

Price Outlook:

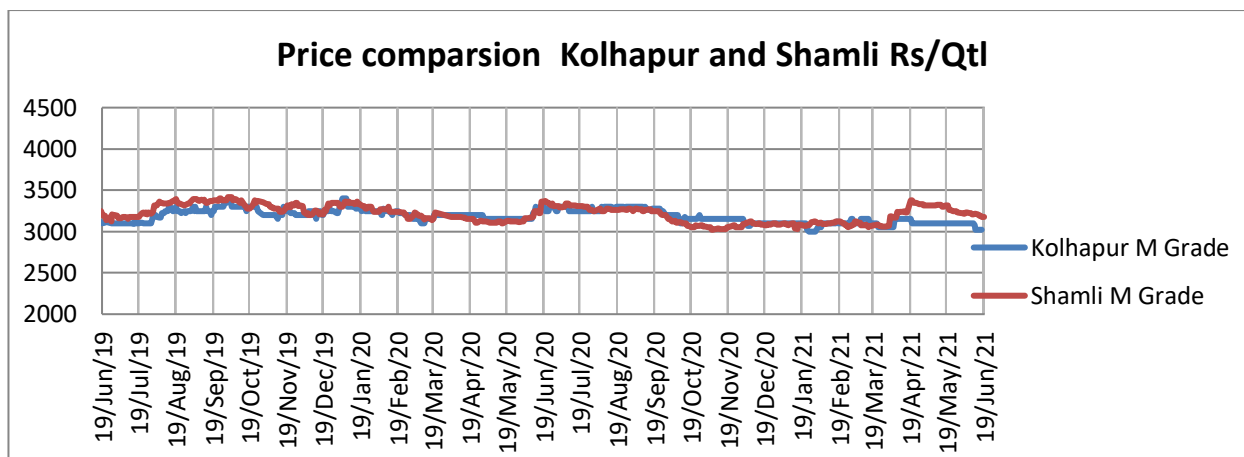
Sugar Production has reached 306.65 lakh tonnes in India. Sugarcane crushing season has come to an end only a few mills are operating in Uttar Pradesh. Sugar exports are likely to increase with favorable international prices in the market. The average sugar prices were higher at Rs. 3241/q from the previous week at Rs.3208/q in Khatauli market. 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.3000 -3100 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 lower at Rs.3220 per quintal during the week.

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

According to ISMA, sugar mills have produced 306.65 lakh tonne of sugar till 15th June 2021: Around 502 sugar mills were operating in the current season as compared to 457 sugar mills in the previous season. Till 15th June 2021, 5 sugar mills were crushing sugarcane, which is similar to that were operating the same time the previous season. Sugar mills have produced around 306.65 lakh tonnes of sugar till 15th June'2021, as compared to 271.11 lakh tonnes produced during the same period last year.

Previous Updates

- **The Government is planning to double the ethanol distillation capacity by 2025.** According to the Ministry of Consumer Affairs, Food and Public Distribution, the government is encouraging sugar mills and distillers to enhance their distillation capacities for which government is facilitating them to avail loans from banks for which interest subvention up to 6 percent is being borne by the government. As a result of various

measures taken to address demand and supply side issues, it is likely that ethanol distillation capacities in the country would be more than doubled by 20 percent blending target by 2025.

- **India has made 58 lakh tonnes of export contracts against MAEQ of 60 lakh tonnes of sugar for 2020-21 fixed by the government.** According to Indian Sugar Mills Association, almost 45.74 lakh tonnes of sugar have been physically exported out of the country from January 2021 to May 2021. Another 4.48 lakh tonnes of sugar was exported from October 2020 to December 2020 quarter against the MAEQ of last season. Also, around 5-6 lakh tons of sugar is in pipeline to be exported in June 2021. The total sales in the current season up to May'21 are estimated around 174.96 lakh tonnes against the domestic sales quota of 169 lakh tonnes given by the government.
- **Sugar Exports are likely to increase in the ongoing sugar season 2020-21.** With favorable international sugar prices, India is likely to export more this season. India has already made 58 lakh tonnes of export contract against MAEQ of 60 lakh tonnes of sugar for the 2020-21 seasons. Indian sugar Mills expects at least 1 million tonnes of export more than the export quota for this season.

