

**Price Outlook:**

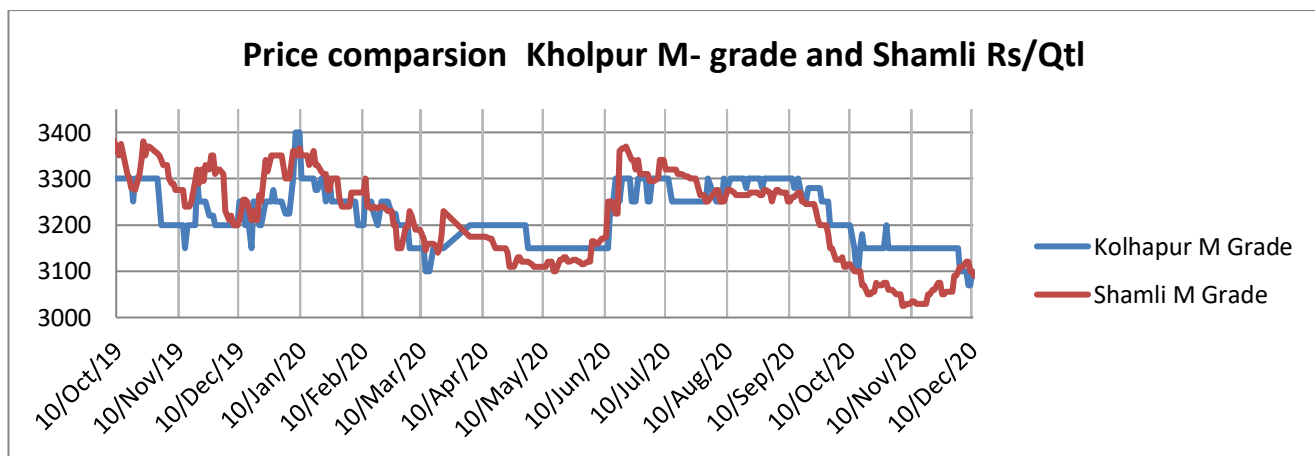
The sugar mills have cleared 100% of the cane dues in most of the states. Sugar recovery percentage has reached about 10 percent in Kolhapur. The average sugar prices increased in Khatauli market at Rs.3194/q to Rs.3162/q previous week. The prices in Maharashtra also stood slightly firm at Rs.3275/q.

**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.3140 -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.3090 per quintal, while spot sugar prices for the same grade in Shamli district stood at Rs.3110 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:

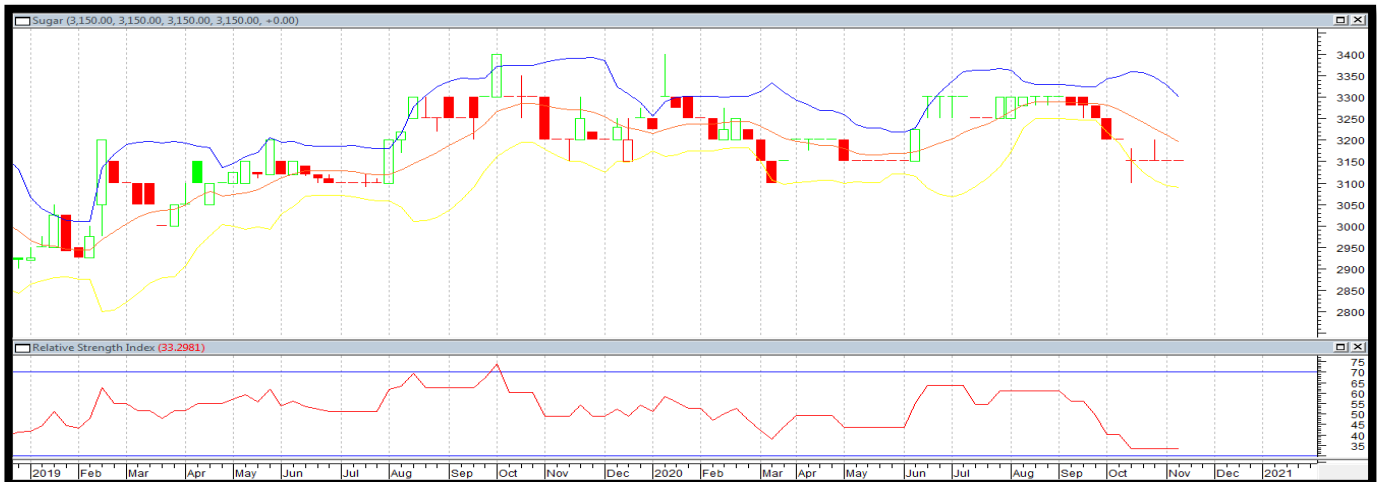
- **Sugar mills in Maharashtra have started producing ethanol.** About 41 sugar mills in Maharashtra have started producing ethanol from B heavy molasses, 9 mills are producing ethanol from sugar syrup and 6 mills are following the Brazilian pattern directly through sugarcane juice. Also, government has recently announced the hike in ethanol price for supply of oil marketing companies. The ethanol prices were raised to Rs. 62.65 per litre from Rs. 59.48 per liter earlier for ethanol extracted from sugarcane juice, ethanol from C- heavy molasses has been increased from Rs. 43.75 per litre to Rs. 45.69 per litre and ethanol from B- heavy molasses was Rs. 57.61 per litre from Rs. 54.27 per litre earlier.

