

Price Outlook:

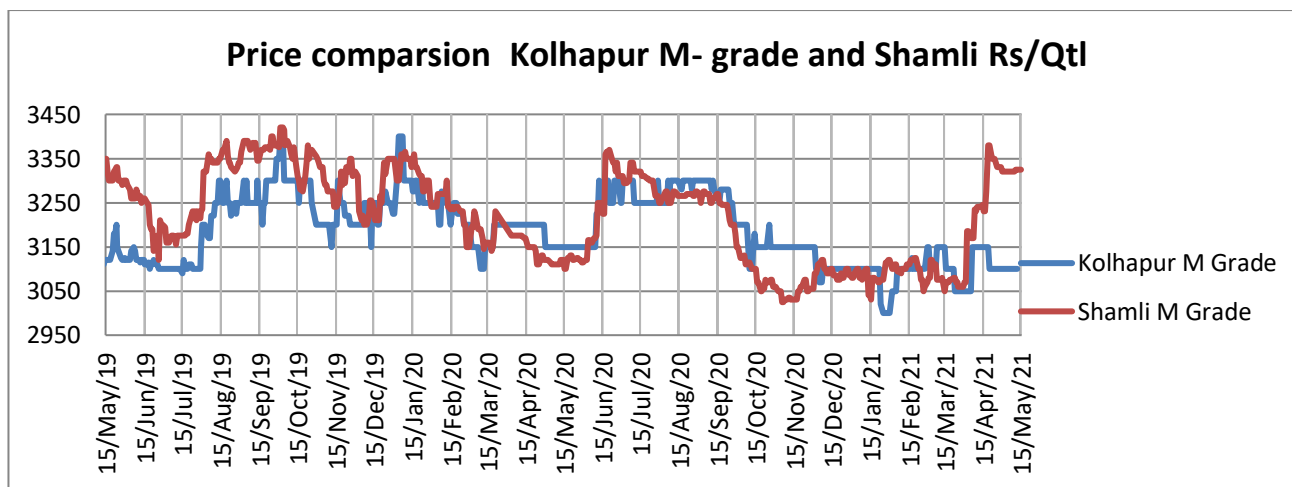
Sugarcane crushing season in Maharashtra is in the final phase, sugar mills from Kolhapur, Nanded, and Solapur division have already closed their crushing operations. Uttar Pradesh after Maharashtra and Karnataka is also planning to generate ethanol in their sugar mills. Major markets across the country are closed due to rising coronavirus cases and lockdown restrictions. The average sugar prices were lower at Rs. 3370/q from the previous week 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 the 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.3325 per quintal during the week.

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

Pune Sugar mills closed their cane crushing operation for the current sugar season. Sugarcane crushing season in Maharashtra is in the final phase, sugar mills from Kolhapur, Nanded, and Solapur division have already closed their crushing operations earlier. Now, mills in the Pune region too ended the sugar season. Out of 190 sugar mills from Maharashtra that took part in the cane crushing operations, 184 have closed their operations till May 11. In the Pune division, 31 sugar mills took part in the cane crushing operations in the ongoing crushing season. These sugar mills have produced 252.70 lakh quintal sugar by crushing 230.55 lakh tonne sugarcane with a recovery rate of 10.96 percent.

Previous Updates

- **Uttar Pradesh Sugar mills will soon generate oxygen in their ethanol plants.** The state has decided to follow the footsteps of Maharashtra to produce oxygen in their sugar mills to meet the shortage of the oxygen required for treating COVID patients. Out of the 195 sugar mills in Maharashtra 137 mills have ethanol plants. The state is aiming to produce 300 metric tonnes of oxygen. The oxygen production plants will be set up with the assistance of the National Sugar Institute and Vasantdada Sugar Institute, Pune.
- **India is expected to reach the export target of 60 lakh tonnes for the current sugar season.** Sugar exports from India have reached 50 lakh tonnes in the current sugar season 2020-21, this is 90 percent more than the total MAEQ quantity for the 2020-21 sugar season. Out of this, 25.24 lakh tonnes of sugar have been physically exported out of the country from January 2021 – March 2021. Sugar exports are estimated to be 10 lakh tonnes in April 2021, taking the total exported quantity to over 35 lakh tonnes and another 8-10 lakh tonnes of sugar is expected to be physically exported in May 2021. It is expected that Indian sugar mills may achieve their target of exporting 60 lakh tonnes of sugar by the end of June 2021, three months before the season ends. In the previous year, sugar mills have exported 59 lakh tonnes of sugar. The surge in exports is mainly due to firm global prices and subsidy which have made the overseas markets lucrative. Also, in the current sugar season, Indonesia and Afghanistan have emerged as the major sugar importers from India whereas in the previous season it was Iran and Afghanistan, because of currency restriction this year India's export to Iran was affected.
- **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.

