

Price Outlook:

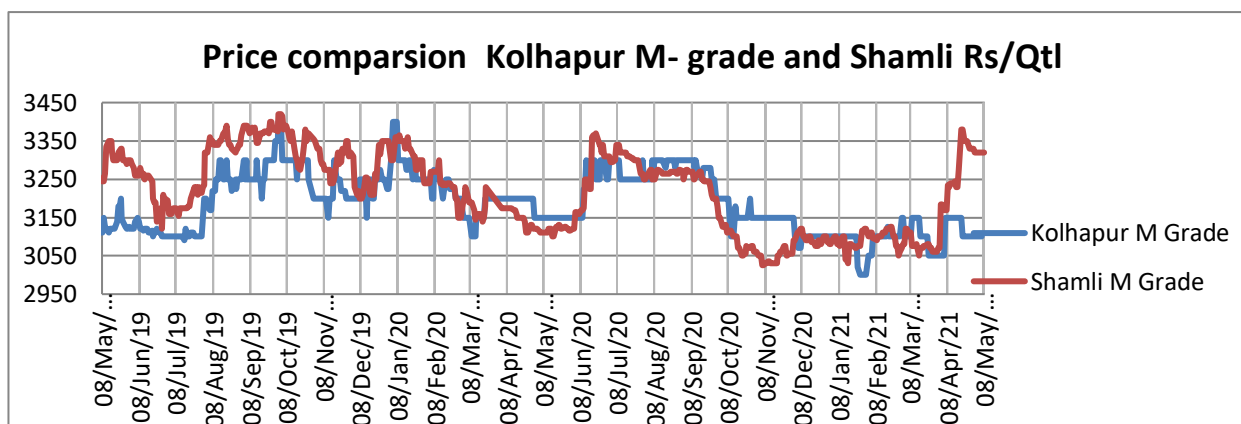
The Department of Food & Public Distribution has allocated 22 lakh MT monthly sugar sales quota for May 2021. Sugar cane crushing season is in its final phase in most of the states across the country. After the Osmanabad sugar mill has begun the generation of oxygen from its ethanol plant, Karnataka is too planning to generate oxygen in their sugar mills. Major markets across the country are closed due to rising corona virus cases and lockdown restrictions. The average sugar prices were same as previous week in Khatauli market at Rs.3405/q. The prices in Maharashtra also stood slightly firm at Rs.3100/q.

Price Projection for the Next week

As per the Agriwatch estimates, spot sugar prices (M grade) in benchmark Kolhapur market are likely to remain steady and in range next week between Rs.3100 -3150 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3100 per quintal, while spot sugar prices for the same grade in Shamli district stood at Rs.3320 per quintal during the week.

**Domestic Market Highlights****Recent Updates:**

Sugarcane crushing season in Maharashtra is in the final phase. Around 190 sugar mills had participated in the ongoing sugar season and out of that about 181 sugar mills have ended their cane crushing season and only 9 are operating. Sugar mills have produced around 1059.72 lakh quintal sugar by crushing 1009.84 lakh tonne sugarcane till May 6. The mills have reported an average recovery rate of 10.49 per cent.

Previous Updates

- Maharashtra has set a new record of cane crushing over 1,000 lakh tonne.** Maharashtra has crushed around 1,000 lakh tonnes of cane and have produced more than 1,000 lakh quintal of sugar during the current crushing season, Till 29th April'21 the sugar mills in the state have produced 1055.99 lakh quintal sugar by crushing 1006.90 lakh tonne of sugarcane. However, the sugar millers are worried as whether they are able to sell the excess sugar in the market or not considering the present corona virus situation.

- **Sugar mills from India have contracted to supply 302.3 crorelitres of ethanol to Oil Marketing Companies.** According to the Indian Sugar Mills Association, against the total LOI quantity of 325.93 crore liters around 302.53 crore liters have been contracted and around 117.72 crore liters of ethanol have been supplied till 19th April'2021. Out of the total about 77 percent comprises of ethanol made from sugarcane juice / B-heavy molasses. Average ethanol blending rate in India has reached 7.36 percent in this season, whereas major ethanol producing states across the country have reached 10 percent blending rate.
- **Uttar Pradesh sugar mills have cleared 100 percent payment of the sugarcane farmers for the last crushing season.** Sugar mills have paid around Rs. 35,899 crore to farmers of the previous season 2019-20 and about 61 percent of the cane price of the current crushing season 2020-21. Although the cane crushing season is about to end in Uttar Pradesh and around 50 sugar mills are currently operating.

