

Price Outlook:

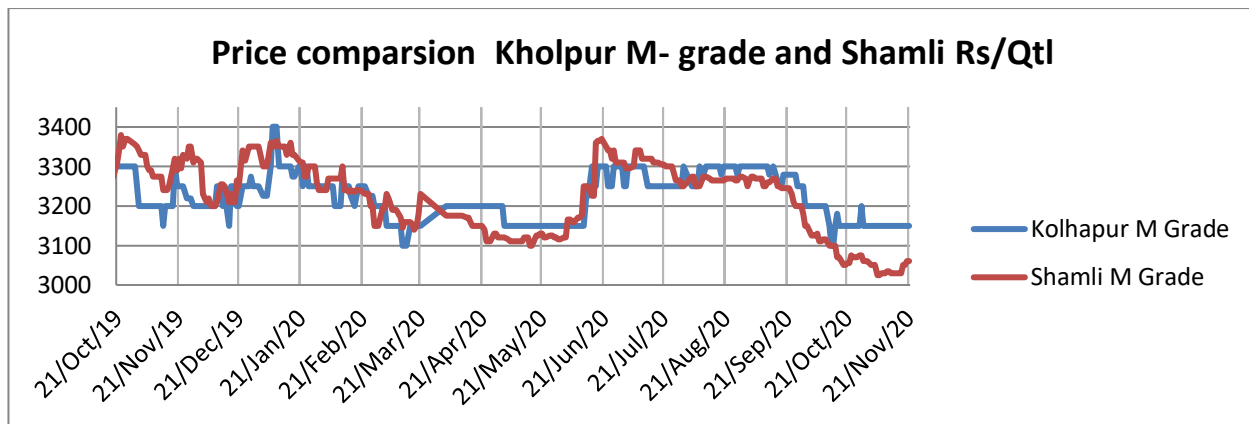
The sugarcane farmers are demanding a raise in SAP in various states. Haryana is leading in the country with maximum sugar prices of Rs. 350 per quintal from Rs. 340 per quintal earlier. India has lost the opportunity to export about 1.7 million tonnes of sugar, through delays in policy announcements. The average sugar prices declined in Khatauli market at Rs.3082/q to Rs.3085/q 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 -3230 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.3050 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
Government increasing SAP in various states in 2020-21	Bullish

Domestic Market Highlights

Recent Updates:

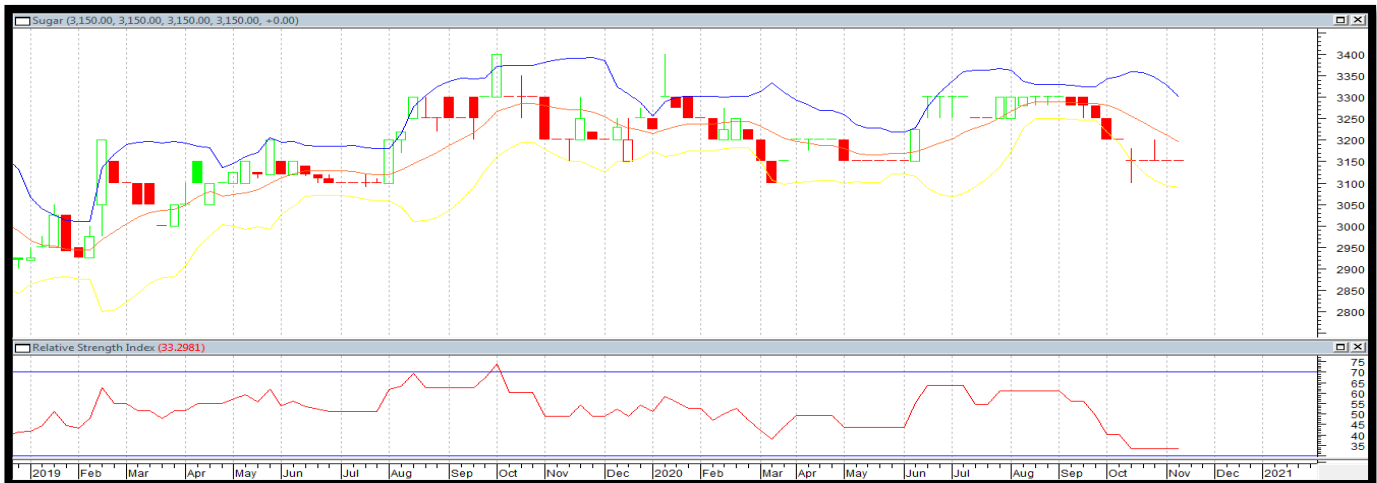
- **Food Ministry provides Rs 12,500 crore loans to set up ethanol units.** About 185 sugar mills and standalone distillers will be provided loans adding to Rs 12,500 crore for the capacity addition of about 468 crore liter of ethanol per annum, as to achieve the target of 20 percent of the blending with petrol. Earlier, 70 ethanol projects were sanctioned Rs 3,600 crore. The government is promoting ethanol production as well as reducing dependence on crude oil.
- **India has lost the opportunity to export sugar.** Due to delay in announcement of export policy by the government, India has lost the opportunity to export about 1.7 million tonnes of sugar as the buyers are now turned to other suppliers after waiting for India. This has helped increase international prices of raw sugar as well as white sugar by about 15% since October.

