

Price Outlook:

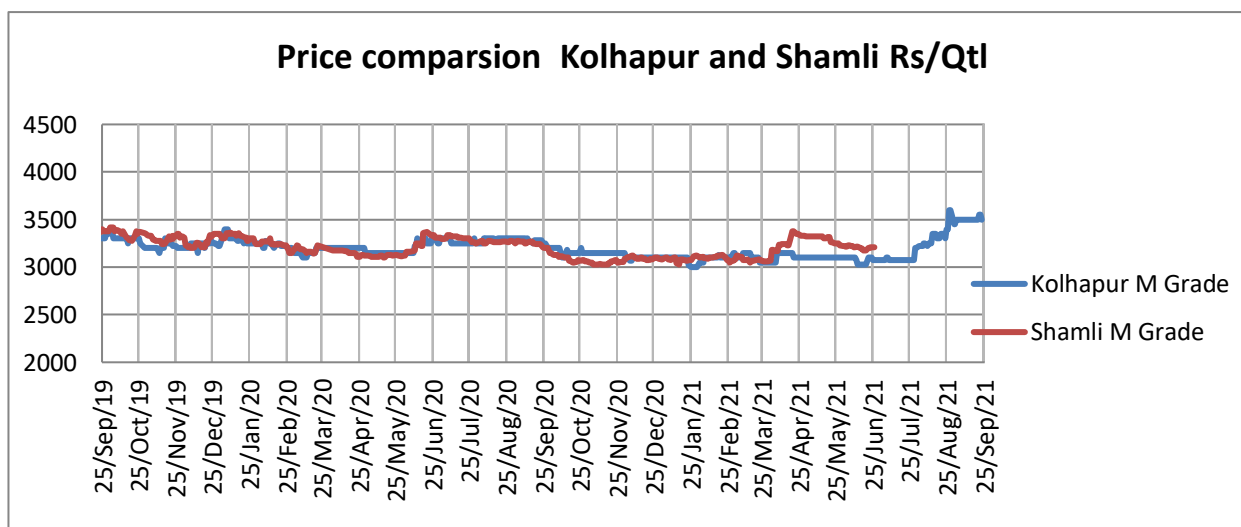
The food ministry on 24th September 2021 under a notification has allocated an additional 2.5 LMT of monthly sales quota for September 2021. Sugar production for 2020-21 seasons are estimated at 309 lakh tonnes. Maharashtra Sugar mills will start the cane crushing operation from 15th October 2021. The average sugar prices have slightly decreased at Rs. 3623/q from the previous week at Rs.3563/q in Delhi market. The prices in Maharashtra stood high at Rs.3500/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.3450 -3550 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3500 per quintal, while in Shamli district there were no arrivals during the last week.

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

- **The food Ministry has allocated an additional 2.5 LMT monthly sugar sales quota for September month.** The food ministry on 24th September 2021 under a notification has allocated an additional 2.5 LMT of monthly sales quota for September 2021 as due to good sugar demand in September 2021 and to ensure sufficient availability of sugar for domestic consumption. Earlier, the food ministry has allocated 22 LMT quota to 558 sugar mills in September 2021. Traders in the domestic market are afraid as the sugar prices may come down sharply after the food ministry decision. Sugar prices have reached a high after 7 months and are currently ranging between Rs. 3500- Rs. 3600 per quintal.

Previous Updates

- **Indian Sugar Mills are holding on signing new sugar export contracts for the coming season 2021-22.** As the domestic sugar prices are increasing in the local market Indian sugar mills are holding off on signing new export contracts. The rise in prices has widened the gap between local and global sugar rates. Although, Indian sugar mills have exported around 7.5 million tonnes of sugar during the current 2020-21 season and have also signed 1.2 million tonnes of export contract so far for the coming 2021-22 season.
- According to the Ministry of Agriculture and farmer's welfare, India's food grain production in Kharif 2021-22 seasons has estimated at a record of 150.5 million tonnes. Last year's Kharif production was estimated at 149.56 million tonnes for 2020-21 seasons. Among the Cash crops, Sugar production for this year is likely to increase to 5 percent at 419.25 MT.
- **Government has cleared sugar export subsidy of Rs. 1,800 crore.** According to the senior food ministry official, about Rs. 3,500 crore budgets was earlier allocated towards export subsidy for the 2020-21 season. Out of which Rs. 1,800 crore had been spent on clearing the subsidy claims, the balance subsidy will be paid to the mills soon. The mills have already exported the entire 6 million tonnes of quota during the current season.
- **West Bengal has received 15 proposals to produce ethanol.** West Bengal government aims to increase ethanol production in the state by setting up new plants to achieve the target of blending ethanol with petrol set by the centre. The state so far has received 15 proposals to produce ethanol. The total investment involved is Rs. 2,666 crore and around 4,000 direct employment is expected through this in the state.

