

Price Outlook:

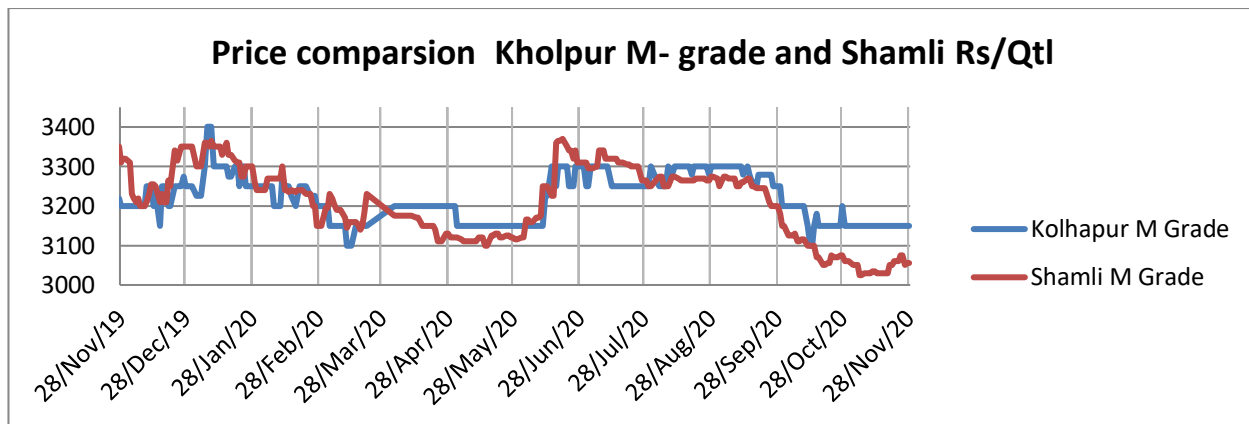
The sugarcane farmers are demanding their cane arrears be cleared soon, in various states. Sugar production in Uttar Pradesh has increased about 3.85 lakh tonnes, more than the previous year's 2.93 lakh tonnes. India has lost the opportunity to export about 1.7 million tonnes of sugar due to delay in Export Policy announcement. The average sugar prices increased in Khatauli market at Rs.3115/q to Rs.3082/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 estimates, 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.3060 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:

- **Government fixes 21.5 LMT Monthly sales quota for December Month.** The food Ministry has allocated 21.5 LMT of monthly sales quota for December 2020 to the 550 mills in India. The allocated monthly sales quota is same as the quota allocated in December 2019. In the previous month, the government has given a sales quota of 22.5 LMT to 548 sugar mills.
- **More than 170 hectares of sugarcane crop has been damaged due to cycloneNivar in Puducherry.** According to the preliminary estimates the initial damage due to the cyclone was around Rs 400 crore and about 170 hectares of sugarcane crop has been damaged.