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

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



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

- There was a increase in arrivals and it stood around 4000 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week was at Rs. 3175/q and the prices in the last year were lower at Rs. 2881/q.
- RSI stood in the neutral region.

**International Market Highlights****Recent Updates:**

Global sugar output is likely to increase to 2.74 million tonnes in 2021/22 from a deficit of 1.51 million tonnes in 2020/21. With good sugar crop in India along with the production recovery in Thailand and higher yield in Europe despite frosts in France are the main reason behind the hike in sugar surplus. Although sugar output in Brazil is expected to decrease the global output will have a surplus. Sugar output in Brazil is likely to drop to 36.3 million tonnes from 38.5 million tonnes compared with last season. India is expected to produce around 30 million tonnes this season and Thailand production is expected to increase to 85 million tonnes from 66 million tonnes last season.

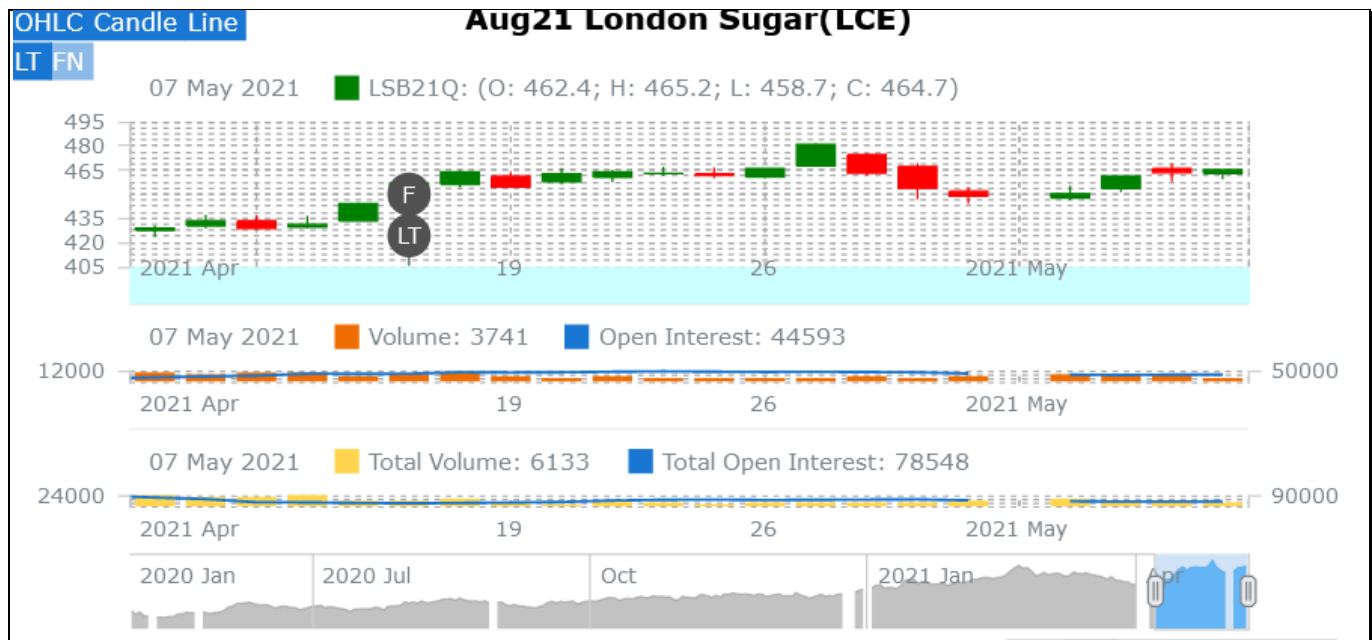
Previous Updates

- **Sugar output has fallen in Brazil.** Brazil has witnessed 35 percent lower sugar output in April'2021 compared with the previous year as lower number of mills has started crushing operation in the current season. Around 141 mills were operating in first half of April against 180 mills during last year. The center-south region has recorded an output of 624,000 tonnes in the first half of April as against 971,000 tonnes in a similar period last year. During this period 15.6 million tonnes of cane was crushed which is 30% less than in 2020 sugar season. Ethanol production has also fallen 25 percent to 731 million litres during the same period.
- **China is likely to increase sugar imports during 2021-30 period as the consumption is likely to reach 16.44 million tonnes in 2030.** The total sugar output of the country is likely to reach 11.35 million tonnes by 2030 due to the increase in the area under sugarcane plantation. China is likely to increase sugar importation in the next few years to meet the domestic demand. The sugar imports are likely to grow at an average annual rate of 5.8% to reach 5.52 million tonnes in 2030.
- **Sugar output has decreased in Bangladesh.** According to the Bangladesh Food and Industries Corporation, Bangladesh sugar production has decreased this season and is at 48,055 tonnes, the sugar recovery percentage has also reduced to about 5.49 percent. The sugar production has mainly fallen because of the closing of state owned sugar mills in Bangladesh and also delayed cane harvesting in this season.