#### Previous Updates

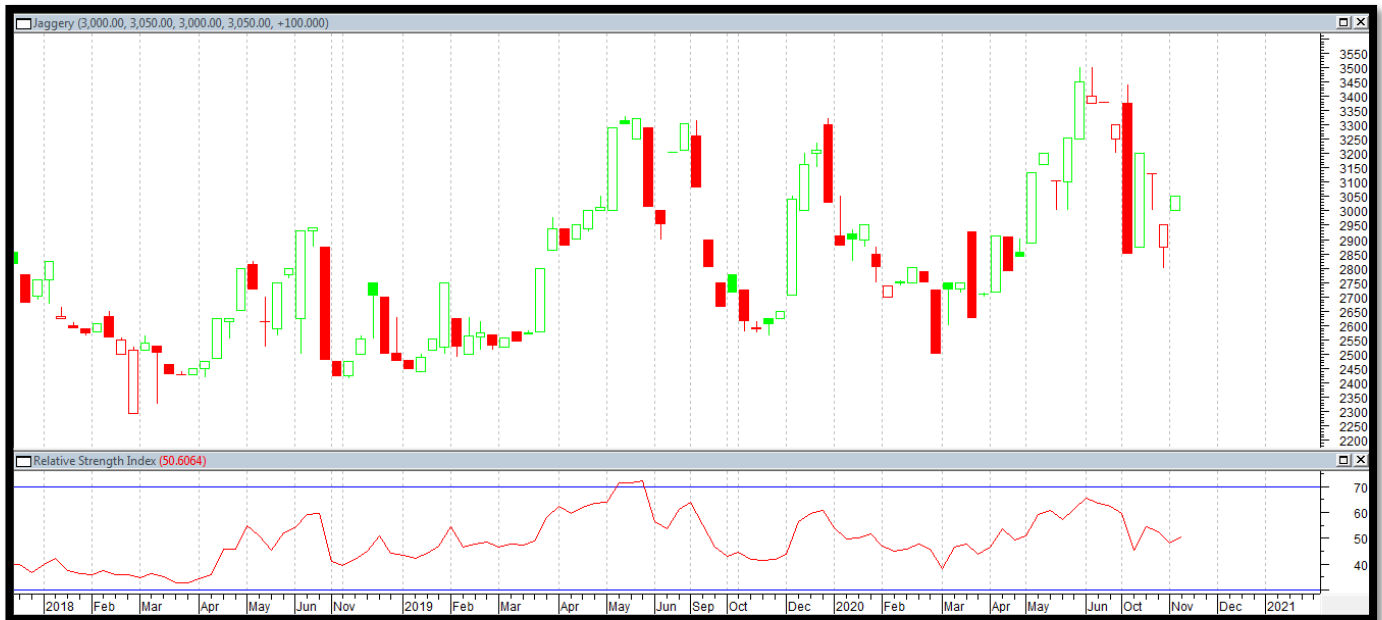
- **Odisha cane farmers are demanding early cane crushing.** Sugarcane farmers in Berhampur, Odisha are demanding the government allow cane crushing operations by the first week of January and are also demanding to raise sugarcane price to Rs. 3,500 per tonne. About 8,000 acres of land is under sugarcane crop this year. Farmers are expecting bumper yield but they will only be benefited if the prices are increased.
- **Sulphur less sugar plants have been established for the first time in Uttar Pradesh.** Sulfur less plant in Pipraich and Munderwa sugar mills have been established by the government, for the production of good quality sugar in the beginning of the crushing season 2020-21. and produced around 4.43 and 4.02 quintals of sugar respectively, by the crushing of 45.33 and 44.18 lakh quintals of sugarcane.
- **Sugar mills in Shamli are asked to clear cane dues.** The sugar mills in the district have paid Rs. 922.53 crore against due of Rs. 1216.58 crore. The mills are asked to clear cane dues to the farmer at their earliest. Where else, the sugar mills are claiming that they are suffering from cash crunch and are unable to pay cane dues.
- **Sugar recovery percentage reaches 10 percent in Kolhapur.** About 161 sugar mills are currently operating in Maharashtra, and by crushing 205.17 lakh tonnes of sugarcane, mills have produced about 179.82 lakh quintals of sugar. The higher production is because of the earlier start of crushing operations and higher availability of sugarcane in this season. Average sugar recovery percentage of the state is 8.76 percent; Kolhapur has recorded 10.13 percent average sugar recovery for the crushing season 2020-21.
- **Sugarcane crop gets completely damaged in Tamilnadu.** Cyclone Burevi has caused damage to sugarcane crop in Tiruvarur district of Tamilnadu, the crop was ready to be harvested in next 2-3 weeks but now has damaged completely due to cyclone. The cyclone has brought incessant rainfall to the delta district. According to IMD, the deep depression weakened into a depression over the Gulf of Mannar and is likely to remain practically stationary over the same region and weaken into a well-marked low- pressure area.