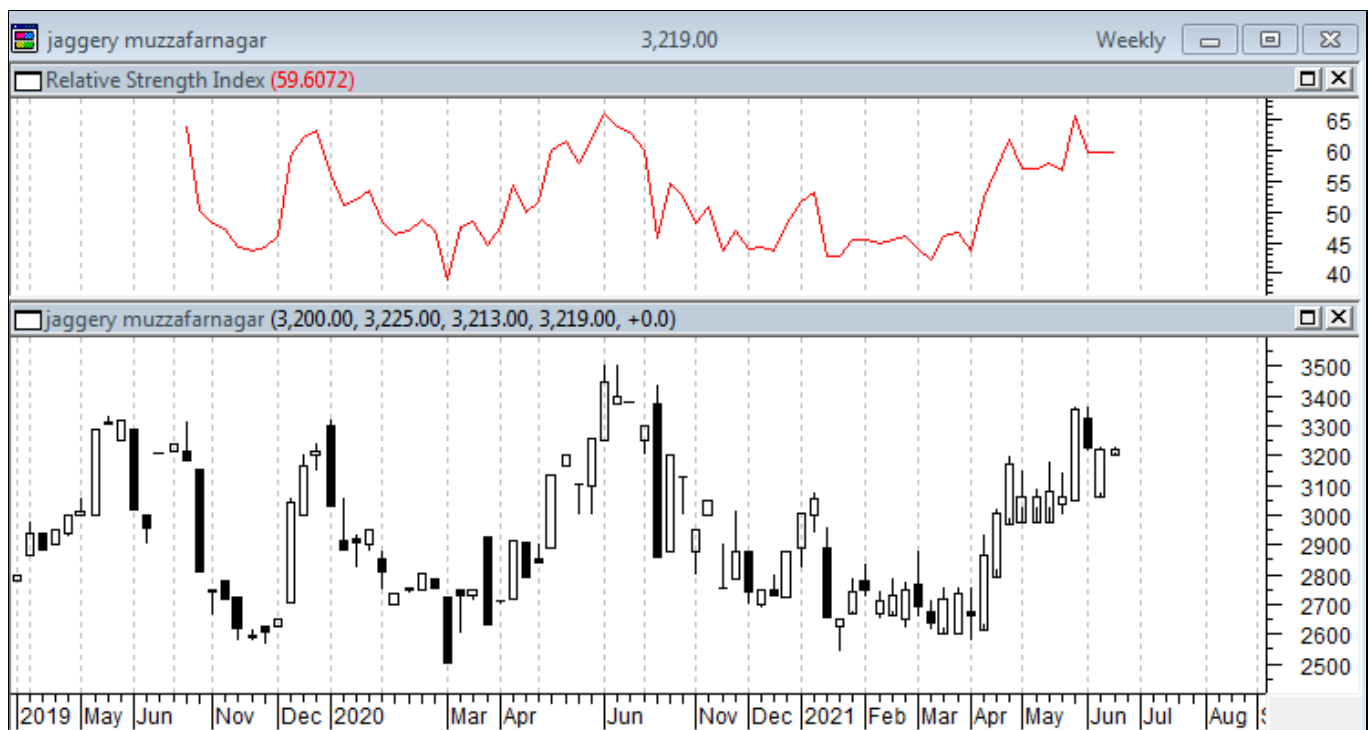
Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

- The sugar spot prices at the benchmark Kolhapur market remained lower during last week and ended at Rs.3070/q.
- The next resistance and support level for the next week is expected at Rs.3100 and Rs.3050 per quintal respectively.
- RSI is in the neutral region.



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

- There was an decrease in arrivals and it stood around 3500 last week of Chaku variety of gur in key Muzaffarnagar market.
- The average price during the week was Rs. 3233/q and the prices in the last year were higher at Rs. 3416/q.
- RSI stood in the neutral region.

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

Philippines have achieved the sugar production target. Sugar output in the Philippines has reached the set target for the season with 2.1 million metric tonnes. The sugar crop year in the country is from September to August. According to Sugar Regulatory Administration, the sugar output has increased by 0.53% from the 2.098 million MT production registered during the same period last year.