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

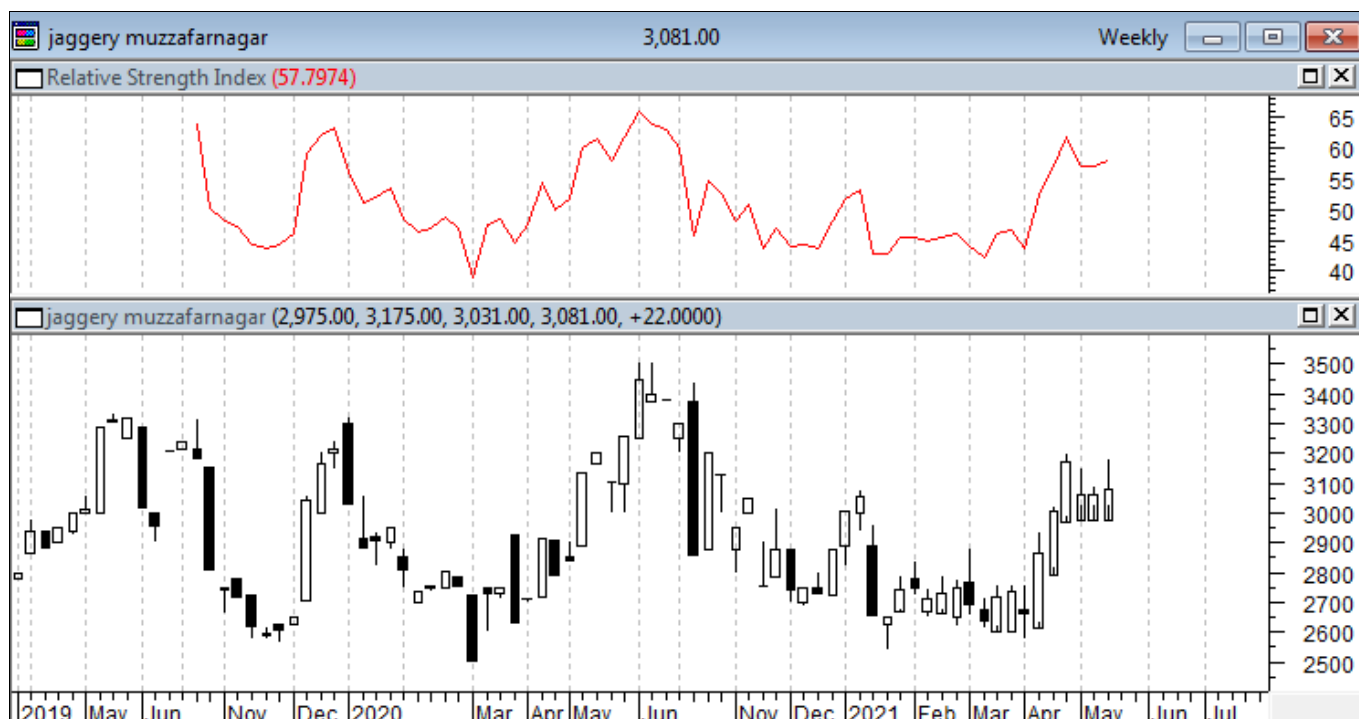
- The sugar spot prices at the benchmark Kolhapur market remained lower during last week and ended at Rs.3100/q.
- The next resistance and support level for the next week is expected at Rs.3200 and Rs.3150 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- There was an 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 Rs. 3225/q and the prices in the last year were lower at Rs. 3113/q.
- RSI stood in the neutral region.