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

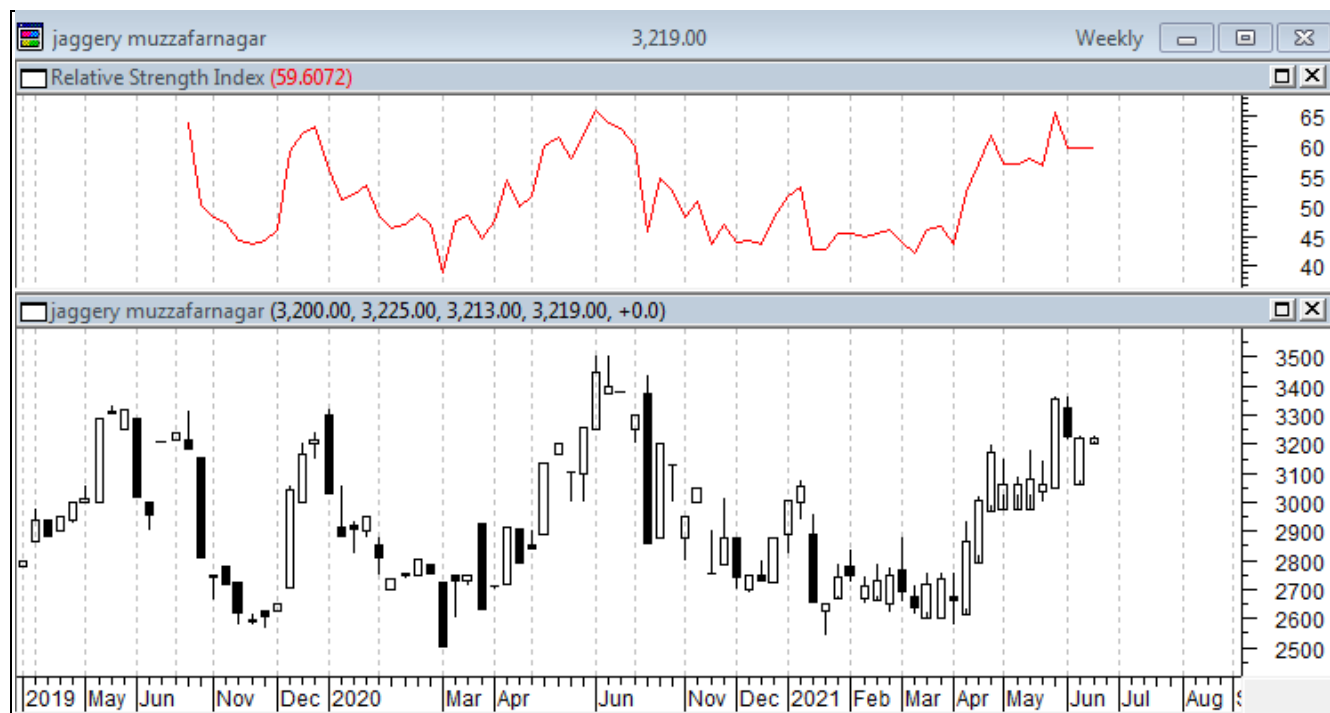
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3500/q.
- The next resistance and support level for the next week is expected at Rs.3580 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



International Market Highlights

Recent Updates:

Malaysia sugar demand has increased by 5-10 percent in the first half of 2021. Due to ease in the lockdown restrictions and industries continuing to open, the sugar demand had picked up by 5-10 percent in the first half of this year and is expected to increase further in the second half of 2021. Earlier the pandemic has impacted the sugar consumption in Malaysia lowering the consumption from 1.5 million tonnes to 1.2 -1.3 million tonnes.

