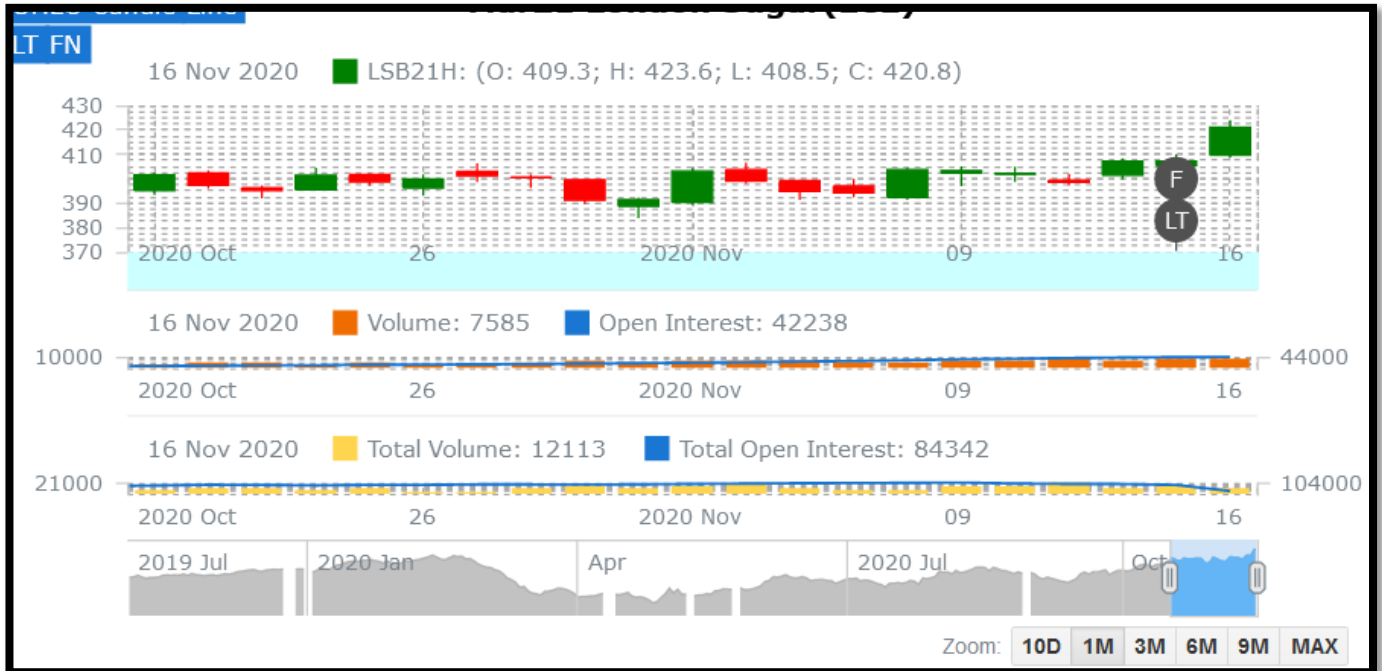
LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Dec'20 Contract)

Technical Commentary

- LIFFE future market remained steady to firm during the week.
- Total volume & open interest increased over a week.
- Strategy: Buy at level 418, T1 422