Previous Updates

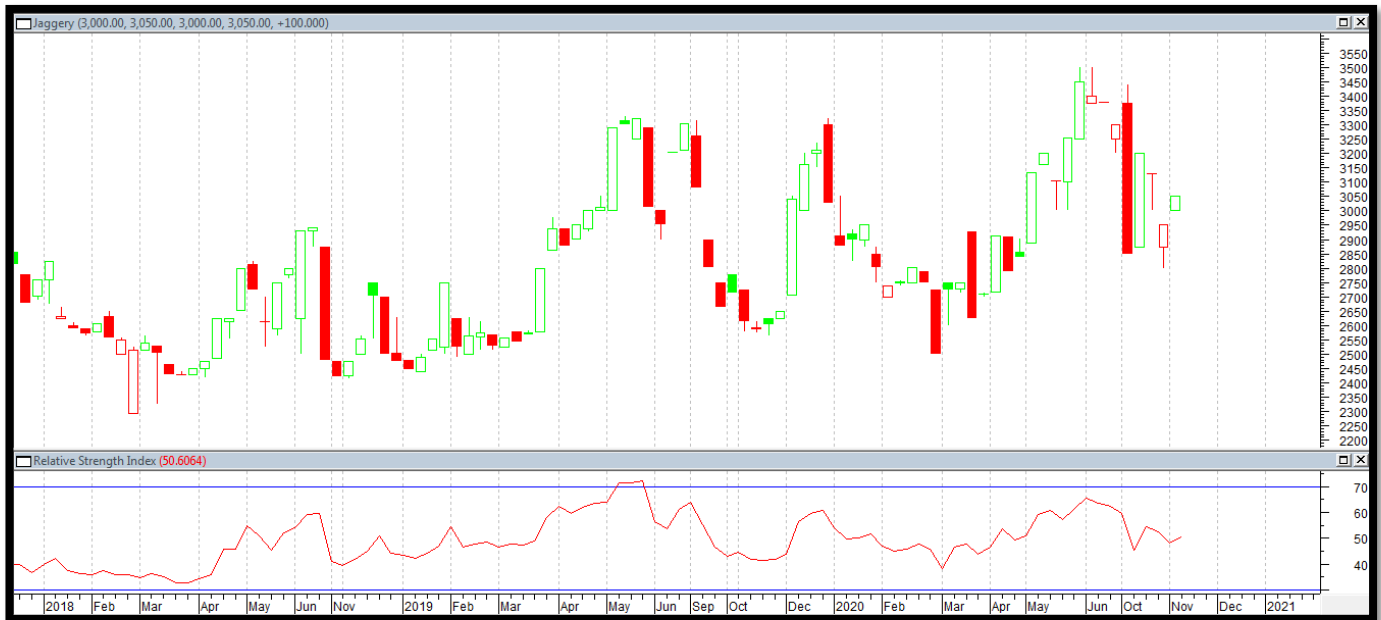
- **The sugar recovery percentage has reduced in Uttar Pradesh from 9.54% in 2019-20 to 9.15% at the beginning of the crushing season.** The private sugar mills have recorded a decline from 9.57% to 9.16% and the cooperative sugar mills from 9.06% to 8.82%. The decrease in sugar recovery percentage is due to damage to the crop through untimely rains and occurrence of red rot , mainly in eastern Uttar Pradesh.
- **Sugar production increases in Uttar Pradesh.** The sugar production in Uttar Pradesh has increased to about 3.85 lakh tonnes which is 30 percent more than the corresponding period last year 2.93 lakh tonnes. About 76 mills are operating in this season in Uttar Pradesh.
- **Sugar mills are advised to clear cane dues within 15 days.** The sugar mills of Kalaburagi in Karnataka have been advised to clear cane bills of the farmers within 15 days of procurement. The factories in the district should pay Rs 2, 500 per tonne to the farmers for their produce.
- **Food Ministry has allocated Rs 12,500 crore for loans to set up ethanol units.** About 185 sugar mills and standalone distillers will be provided a loan of Rs12,500 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 amounting Rs 3, 600 crore. The government is promoting ethanol production.
- **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.

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 last week of 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 trading starts.
- In the daily chart the prices have gained but there is no bullish reversal pattern that 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:

- **Indonesia aims to increase in sugar production.** The Indonesian government is planning to increase sugarcane plantation on 200,000 hectares of land in Java Island through state-owned enterprise and land expansion of 50,000 hectares of land outside Java. The government has set a target to raise sugar output by around 676,000 tons by 2023 reducing the reliance on sugar imports. As a result, the country wants to control the sugar price hike which has risen due to the corona virus pandemic.

Previous Updates:

- **Sugar mills in Pakistan are facing sugarcane shortage.** The sugarcane farmers in Pakistan are demanding a higher price than the fixed price of Rs200 per 40 kg by the government. 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.
- **International Sugar Organization has forecasted 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 lower 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.

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
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

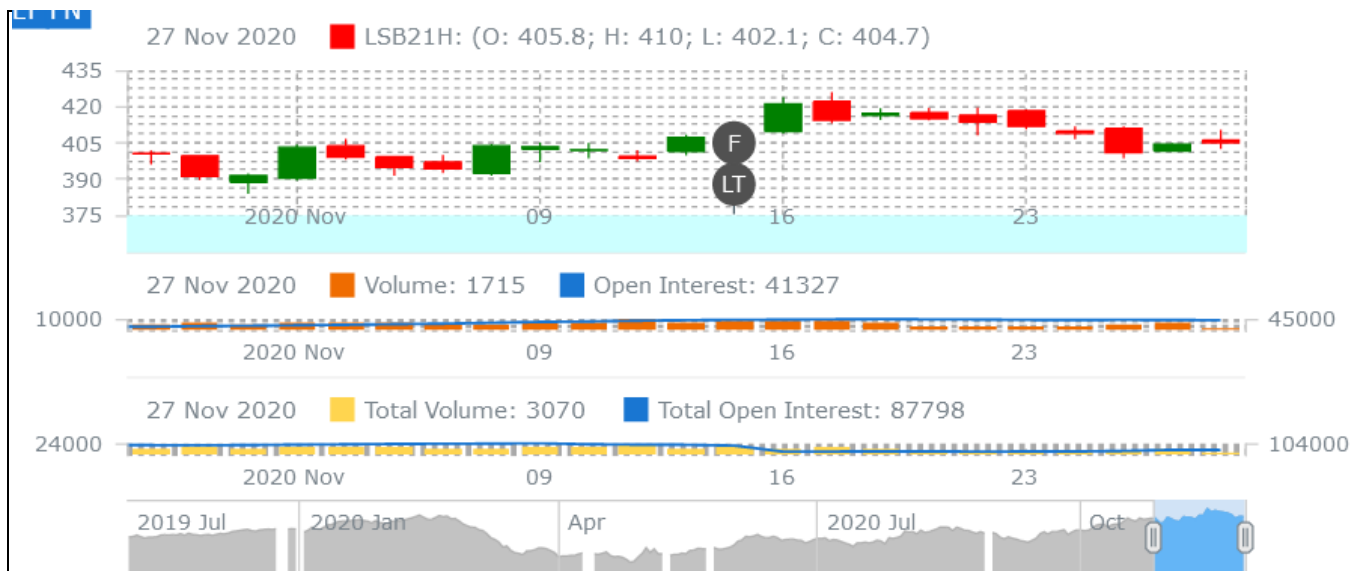
International Sugar Futures Price Projection