Previous Updates

- According to Covrig analytics, Sugar output in Brazil's center south region is expected to increase from 33.06 million tonnes to 34.17 million tonnes in 2022-23 season. As per the analysis, the sugarcane crop in Brazil's CS region would increase from 532 million tonnes to 552 million tonnes in the next season. Whereas, the sugarcane output in Brazil this season is likely to fall by 12%, lowest in the decade, due to unfavorable climatic conditions like drought and frost that have affected the sugarcane crop.
- **Bangladesh has fixed the Maximum retail price of sugar at TK 75 per kg.** The prices of packed sugar were fixed at TK 75 per kg and loose sugar at TK 74 per kg. Despite the government has fixed the maximum retail price of sugar the prices of sugar in the domestic market continue to increase, the sugar is sold at TK 80-88 per kg in the retail market.
- **Fiji sugar production has reached 60,000 tonnes.** According to the Fiji Sugar Corporation (FSC) sugar mills have crushed around 700,000 tonnes of cane and produced 60,000 tonnes of sugar so far. Despite the Covid pandemic challenges the sugar production is increasing in Fiji, the Labasa mill is leading the sugar production by supplying more than 250,000 tonnes of cane and producing 24,000 tonnes of sugar.
- **According to the International Sugar Organization (ISO), the global sugar deficit in the 2021-22 sugar season is forecasted to be 3.8 million tonnes.** ISO in its May report predicted the global sugar deficit to be 2 million tonnes but due to the unfavorable conditions in major sugar-producing countries led to an increase in sugar deficit to 3.8 million tonnes. It has also stated that the sugar production is rising by 0.2% to 170.6 million tonnes in the forthcoming season as against the consumption is increasing by 1.6% to 174.5.
- **Pakistan Trading Corporation has issued a tender to purchase 200,000 tonnes of white sugar.** An international tender has been issued by the Trading Corporation of Pakistan and the deadline for submission of price offers is 24th August 2021. The tender has been issued to increase the sugar supply in the country to meet the domestic demand and arrest the rising prices. Earlier, the Economic Coordination Committee (ECC) has approved an increase in rates of sugar, ghee, and wheat flour at Utility Stores Corporation of Pakistan in July 2021. Sugar prices in Pakistan after that had reached to Rs. 80- 100 per kg from Rs. 68-85 per kg in all the major markets.

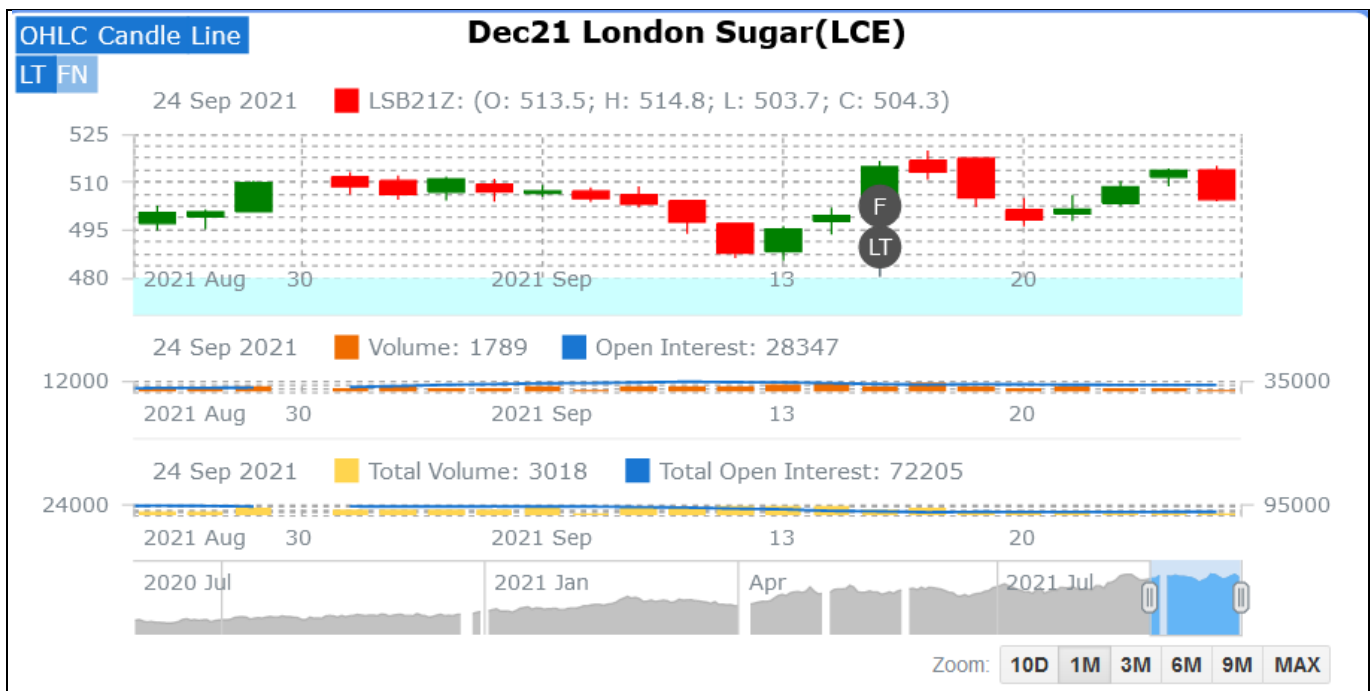
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Dec'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 516, T1 504