International Sugar Futures Price Projection

	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'20	420.80	398-425



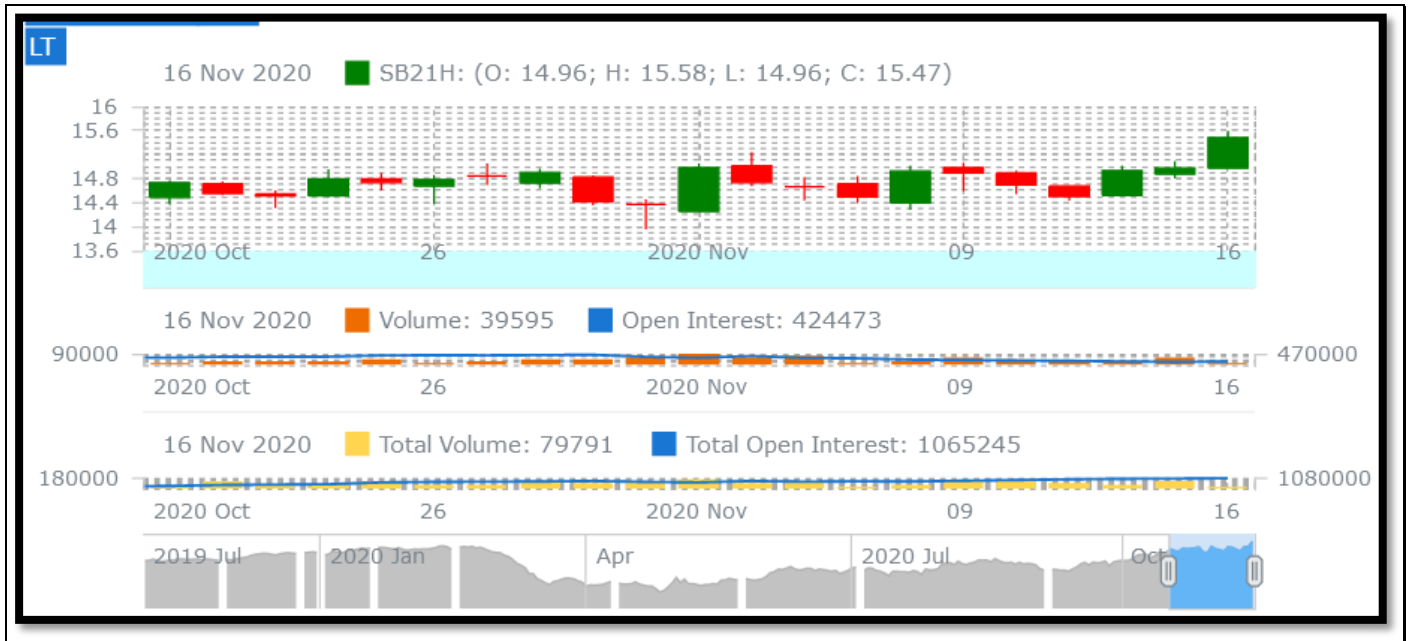
ICE (Raw Sugar Exchange) Future Market Scenario (Mar'21 Contract)

Technical Commentary:

- ICE raw sugar futures remained steady to firm during the week.
- Both total volume increased & open interest decreased in a week.
- Strategy: Buy at rate 14.96 Targeting 15.47.

International Sugar Futures Price Projection

	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'20	15.57	14.42-15.58



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			06th Nov'20 to 12th Nov'20	30th Oct'20 to 05th Nov'20	
Delhi	Delhi	M-Grade	3248	3276	-28
	Delhi	S-Grade	3228	3256	-28
Uttar Pradesh	Khatauli	M-Grade	3058	3104	-46
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3125	3118	7
	Dhampur	S-Grade Ex-Mill	3105	3098	7
	Dhampur	L-Grade Ex-Mill	3175	3168	7
Maharashtra	Mumbai	M-Grade	3447	3428	19
	Mumbai	S-Grade	3267	3278	-11
	Nagpur	M-Grade	3275	3275	Unch
	Nagpur	S-Grade	3225	3225	Unch
	Kolhapur	M-Grade	3150	3150	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 (With Duty)	3573	3600	-27
	Vijayawada	S-Grade (With Duty)	3633	3660	-27
West Bengal	Kolkata	M-Grade	3703	3723	-20
Tamil Nadu	Chennai	S-Grade (With GST)	3573	3580	-7
	Dindigul	M-Grade (DCA)	3780	3805	-25
	Coimbatore	M-Grade (DCA)	3633	3620	13