International Market Highlights

Recent Updates:

Sugar imports have reduced in the U.S. According to the U.S. Department of Agriculture (USDA), Sugar imports for the United States are likely to fall from 3.15 million short tonnes (ST) from 2020/21 to 2.65 million ST in 2021-22. The USDA has cited that the increase in local production and stable demand has resulted in lowering sugar imports. The sugar production in the US is likely to be at 9.31 million ST, which is the largest in six years.

Previous 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.** Good sugar crop in India along with the production recovery in Thailand and higher yield in Europe despite frosts in France is 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.
- **Sugar output has fallen in Brazil.** Brazil has witnessed a 35 percent lower sugar output in April'2021 compared with the previous year as a lower number of mills has started crushing operation in the current season. Around 141 mills were operating in the first half of April against 180 mills during last year. The centre-

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 the 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 the 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.

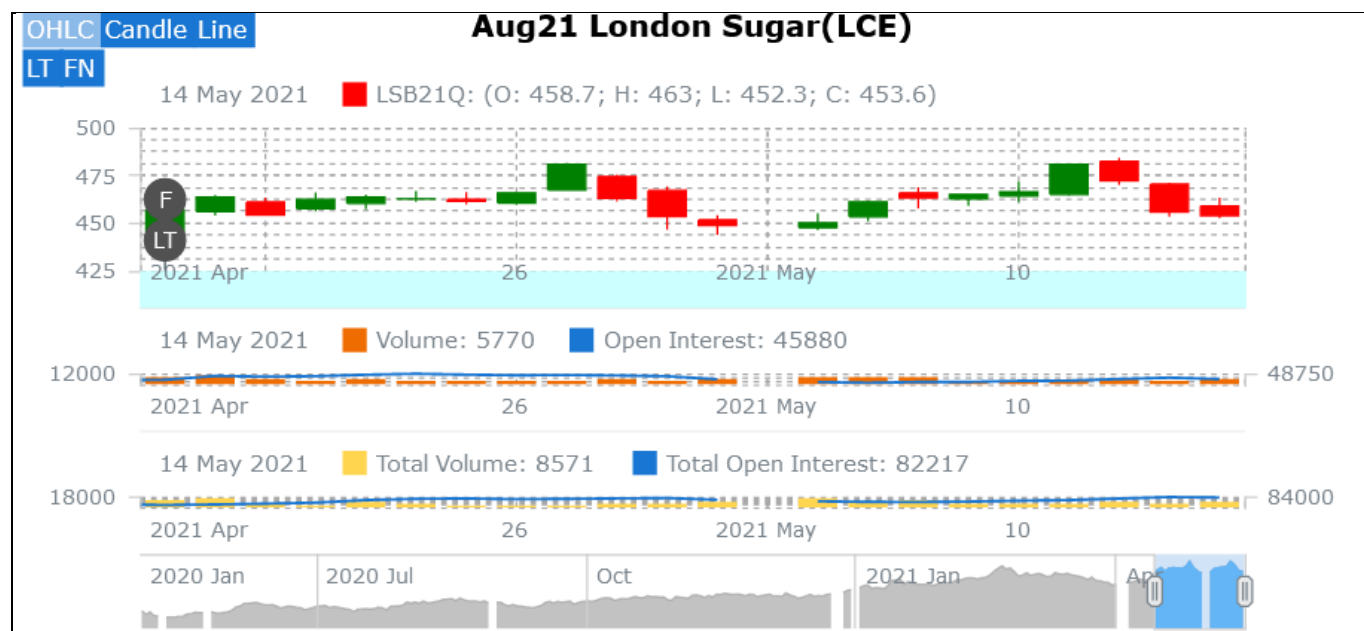
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Aug'21 Contract)

Technical Commentary

- LIFFE futures market remained steady to weak during the week.
- Total volume increased & open interest increased over a week.
- Strategy: Buy at level 462.3, T1 453.6