Previous Updates

- **Sugarcane farmers are demanding one time FRP.** The cane farmers from Maharashtra are demanding one time Fair and remunerative price (FRP) from sugar mills. The sugar mills in Kolhapur and Maharashtra have agreed to pay one time FRP but the mills from other parts of state have not responded to the demand.
- **Sugar mills in Uttar Pradesh assure farmers they will clear cane dues.** The sugarcane farmers had launched an agitation outside the Bijnor sugar mill premises to demand their cane arrears for the crushing season 2019-2020 be cleared immediately. The mills have assured them all the cane dues will be cleared by 30th November 2020. Farmers of Punjab and Haryana are also protesting their pending cane arrears.
- **According to Indian Sugar Mills Association about 14.10 lakh tonnes of sugar has been produced till 15th November 2020,** which was 4.84 lakh tonnes last year on 15th November 2019. This year 274 sugar mills have started crushing sugarcane, in Uttar Pradesh 76 sugar mills are producing 3.85 lakh tonnes of sugar, Similarly, crushing operations have been started in Maharashtra, Karnataka and Gujarat. Policy decisions regarding export policy along with export subsidy for the sugar year 20-21 and creation of buffer stock is still awaited from the government.

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

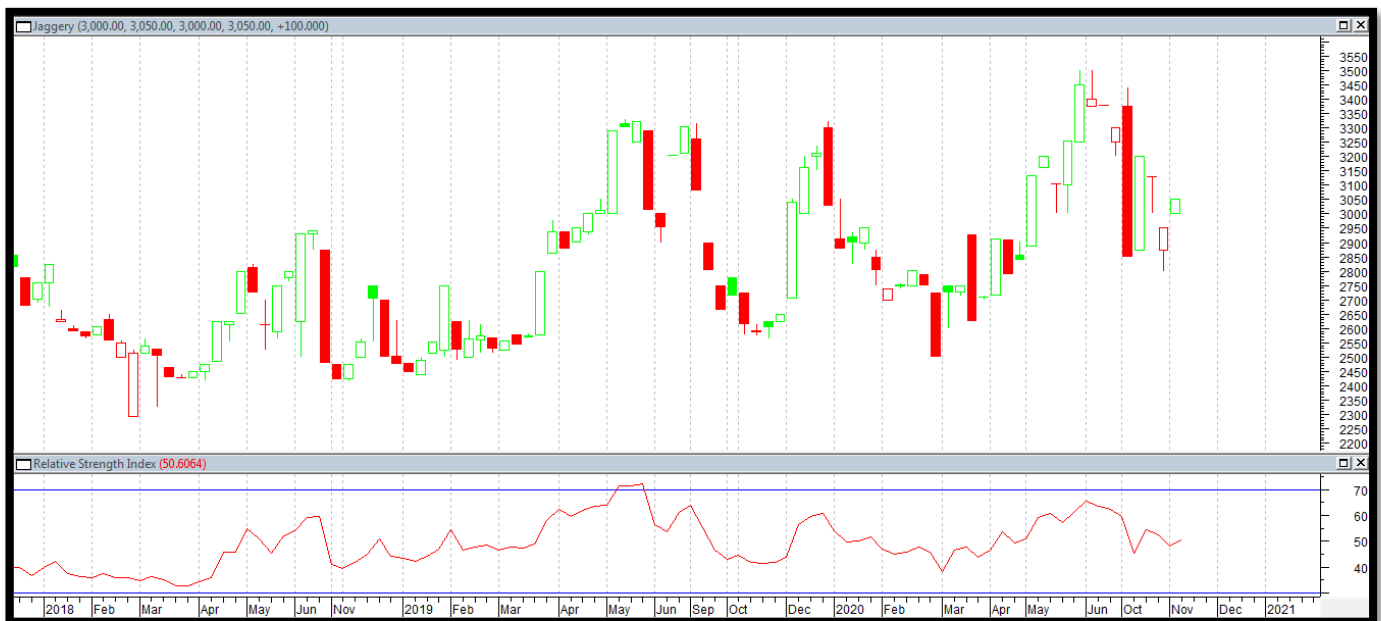
- The sugar spot prices at benchmark Kolhapur market remained steady during last week and ended at Rs.3150/q.
- Next resistance and support level for the next week is expected at Rs.3200 and Rs.3100 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- There was an increase in arrivals to around 68000 quintals 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 timewere 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:

- Sugar mills in Pakistan are facing sugarcane shortage.** The sugarcane farmers in Pakistan are demanding Rs. 40 more than the government fixed price of Rs200 . The mills are not able to pay the amount to farmers, hence may be forced to shut down in a week. The sugar mills have already started their operations as per government orders but are now facing problems due to shortage of cane.

Previous Updates:

- International Sugar Organization has forecast that the global sugar deficit will be increased to 3.5 million tonnes from 724,000 tonnes estimated earlier in August.** The deficit has been projected higher due to lower sugar output which is estimated at 171.1 million tonnes, lower from 173.5 million tonnes earlier. The sugar production estimates for Thailand has been reduced from 8.7 million tonnes to 8.2 million tonnes and for India from 31.5 million tonnes to 31 million tonnes. Also, the global sugar consumption has been increased from 174.2 million tonnes to 174.6 million tonnes.

- **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

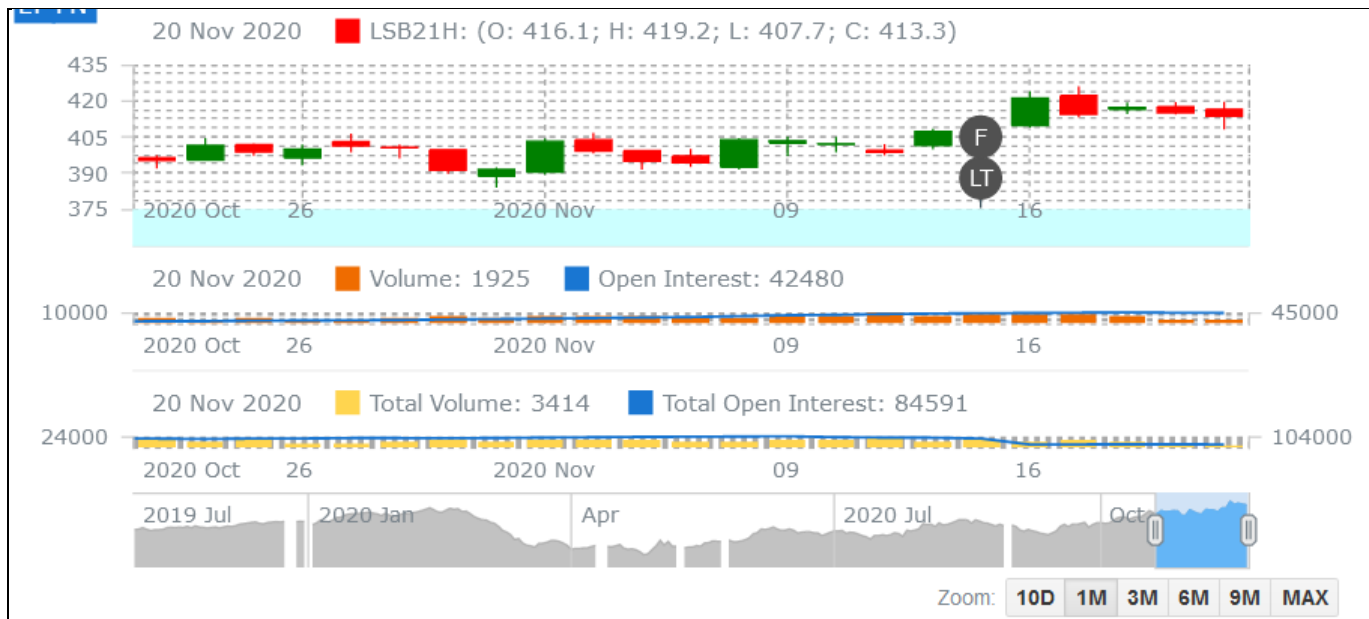
International Sugar Futures Price Projection