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)			06th Nov'20 to 12th Nov'20	30th Oct'20 to 05th Nov'20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2971	2954	17
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	68000	56000	12000
	Muzaffarnagar	Khurpa (Fresh)	2442	2442	0
	Muzaffarnagar	Laddoo (Fresh)	2856	2798	58
	Muzaffarnagar	Rascut (Fresh)	2367	2342	25
	Hapur	Chaurasa	2453	2413	40
	Hapur	Balti	2473	2460	13
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4400	4400	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3507	3430	76
	Mandya	Achhu (Medium)	3280	3343	-63
	Mandya	Kurikatu (Medium)	3263	3217	47
	Mandya	Other (Medium)	3038	3150	-112
	Mandya	Yellow (Medium)	3367	3400	-33
	Shimoga	Achhu (Average)	3600	3600	Unch

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			13-Nov-20	09-Nov-20	14-Oct-20	13-Nov-19
Delhi	Delhi	M-Grade	3250	3240	3160	3320
	Delhi	S-Grade	3230	3220	3140	3300
Uttar Pradesh	Khatauli	M-Grade	3080	3080	3150	3375
	Ramala	M-Grade	NA	0	0	0
	Dhampur	M-Grade Ex-Mill	3100	3125	3150	3250

	Dhampur	S-Grade Ex-Mill	3080	3105	3130	3230
	Dhampur	L-Grade Ex-Mill	3150	3175	3200	3300
Maharashtra	Mumbai	M-Grade	3500	3436	3406	3596
	Mumbai	S-Grade	3270	3266	3280	3290
	Nagpur	M-Grade	3275	3275	3225	3275
	Nagpur	S-Grade	3225	3225	3225	3225
	Kolhapur	M-Grade	3150	3150	3100	3150
	Kolhapur	S-Grade	3100	3100	3100	3100
Assam	Guhawati	S-Grade	3410	3410	3410	3410
Meghalaya	Shillong	S-Grade	3420	3420	3420	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3560	3560	3560	3700
	Vijayawada	S-Grade (With Duty)	3620	3620	3620	3640
West Bengal	Kolkata	M-Grade	3650	3730	3680	3650
Tamil Nadu	Chennai	S-Grade	Closed	3580	3640	3800
	Dindigul	M-Grade (DCA)	3780	3780	3780	3640
	Coimbatore	M-Grade (DCA)	3660	3620	3620	3590
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	3600	3600

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

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			13-Nov-20	09-Nov-20	14-Oct-20	13-Nov-19
Uttar Pradesh	Muzaffarnagar	ChakuSukha	3050	3000	3350	2628
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	13000	6000	12000
	Muzaffarnagar	Khurpa	2438	2500	2750	2513
	Muzaffarnagar	Laddoo	2775	2880	3125	2680
	Muzaffarnagar	Rascut	2325	2425	0	2038
	Hapur	Chaurasa	2388	Closed	2575	2375
	Hapur	Balti	2413	Closed	2638	2375
Andhra Pradesh	Chittur	Gold	NR	0	0	4900
		White	NR	0	0	4400
		Black	NR	0	0	0
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	4200	4400	4350	4650
	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	3375
	Mahalingapura	Penti (Average)	NA	3473	3272	3385
	Mandya	Achhu (Medium)	NA	3250	3300	3570

	Mandya	Kurikatu (Medium)	NA	3250	3150	3300
	Mandya	Other (Medium)	NA	3000	2980	3290
	Mandya	Yellow (Medium)	NA	3350	3210	3380
	Shimoga	Achhu (Average)	NA	3600	3600	0

International Sugar Prices (Weekly Average)				
	Contract Month	06th Nov'20 to 12th Nov'20	30th Oct'20 to 05th Nov'20	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	14.78	14.64	0.14
	21-May	14.05	13.66	0.39
	21-Jul	13.39	13.01	0.38
LIFFE Sugar (US \$/MT)	20-Dec	400.78	386.32	14.46
	21-Mar	402.66	395.04	7.62
	21-May	398.22	393.62	4.60

Source: MRCI

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