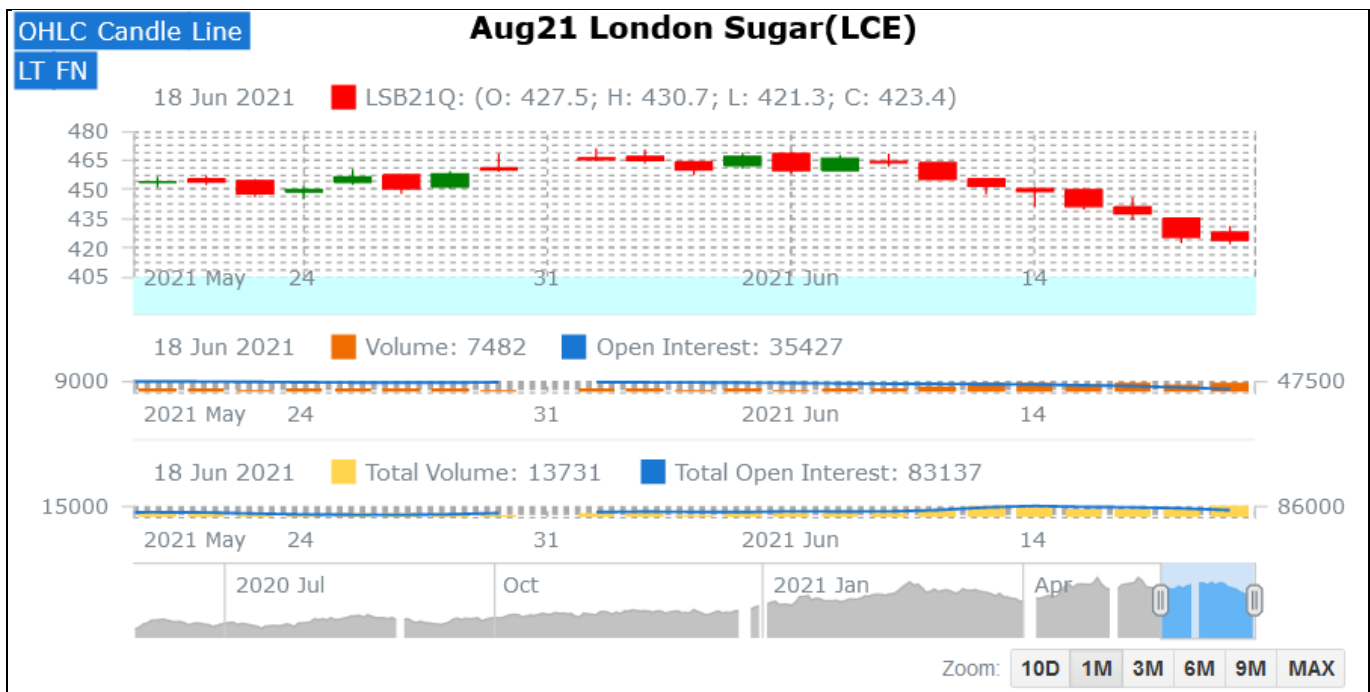
Previous Updates

- **According to Food and Agriculture Organization, Sugar production is estimated at 170.3 million tonnes in 2020-21 sugar season with a decline of 1.6 million tonnes.** The decline for a third consecutive season is mainly because of the production decline in Brazil, European Union, Russia and Thailand whereas the sugar consumption was forecasted to reach 172 million tonnes in 2020-21 higher by 3.2 million tonnes. The increase mostly comes from the expected recovery in the global economy after the downturn in past season because of the corona virus.
- **Global Sugar Consumption is expected to decline marginally.** International sugar organization has changed the earlier estimates of sugar deficit for 2020-21 season owing to the reduction in consumption across the world. The ISO, in a quarterly update has lowered the forecast of a global deficit from 4.8 million tonnes to 3.1 million tonnes in the ongoing season 2020-21. The ISO expects that the global sugar consumption will be down from 173.8 million tonnes to 172.4 million tonnes. The increases in the covid-19 cases in India and Brazil and various restrictions have led to the decline in sugar consumption.
- **Tunisian government has increased the price of sugar per kilogram intended for family consumption by 22 per cent.** The step has been taken to reduce the fiscal deficit as part of a reform plan that includes a gradual cut in subsidies. The economy of Tunisia has shrunk by 8.8 per cent last year with a record fiscal deficit of 11.5 per cent. The country has initiated talks with the International Monetary Fund (IMF) to get the financial assistance package.
- **The crop output in Brazil is likely to hit severely as the country faces its worst dry spell in 91 years.** According to the Brazilian market reports, the Agriculture Ministry has issued its first “emergency drought alert” for June through September stating that the country is likely to receive scarce rain during this period. The lack of rain across Brazil is hurting their agricultural commodities, livestock, and electricity generation as Brazil relies heavily on hydro dams for power.