**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.3090/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 50000 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week stood firm at Rs. 2715/q and the prices in the last year during the same time were higher at Rs. 2986/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
<b>Sugar</b>	NCDEX	Dec	13.8	14.0	14.43	14.30	14.50
Intraday Trade Call			Call	Entry	T1	T2	SL
<b>Sugar</b>	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.
- 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

- **Sugar prices fixed at Rs 83 per kg in Pakistan.** The district administration in Faisalabad has fixed the prices of sugar at Rs 84 per kg. Due to shortage of the commodity, the government was forced to import sugar earlier to meet the domestic supply. The prices of the sugar are being regulated by the government to ensure that the consumers get sugar at affordable rates.
- **Egypt has extended its import ban for 3 months.** The Egypt's Trade and Industry Ministry has extended the ban on white and raw sugar for three more months. The decision was taken to have a control over imported products and to control spread of corona virus.

### 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

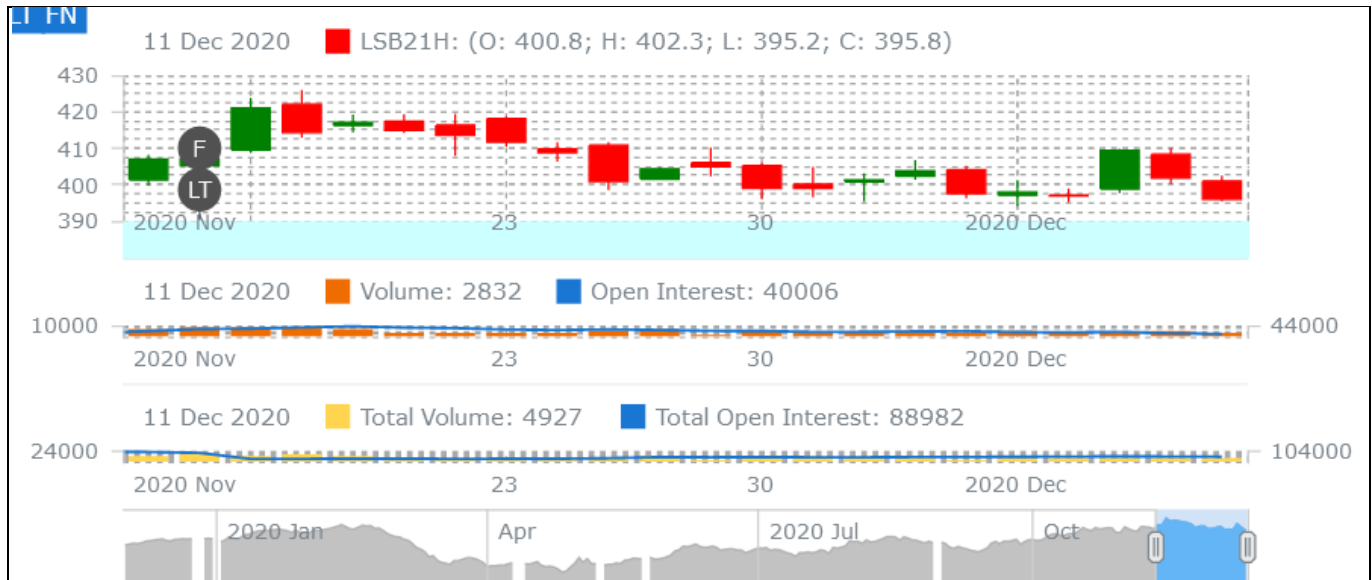
### International Sugar Futures Price Projection