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 406, T1 404.7

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

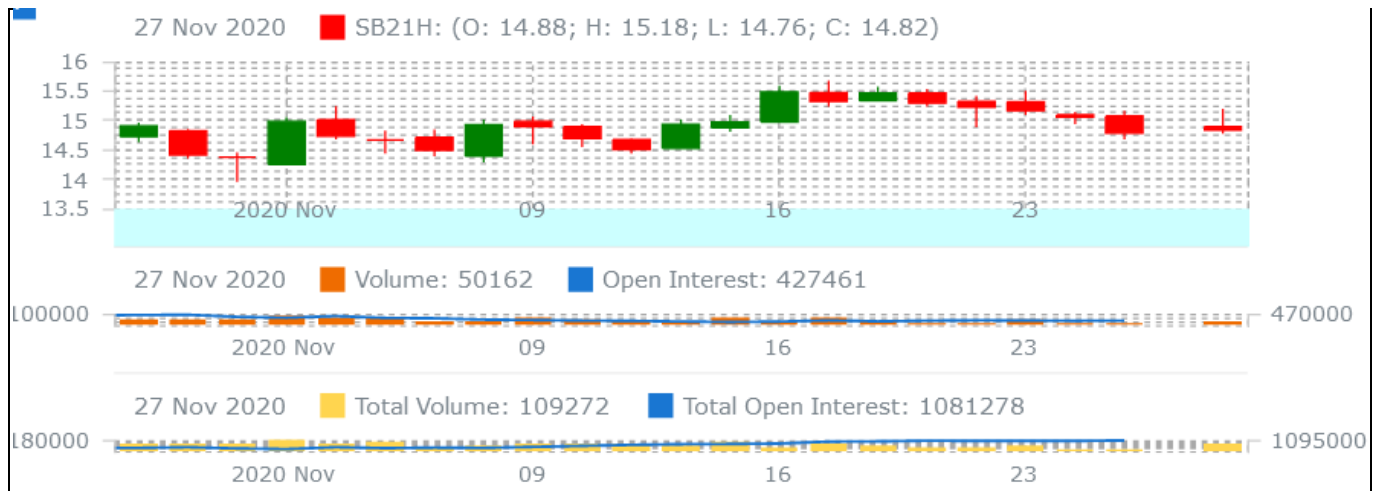


ICE (Raw Sugar Exchange) Future Market Scenario (Mar'21 Contract)

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 14.89 Targeting 14.82.

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
			20th Nov'20 to 26th Nov'20	13th Nov'20 to 19th Nov'20	
Delhi	Delhi	M-Grade	3297	3254	43
	Delhi	S-Grade	3277	3234	43
Uttar Pradesh	Khatauli	M-Grade	3115	3083	32
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3132	3110	22
	Dhampur	S-Grade Ex-Mill	3112	3090	22
	Dhampur	L-Grade Ex-Mill	3182	3160	22
Maharashtra	Mumbai	M-Grade	3494	3493	1
	Mumbai	S-Grade	3260	3260	Unch
	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	3560	Unch
	Vijayawada	S-Grade (With Duty)	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3650	3650	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3560	3560	Unch
	Dindigul	M-Grade (DCA)	3780	3780	Unch
	Coimbatore	M-Grade (DCA)	3615	3660	-45