International Sugar Futures Price Projection**LIFFE (White Sugar Exchange) Future Market Sugar Scenario (May'21 Contract)****Technical Commentary**

- LIFFE future market remained steady to weak during the week.
- Total volume increased & open interest increased over a week.
- Strategy: Buy at level 465.2, T1 458.6

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'21	465	460-480

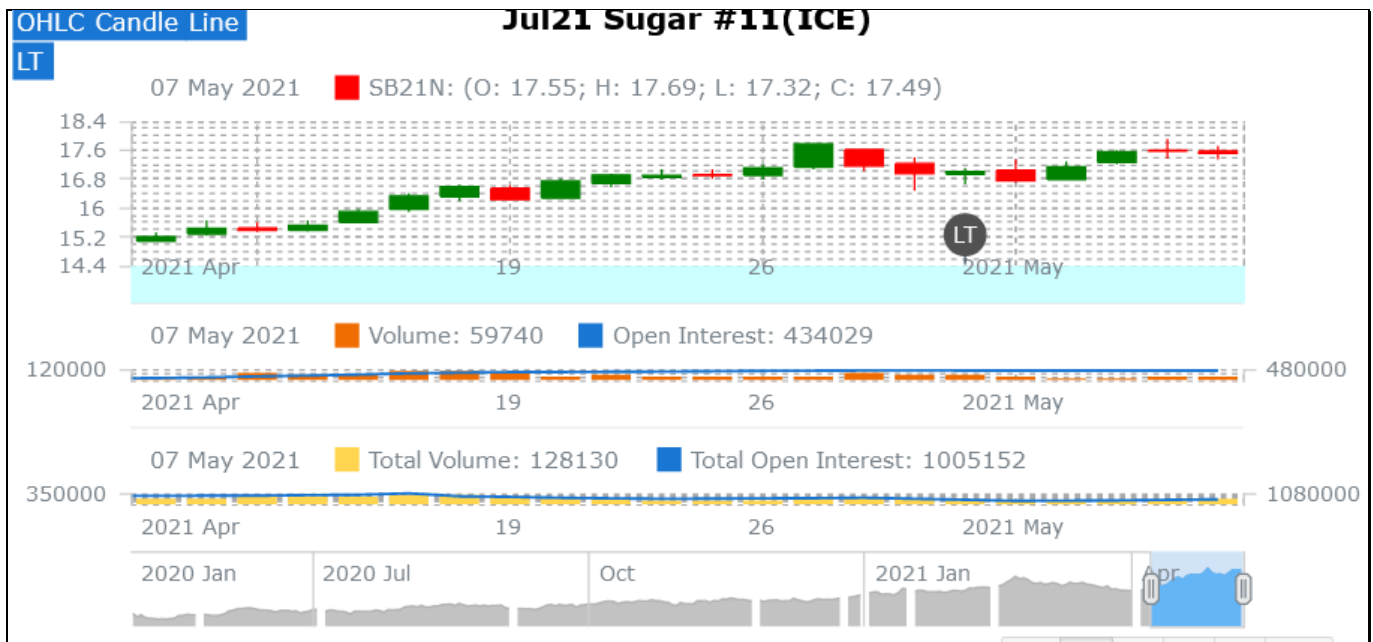


ICE (Raw Sugar Exchange) Future Market Scenario (Jul'21 Contract)

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 17.68 Targeting 17.30.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	Expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Jul'21	17.69	17.54 – 17.99



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			29th Apr'21 to 05th May'21	22nd Apr'21 to 28th Apr'21	
Delhi	Delhi	M-Grade	3319	3397	-78
	Delhi	S-Grade	3299	3377	-78
Uttar Pradesh	Khatauli	M-Grade	3378	3405	-27
	Ramala	M-Grade	NA	NA	-
	Dhampur	M-Grade Ex-Mill	NA	NA	-
	Dhampur	S-Grade Ex-Mill	NA	NA	-
	Dhampur	L-Grade Ex-Mill	NA	NA	-
Maharashtra	Mumbai	M-Grade	3343	3350	-7
	Mumbai	S-Grade	3224	3244	-20
	Nagpur	M-Grade	3225	3233	-8
	Nagpur	S-Grade	3167	3183	-16
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3042	3058	-16
Assam	Guhawati	S-Grade	3302	3318	-16
Meghalaya	Shillong	S-Grade	3362	3378	-16
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3660	Unch
	Vijayawada	S-Grade (With Duty)	3620	3620	Unch
West Bengal	Kolkata	M-Grade	3500	3500	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3592	3550	42
	Dindigul	M-Grade (DCA)	3540	3540	Unch