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

Technical Commentary

- LIFFE future market remained steady to weak during the week.
- Total volume increased & open interest decreased over a week.
- Strategy: Buy at level 407.7, T1 413.3

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'20	420.80	416-420

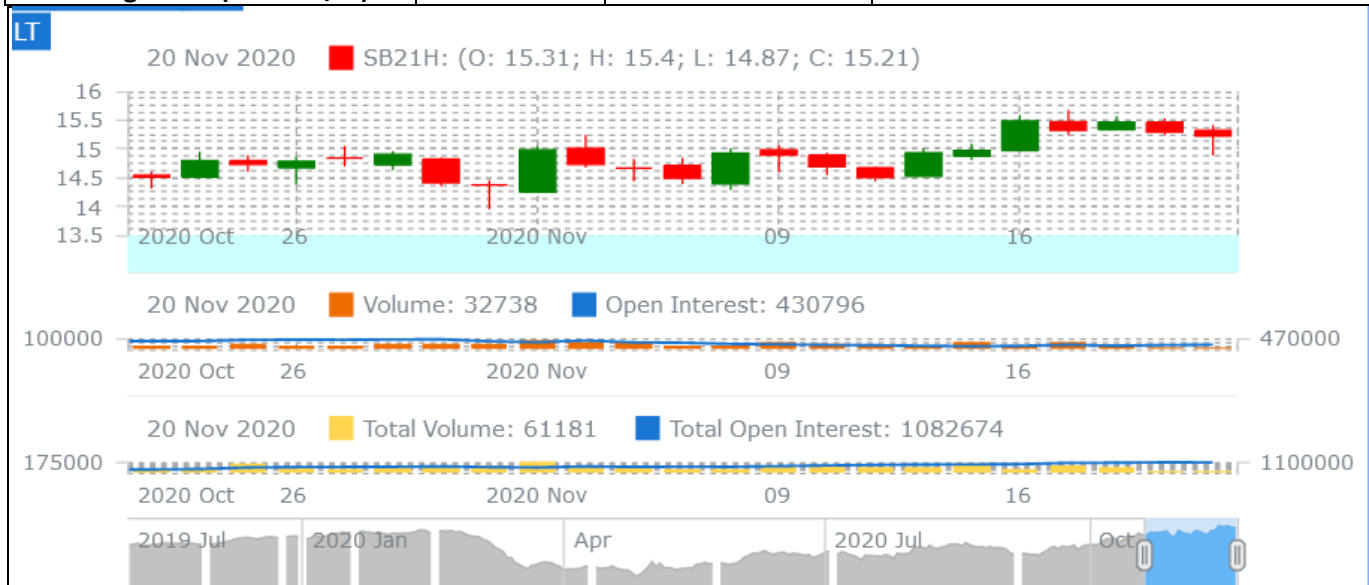


ICE (Raw Sugar Exchange) Future Market Scenario (Mar'21 Contract)

Technical Commentary:

- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest decreased in a week.
- Strategy: Buy at rate 14.87 Targeting 15.4.