#### 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 403, T1 395.7

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

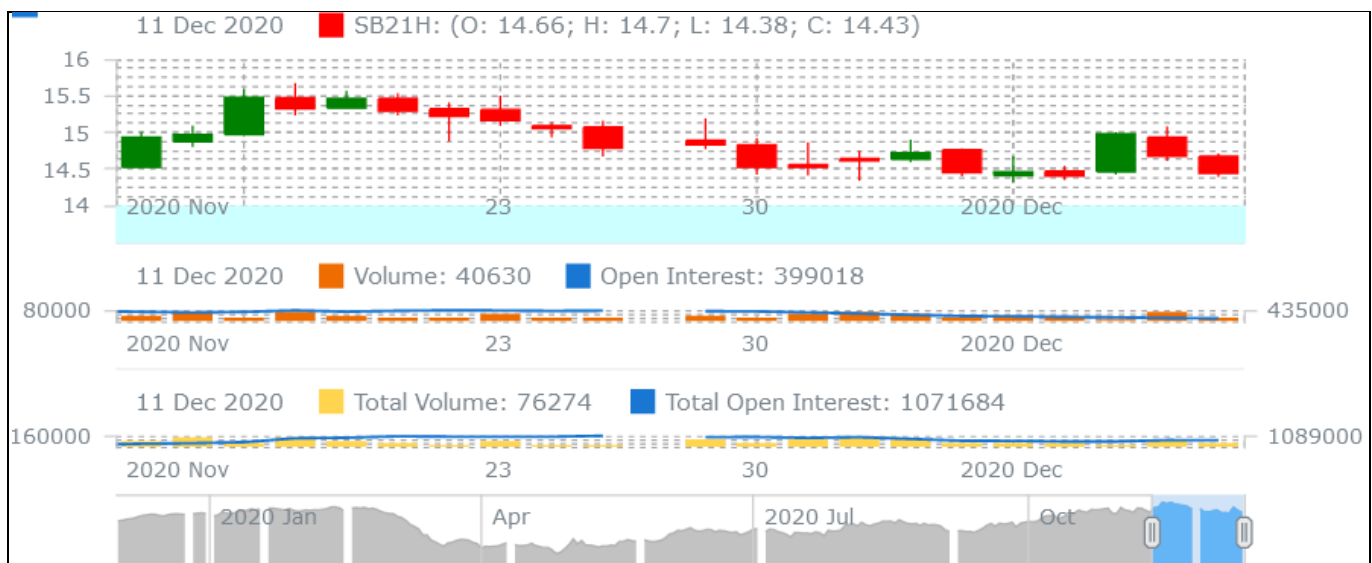


### ICE (Raw Sugar Exchange) Future Market Scenario (Mar'21 Contract)

#### 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 14.37 Targeting 14.43.

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			04th Dec'20 to 10th Dec'20	27th Nov'20 to 03rd Dec'20	
Delhi	Delhi	M-Grade	3269	3276	-7
	Delhi	S-Grade	3249	3256	-7
Uttar Pradesh	Khatauli	M-Grade	3194	3162	32
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	3146	3136	10
	Dhampur	S-Grade Ex-Mill	3123	3116	7
	Dhampur	L-Grade Ex-Mill	3193	3186	7
Maharashtra	Mumbai	M-Grade	3430	3494	-64
	Mumbai	S-Grade	3238	3250	-12
	Nagpur	M-Grade	3215	3275	-60
	Nagpur	S-Grade	3188	3225	-37
	Kolhapur	M-Grade	3090	3150	-60
	Kolhapur	S-Grade	3063	3100	-37
Assam	Guhawati	S-Grade	3373	3410	-37
Meghalaya	Shillong	S-Grade	3383	3420	-37
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3560	3560	Unch
	Vijayawada	S-Grade (With Duty)	3260	3620	-360
West Bengal	Kolkata	M-Grade	3650	3650	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3560	3560	Unch
	Dindigul	M-Grade (DCA)	3690	3780	-90
	Coimbatore	M-Grade (DCA)	3570	3570	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)			04th Dec'20 to 10th Dec'20	27th Nov'20 to 03rd Dec'20	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2715	2780	-65
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	50000	50000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2461	2515	-54
	Muzaffarnagar	Laddoo (Fresh)	2760	2863	-103
	Muzaffarnagar	Rascut (Fresh)	2260	2390	-130