	Coimbatore	M-Grade (DCA)	3540	3540	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	NA	-
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)			29th Apr'21 to 05th May'21	22nd Apr'21 to 28th Apr'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3175	3205	-30
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	14000	-10000
	Muzaffarnagar	Khurpa (Fresh)	2788	2858	-70
	Muzaffarnagar	Laddoo (Fresh)	3138	3181	-43
	Muzaffarnagar	Rascut (Fresh)	2575	2570	5
	Hapur	Chaurasa	2875	2913	-38
	Hapur	Balti	2925	2863	62
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4350	4517	-167
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3168	3365	-197
	Mandya	Achhu (Medium)	3630	4090	-460
	Mandya	Kurikatu (Medium)	3630	3410	220
	Mandya	Other (Medium)	3738	3816	-79
	Mandya	Yellow (Medium)	3683	3600	83
	Shimoga	Achhu (Average)	3600	3450	150

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			06-May-21	29-Apr-21	07-Apr-21	06-May-20
Delhi	Delhi	M-Grade	3270	3335	3275	3100
	Delhi	S-Grade	3250	3315	3255	3080
Uttar Pradesh	Khatauli	M-Grade	Closed	3375	3345	3150

	Ramala	M-Grade	Closed	0	0	0
	Dhampur	M-Grade Ex-Mill	Closed	0	0	3120
	Dhampur	S-Grade Ex-Mill	Closed	0	0	3100
	Dhampur	L-Grade Ex-Mill	Closed	0	0	3170
Maharashtra	Mumbai	M-Grade	3346	3336	3380	3560
	Mumbai	S-Grade	3220	3220	3250	3340
	Nagpur	M-Grade	3225	3225	3175	3275
	Nagpur	S-Grade	3125	3175	3125	3225
	Kolhapur	M-Grade	3100	3100	3050	3150
	Kolhapur	S-Grade	3000	3050	3000	3100
Assam	Guhawati	S-Grade	3309	3360	3309	3410
Meghalaya	Shillong	S-Grade	3320	3370	3320	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3660	3660	3600	3700
	Vijayawada	S-Grade (With Duty)	3620	3620	3580	3640
West Bengal	Kolkata	M-Grade	3500	3500	3520	3750
Tamil Nadu	Chennai	S-Grade	3600	3550	3550	3700
	Dindigul	M-Grade (DCA)	3540	3540	3540	4250
	Coimbatore	M-Grade (DCA)	3540	3540	3540	4150
Chattisgarh	Ambikapur	M-Grade (Without Duty)	NA	0	0	3700

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)			06-May-21	29-Apr-21	07-Apr-21	06-May-20
Uttar Pradesh	Muzaffarnagar	ChakuSukha	Closed	3150	3000	3013
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Closed	3000	4000	7000
	Muzaffarnagar	Khurpa	Closed	2775	2700	2800
	Muzaffarnagar	Laddoo	Closed	3125	3038	2950
	Muzaffarnagar	Rascut	Closed	2600	2350	2525
	Hapur	Chaurasa	Closed	2875	2688	2825
	Hapur	Balti	Closed	2925	2613	2750
Andhra Pradesh	Chittur	Gold	NR	0	0	4900
		White	NR	0	0	4500
		Black	NR	0	0	0
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	4350	4350	4600	0
	Belgaum	Mudde (Average)	NA	0	3800	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	0

	Mahalingapura	Penti (Average)	3128	0	0	3299
	Mandya	Achhu (Medium)	3780	4100	3780	3350
	Mandya	Kurikatu (Medium)	3600	3800	3450	3200
	Mandya	Other (Medium)	3400	3850	3500	3220
	Mandya	Yellow (Medium)	NA	3700	3500	3500
	Shimoga	Achhu (Average)	3450	3600	3450	3750

International Sugar Prices (Weekly Average)				
	Contract Month	29th Apr'21 to 05th May'21	22nd Apr'21 to 28th Apr'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	16.98	17.19	-0.21
	21-May	16.62	17.02	-0.40
	21-Jul	17.06	16.82	0.24
LIFFE Sugar (US \$/MT)	21-Mar	455.40	463.02	-7.62
	21-May	446.34	455.04	-8.70
	21-Aug	452.12	464.04	-11.92

Source: MRCI

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