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
Sugar			13th Nov'20 to 19th Nov'20	06th Nov'20 to 12th Nov'20	
Delhi	Delhi	M-Grade	3254	3248	6
	Delhi	S-Grade	3234	3228	5
Uttar Pradesh	Khatauli	M-Grade	3083	3058	25
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3110	3125	-15
	Dhampur	S-Grade Ex-Mill	3090	3105	-15
	Dhampur	L-Grade Ex-Mill	3160	3175	-15
Maharashtra	Mumbai	M-Grade	3494	3447	47
	Mumbai	S-Grade	3260	3267	-7
	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)	3560	3573	-13
	Vijayawada	S-Grade (With Duty)	3620	3633	-13
West Bengal	Kolkata	M-Grade	3650	3703	-53
Tamil Nadu	Chennai	S-Grade (With GST)	3560	3573	-13
	Dindigul	M-Grade (DCA)	3780	3780	Unch
	Coimbatore	M-Grade (DCA)	3660	3633	27
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)			13th Nov'20 to 19th Nov'20	06th Nov'20 to 12th Nov'20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2888	2971	-83
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	23000	68000	-45000
	Muzaffarnagar	Khurpa (Fresh)	2500	2442	58
	Muzaffarnagar	Laddoo (Fresh)	2815	2856	-41
	Muzaffarnagar	Rascut (Fresh)	2288	2367	-79
	Hapur	Chaurasa	2388	2453	-65

	Hapur	Balti	2413	2473	-60
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4225	4400	-175
	Belgaum	Mudde (Average)	3500	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3350	3507	-157
	Mandya	Achhu (Medium)	3360	3280	80
	Mandya	Kurikatu (Medium)	3040	3263	-223
	Mandya	Other (Medium)	2793	3038	-245
	Mandya	Yellow (Medium)	3350	3367	-17
	Shimoga	Achhu (Average)	3600	3600	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			20-Nov-20	17-Nov-20	21-Oct-20	20-Nov-19
Delhi	Delhi	M-Grade	3300	3250	3220	3400
	Delhi	S-Grade	3280	3230	3200	3380
Uttar Pradesh	Khatauli	M-Grade	3100	3080	3115	3420
	Ramala	M-Grade	NA	0	0	0
	Dhampur	M-Grade Ex-Mill	3125	3100	3150	3330
	Dhampur	S-Grade Ex-Mill	3105	3080	3130	3310
	Dhampur	L-Grade Ex-Mill	3175	3150	3200	3380
Maharashtra	Mumbai	M-Grade	3492	3492	3416	3596
	Mumbai	S-Grade	3260	3260	3272	3280
	Nagpur	M-Grade	3275	3275	3275	3375
	Nagpur	S-Grade	3225	3225	3225	3225
	Kolhapur	M-Grade	3150	3150	3150	3250
	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	3540	3700
	Vijayawada	S-Grade (With Duty)	3620	3620	3620	3640
West Bengal	Kolkata	M-Grade	3650	3650	3680	3650
Tamil Nadu	Chennai	S-Grade	3560	3560	3640	3800
	Dindigul	M-Grade (DCA)	3780	3780	3810	3600
	Coimbatore	M-Grade (DCA)	3660	3660	3620	3590

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)			20-Nov-20	17-Nov-20	21-Oct-20	20-Nov-19
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2900	2750	3000	2600
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	5000	5000	5000	8000
	Muzaffarnagar	Khurpa	2538	2513	2625	2413
	Muzaffarnagar	Laddoo	2850	2795	2925	2713
	Muzaffarnagar	Rascut	2275	2325	0	2050
	Hapur	Chaurasa	2400	2388	2425	2325
	Hapur	Balti	2425	2413	2500	2313
Andhra Pradesh	Chittur	Gold	NR	0	0	4900
		White	NR	0	0	4300
		Black	NR	0	0	0
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	4250	4200	4400	4650
	Belgaum	Mudde (Average)	NA	3500	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	3550
	Mahalingapura	Penti (Average)	NA	0	3430	3348
	Mandya	Achhu (Medium)	3360	3300	3380	3210
	Mandya	Kurikatu (Medium)	3200	3000	3230	3000
	Mandya	Other (Medium)	3000	2800	3200	3050
	Mandya	Yellow (Medium)	3320	3400	3310	3170
	Shimoga	Achhu (Average)	3600	3600	3600	0

International Sugar Prices (Weekly Average)

	Contract Month	13th Nov'20 to 19th Nov'20	06th Nov'20 to 12th Nov'20	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	15.29	14.78	0.51
	21-May	14.37	14.05	0.32
	21-Jul	13.63	13.39	0.24
LIFFE Sugar (US \$/MT)	20-Dec	389.18	400.78	-11.60
	21-Mar	414.66	402.66	12.00
	21-May	403.56	398.22	5.34

Source: MRCI

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