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'21	463	460-480

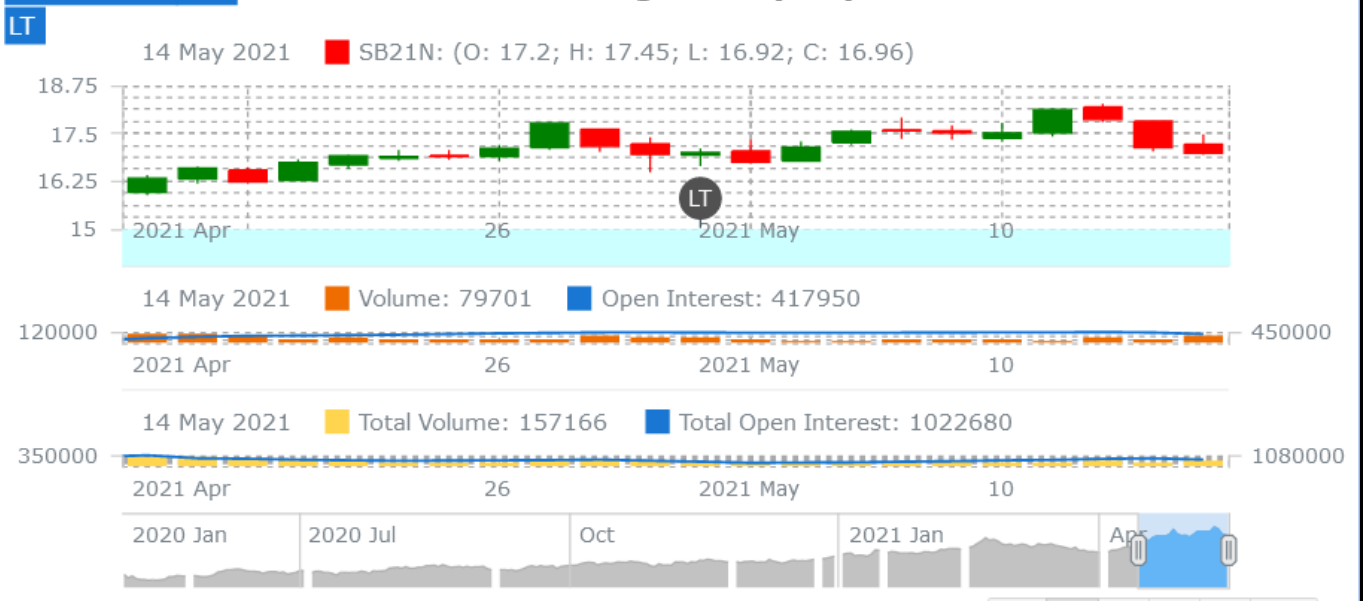


ICE (Raw Sugar Exchange) Future Market Scenario (Jul'21 Contract)**Technical Commentary:**

- 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 17.45 Targeting 16.92.

International Sugar Futures Price Projection

	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Jul'21	17.45	17.44 – 17.65

OHLC Candle Line**Jul21 Sugar #11(ICE)****Spot Sugar Prices Scenario (Weekly) (Average)**

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			06th May'21 to 12th May'21	29th Apr'21 to 05th May'21	
Delhi	Delhi	M-Grade	3242	3319	-77
	Delhi	S-Grade	3222	3299	-77
Uttar Pradesh	Khatauli	M-Grade	3370	3378	-8
	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	3335	3343	-8