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)			20th Nov'20 to 26th Nov'20	13th Nov'20 to 19th Nov'20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2896	2888	8
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	46000	23000	23000
	Muzaffarnagar	Khurpa (Fresh)	2700	2500	200
	Muzaffarnagar	Laddoo (Fresh)	2910	2815	95
	Muzaffarnagar	Rascut (Fresh)	2496	2288	208
	Hapur	Chaurasa	2470	2388	82
	Hapur	Balti	2435	2413	22
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4250	4225	25
	Belgaum	Mudde (Average)	3500	3500	Unch
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3353	3350	3
	Mandya	Achhu (Medium)	3290	3360	-70
	Mandya	Kurikatu (Medium)	3200	3040	160
	Mandya	Other (Medium)	3008	2793	215
	Mandya	Yellow (Medium)	3242	3350	-108
	Shimoga	Achhu (Average)	3600	3600	Unch

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			28-Nov-20	24-Nov-20	29-Oct-20	28-Nov-19
Delhi	Delhi	M-Grade	3270	3270	3240	3380
	Delhi	S-Grade	3250	3250	3220	3360
Uttar Pradesh	Khatauli	M-Grade	3130	3125	3125	3380
	Ramala	M-Grade	NA	NA	NA	NA
	Dhampur	M-Grade Ex-Mill	3125	3150	3125	3325
	Dhampur	S-Grade Ex-Mill	3105	3130	3105	3305

	Dhampur	L-Grade Ex-Mill	3175	3200	3175	3375
Maharashtra	Mumbai	M-Grade	3496	3496	3426	3612
	Mumbai	S-Grade	3256	3262	3282	3280
	Nagpur	M-Grade	3275	3275	3275	3325
	Nagpur	S-Grade	3225	3225	3225	3325
	Kolhapur	M-Grade	3150	3150	3150	3200
	Kolhapur	S-Grade	3100	3100	3100	3110
Assam	Guhawati	S-Grade	3360	3360	3360	3370
Meghalaya	Shillong	S-Grade	3420	3420	3420	3430
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3560	3560	3580	3680
	Vijayawada	S-Grade (With Duty)	3620	3620	3640	3620
West Bengal	Kolkata	M-Grade	3650	3650	3680	3640
Tamil Nadu	Chennai	S-Grade	3560	3560	3580	3590
	Dindigul	M-Grade (DCA)	3780	3780	3810	3600
	Coimbatore	M-Grade (DCA)	3570	3570	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)			28-Nov-20	24-Nov-20	29-Oct-20	28-Nov-19
Uttar Pradesh	Muzaffarnagar	ChakuSukha	2875	3013	3063	2600
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	10000	7000	8000	1000
	Muzaffarnagar	Khurpa	2538	2775	2425	2350
	Muzaffarnagar	Laddoo	2900	2988	2800	2653
	Muzaffarnagar	Rascut	2438	2675	2325	2075
	Hapur	Chaurasa	2563	2463	2375	2288
	Hapur	Balti	2425	2450	2438	2250
Andhra Pradesh	Chittur	Gold	NA	NA	NA	4850
		White	NA	NA	NA	4250
		Black	NA	NA	NA	3650
Maharashtra	Latur	Lal Variety				
Karnataka	Bangalore	Mudde (Average)	4250	4250	4400	4650
	Belgaum	Mudde (Average)	NA	NA	NA	NA
	Belthangadi	Yellow (Average)	NA	NA	NA	NA
	Bijapur	Achhu	NA	NA	NA	3100
	Gulbarga	Other (Average)	NA	NA	NA	3560
	Mahalingapura	Penti (Average)	3289	3377	NA	3302
	Mandya	Achhu (Medium)	3100	3300	3300	2780
	Mandya	Kurikatu (Medium)	3100	3200	3200	2800

	Mandya	Other (Medium)	2850	3100	3150	2900
	Mandya	Yellow (Medium)	3050	3000	3400	2840
	Shimoga	Achhu (Average)	3600	3600	3600	3400

International Sugar Prices (Weekly Average)				
	Contract Month	20th Nov'20 to 26th Nov'20	13th Nov'20 to 19th Nov'20	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	14.99	15.29	-0.30
	21-May	14.11	14.37	-0.26
	21-Jul	13.49	13.63	-0.14
LIFFE Sugar (US \$/MT)	20-Dec	382.50	389.18	-6.68
	21-Mar	406.52	414.66	-8.14
	21-May	399.08	403.56	-4.48

Source: MRCI

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