	Hapur	Chaurasa	2481	2513	-32
	Hapur	Balti	24834	2422	22411
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4400	4350	50
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3185	3239	-54
	Mandya	Achhu (Medium)	3000	3067	-67
	Mandya	Kurikatu (Medium)	2955	3067	-112
	Mandya	Other (Medium)	2883	2890	-7
	Mandya	Yellow (Medium)	3022	3007	15
	Shimoga	Achhu (Average)	3600	3600	Unch

## Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			12-Dec-20	08-Dec-20	12-Nov-20	12-Dec-19
Delhi	Delhi	M-Grade	3235	3260	3260	3250
	Delhi	S-Grade	3215	3240	3240	3230
Uttar Pradesh	Khatauli	M-Grade	3150	Closed	3075	3335
	Ramala	M-Grade	NA	Closed	0	0
	Dhampur	M-Grade Ex-Mill	3125	Closed	3100	3230
	Dhampur	S-Grade Ex-Mill	3105	Closed	3080	3210
	Dhampur	L-Grade Ex-Mill	3175	Closed	3150	3280
Maharashtra	Mumbai	M-Grade	3380	Closed	3500	3590
	Mumbai	S-Grade	3232	Closed	3270	3270
	Nagpur	M-Grade	3225	3195	3275	3375
	Nagpur	S-Grade	3225	3125	3225	3225
	Kolhapur	M-Grade	3100	3070	3150	3250
	Kolhapur	S-Grade	3100	3000	3100	3100
Assam	Guhawati	S-Grade	3410	3309	3410	3410
Meghalaya	Shillong	S-Grade	3420	3320	3420	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3560	3560	3560	3640
	Vijayawada	S-Grade (With Duty)	3620	3620	3620	3580
West Bengal	Kolkata	M-Grade	3650	3650	3650	3620
Tamil Nadu	Chennai	S-Grade	3560	3560	3560	3560



	Dindigul	M-Grade (DCA)	3600	3600	3780	3560
	Coimbatore	M-Grade (DCA)	3570	3570	3660	3590
<b>Chattisgarh</b>	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)			12-Dec-20	08-Dec-20	12-Nov-20	12-Dec-19
<b>Uttar Pradesh</b>	Muzaffarnagar	ChakuSukha	2750	Closed	3050	3028
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	2000	Closed	12000	6000
	Muzaffarnagar	Khurpa	2505	Closed	2450	2713
	Muzaffarnagar	Laddoo	2788	Closed	2788	3013
	Muzaffarnagar	Rascut	2200	Closed	2313	2225
	Hapur	Chaurasa	2525	Closed	2388	2563
	Hapur	Balti	2550	Closed	2413	2500
<b>Andhra Pradesh</b>	Chittur	Gold	NR	0	0	4300
		White	NR	0	0	4200
		Black	NR	0	0	0
<b>Maharashtra</b>	Latur	Lal Variety	NR	0	0	0
<b>Karnataka</b>	Bangalore	Mudde (Average)	NA	4400	4400	4300
	Belgaum	Mudde (Average)	NA	0	3500	2900
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	3750
	Mahalingapura	Penti (Average)	NA	3205	0	3427
	Mandya	Achhu (Medium)	NA	2950	3300	2900
	Mandya	Kurikatu (Medium)	NA	2950	3280	2700
	Mandya	Other (Medium)	NA	2850	2900	2730
	Mandya	Yellow (Medium)	NA	3000	3350	2870
	Shimoga	Achhu (Average)	NA	3600	3600	3500

International Sugar Prices (Weekly Average)				
	Contract Month	04th Dec'20 to 10th Dec'20	27th Nov'20 to 03rd Dec'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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