	Mumbai	S-Grade	3219	3224	-5
	Nagpur	M-Grade	3225	3225	Unch
	Nagpur	S-Grade	3125	3167	-42
	Kolhapur	M-Grade	3100	3100	Unch
	Kolhapur	S-Grade	3000	3042	-42
Assam	Guhawati	S-Grade	3260	3302	-42
Meghalaya	Shillong	S-Grade	3320	3362	-42
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3630	3660	-30
	Vijayawada	S-Grade (With Duty)	3600	3620	-20
West Bengal	Kolkata	M-Grade	3500	3500	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3600	3592	8
	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
			06th May'21 to 12th May'21	29th Apr'21 to 05th May'21	
Jaggery(Gur)					
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3225	3175	50
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	4000	4000	Unch
	Muzaffarnagar	Khurpa (Fresh)	2938	2788	150
	Muzaffarnagar	Laddoo (Fresh)	3125	3138	-13
	Muzaffarnagar	Rascut (Fresh)	2600	2575	25
	Hapur	Chaurasa	NA	2875	-
	Hapur	Balti	NA	2925	-
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4350	4350	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3139	3168	-29
	Mandya	Achhu (Medium)	3720	3630	90
	Mandya	Kurikatu (Medium)	3500	3630	-130
	Mandya	Other (Medium)	3425	3738	-313

	Mandya	Yellow (Medium)	3675	3683	-8
	Shimoga	Achhu (Average)	3510	3600	-90

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			15-May-21	08-May-21	16-Apr-21	15-May-20
Delhi	Delhi	M-Grade	3250	3240	3370	3115
	Delhi	S-Grade	3230	3220	3350	3095
Uttar Pradesh	Khatauli	M-Grade	3350	Closed	3325	3160
	Ramala	M-Grade	NA	Closed	0	0
	Dhampur	M-Grade Ex-Mill	3300	Closed	0	3115
	Dhampur	S-Grade Ex-Mill	3280	Closed	0	3095
	Dhampur	L-Grade Ex-Mill	3350	Closed	0	3165
Maharashtra	Mumbai	M-Grade	3346	3300	3366	Closed
	Mumbai	S-Grade	3222	3220	3276	Closed
	Nagpur	M-Grade	3225	3225	3275	3275
	Nagpur	S-Grade	3125	3125	3225	3225
	Kolhapur	M-Grade	3100	3100	3150	3150
	Kolhapur	S-Grade	3000	3000	3100	3100
Assam	Guhawati	S-Grade	3309	3309	3410	3410
Meghalaya	Shillong	S-Grade	3320	3320	3420	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3600	3660	3600	3600
	Vijayawada	S-Grade (With Duty)	3580	3620	3580	3540
West Bengal	Kolkata	M-Grade	3500	3500	3500	3670
Tamil Nadu	Chennai	S-Grade	3600	3600	3550	3650
	Dindigul	M-Grade (DCA)	3540	3540	3540	4250
	Coimbatore	M-Grade (DCA)	3540	3540	3540	3900
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)			15-May-21	08-May-21	16-Apr-21	15-May-20
Uttar Pradesh	Muzaffarnagar	ChakuSukha	3175	Closed	3063	3200
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3000	Closed	4000	3000
	Muzaffarnagar	Khurpa	2863	Closed	2650	2875
	Muzaffarnagar	Laddoo	3100	Closed	3125	3120

	Muzaffarnagar	Rascut	2600	Closed	2450	2625
	Hapur	Chaurasa	Closed	Closed	2700	2925
	Hapur	Balti	Closed	Closed	2675	0
Andhra Pradesh	Chittur	Gold	NR	0	0	4800
		White	NR	0	0	4500
		Black	NR	0	0	4000
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	NA	NA	0	0
	Belgaum	Mudde (Average)	NA	0	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	3100
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	NA	NA	3247	3369
	Mandya	Achhu (Medium)	NA	3700	3910	3370
	Mandya	Kurikatu (Medium)	NA	3400	3350	3200
	Mandya	Other (Medium)	NA	3400	3600	3150
	Mandya	Yellow (Medium)	NA	3700	3500	3500
	Shimoga	Achhu (Average)	NA	NA	3450	3950

International Sugar Prices (Weekly Average)				
	Contract Month	06th May'21 to 12th May'21	29th Apr'21 to 05th May'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	17.66	16.98	0.68
	21-May	16.76	16.62	0.14
	21-Jul	17.66	17.06	0.60
LIFFE Sugar (US \$/MT)	21-Mar	469.58	455.40	14.18
	21-May	459.73	446.34	13.39
	21-Aug	468.55	452.12	16.43

Source: MRCI

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