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: Sell at level 430, T1 423

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Aug'21	430	430-450

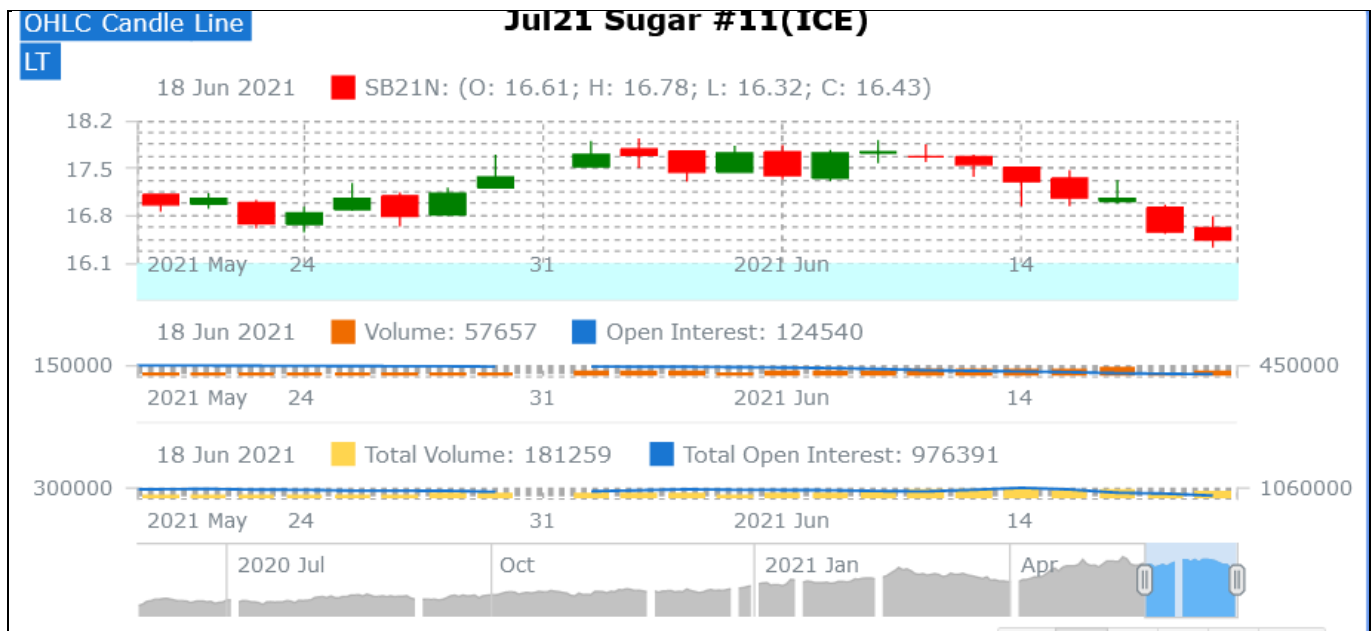


ICE (Raw Sugar Exchange) Future Market Scenario (Jul'21 Contract)

Technical Commentary:

- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest increased in a week.
- Strategy: Buy at rate 16.78 Targeting 16.43.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Jul'21	16.78	16.68 – 17.78



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			10th June'21 to 16th June'21	03rd June'21 to 09th June'21	
Delhi	Delhi	M-Grade	3238	3254	-16
	Delhi	S-Grade	3218	3234	-16
Uttar Pradesh	Khatauli	M-Grade	3241	3208	33
	Ramala	M-Grade	3180	NA	-
	Dhampur	M-Grade Ex-Mill	3130	3133	-3
	Dhampur	S-Grade Ex-Mill	3110	3113	-3
	Dhampur	L-Grade Ex-Mill	3180	3183	-3
Maharashtra	Mumbai	M-Grade	3312	3312	Unch
	Mumbai	S-Grade	3206	3208	-2
	Nagpur	M-Grade	3196	3229	-33
	Nagpur	S-Grade	3129	3154	-25
	Kolhapur	M-Grade	3071	3104	-33
	Kolhapur	S-Grade	3004	3029	-25
Assam	Guhawati	S-Grade	3264	3289	-25
Meghalaya	Shillong	S-Grade	3324	3349	-25
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3580	3580	Unch
	Vijayawada	S-Grade (With Duty)	3560	3560	Unch
West Bengal	Kolkata	M-Grade	3600	3600	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3575	3600	-25
	Dindigul	M-Grade (DCA)	3580	3580	Unch
	Coimbatore	M-Grade (DCA)	3620	3620	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)			10th June'21 to 16th June'21	03rd June'21 to 09th June'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3233	3213	21
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	3500	4900	-1400
	Muzaffarnagar	Khurpa (Fresh)	3238	3150	88
	Muzaffarnagar	Laddoo (Fresh)	3518	3163	356
	Muzaffarnagar	Rascut (Fresh)	NA	NA	-
	Hapur	Chaurasa	NA	NA	-
	Hapur	Balti	NA	NA	-
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)	3298	3379	-81
	Mandya	Achhu (Medium)	3412	3508	-96
	Mandya	Kurikatu (Medium)	3336	3453	-117
	Mandya	Other (Medium)	3250	3363	-113
	Mandya	Yellow (Medium)	3456	3473	-17
	Shimoga	Achhu (Average)	3600	3600	Unch

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			19-Jun-21	11-Jun-21	20-May-21	19-Jun-20
Delhi	Delhi	M-Grade	3210	3275	3300	3360
	Delhi	S-Grade	3190	3255	3280	3340
Uttar Pradesh	Khatauli	M-Grade	3280	3225	3375	3390
	Ramala	M-Grade	3185	0	0	3340
	Dhampur	M-Grade Ex-Mill	3150	3110	3315	3200

	Dhampur	S-Grade Ex-Mill	3130	3090	3295	3180
	Dhampur	L-Grade Ex-Mill	3200	3160	3365	3250
Maharashtra	Mumbai	M-Grade	3312	3312	3332	3540
	Mumbai	S-Grade	3202	3206	3230	3350
	Nagpur	M-Grade	3150	3225	3225	3425
	Nagpur	S-Grade	3125	3125	3125	3325
	Kolhapur	M-Grade	3025	3100	3100	3300
	Kolhapur	S-Grade	3000	3000	3000	3200
Assam	Guhawati	S-Grade	3309	3309	3309	3512
Meghalaya	Shillong	S-Grade	3320	3320	3320	3520
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3560	3580	3600	3700
	Vijayawada	S-Grade (With Duty)	3560	3560	3580	3640
West Bengal	Kolkata	M-Grade	3600	3600	3600	3580
Tamil Nadu	Chennai	S-Grade	3550	3600	3600	Closed
	Dindigul	M-Grade (DCA)	3580	3580	3580	3640
	Coimbatore	M-Grade (DCA)	3620	3620	3620	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	0	0

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)			19-Jun-21	11-Jun-21	20-May-21	19-Jun-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NA	3250	3150	0
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	1000	1500	0
	Muzaffarnagar	Khurpa	NA	3263	2838	3275
	Muzaffarnagar	Laddoo	NA	3518	3088	0
	Muzaffarnagar	Rascut	NA	0	0	0
	Hapur	Chaurasa	NA	0	2963	0
	Hapur	Balti	NA	0	0	0
Andhra Pradesh	Chittur	Gold	NR	0	0	4800
		White	NR	0	0	4500
		Black	NR	0	0	4300
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	4350	4350	4350	4300
	Belgaum	Mudde (Average)	NA	0	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	3400
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	NA	3368	0	3415
	Mandya	Achhu (Medium)	3350	3560	3870	3600

	Mandya	Kurikatu (Medium)	3200	3350	3500	3300
	Mandya	Other (Medium)	3100	3300	3350	3300
	Mandya	Yellow (Medium)	3300	3450	3400	3570
	Shimoga	Achhu (Average)	NA	NA	3600	3750

International Sugar Prices (Weekly Average)				
	Contract Month	10th June'21 to 16th June'21	03rd June'21 to 09th June'21	Change
ICE Sugar #11 (US Cent/lb)	21-Mar	17.44	17.81	-0.37
	21-May	17.17	16.89	0.28
	21-Jul	17.32	17.31	0.01
LIFFE Sugar (US \$/MT)	21-Mar	454.22	472.02	-17.80
	21-May	456.88	462.72	-5.84
	21-Aug	455.82	462.82	-7.00

Source: MRCI

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