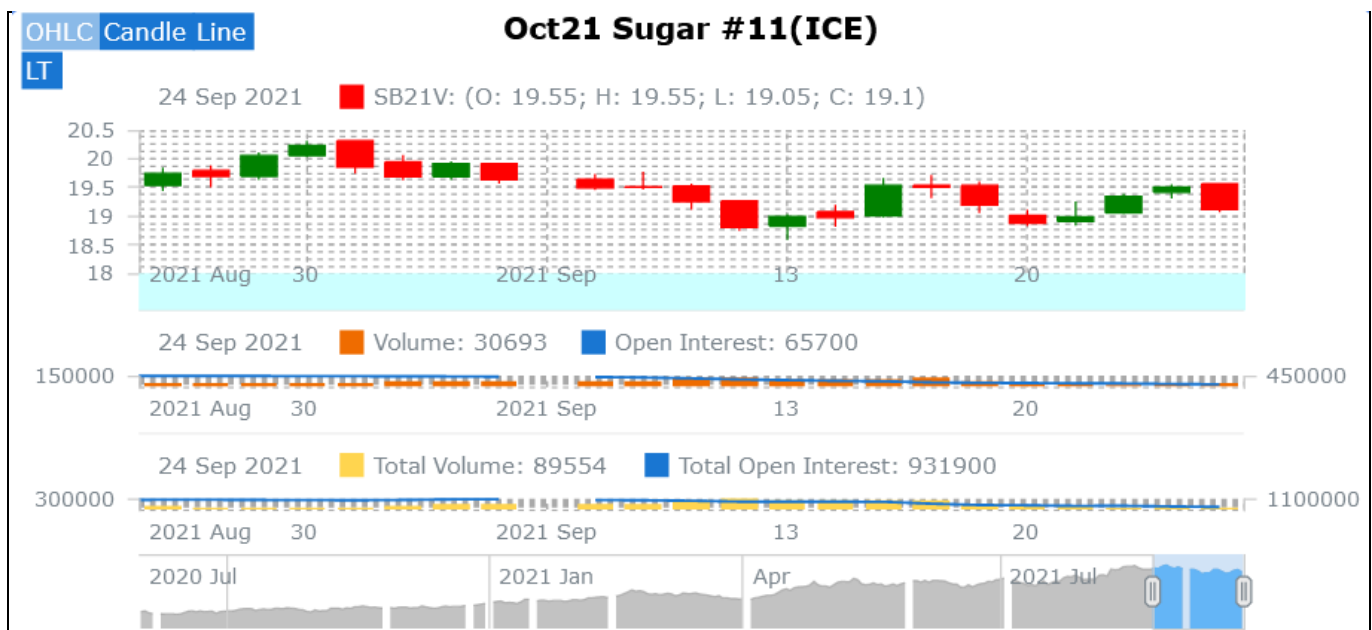
International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'21	514	515-520



ICE (Raw Sugar Exchange) Future Market Scenario (Oct'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 19.60 Targeting 19.18.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'21	19.55	19.50– 20.0



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			16th Sep'21 to 22nd Sep'21	09th Sep'21 to 15th Sep'21	
Delhi	Delhi	M-Grade	3643	3583	60
	Delhi	S-Grade	3623	3563	60
Uttar Pradesh	Khatauli	M-Grade	NA	NA	-
	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	3789	3762	27
	Mumbai	S-Grade	3653	3618	35
	Nagpur	M-Grade	3625	3625	Unch
	Nagpur	S-Grade	3525	3525	Unch
	Kolhapur	M-Grade	3500	3500	Unch
	Kolhapur	S-Grade	3400	3400	Unch
Assam	Guhawati	S-Grade	3660	3660	Unch
Meghalaya	Shillong	S-Grade	3720	3715	5
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3980	4030	-50
	Vijayawada	S-Grade (With Duty)	4080	4130	-50
West Bengal	Kolkata	M-Grade	3850	3850	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3925	3940	-15
	Dindigul	M-Grade (DCA)	3702	3640	62
	Coimbatore	M-Grade (DCA)	3860	NA	-
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)			16th Sep'21 to 22nd Sep'21	09th Sep'21 to 15th Sep'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	NA	NA	-
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	-
	Muzaffarnagar	Khurpa (Fresh)	NA	NA	-
	Muzaffarnagar	Laddoo (Fresh)	NA	NA	-
	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)	3369	3403	-35
	Mandya	Achhu (Medium)	3098	3170	-72
	Mandya	Kurikatu (Medium)	3042	3030	12
	Mandya	Other (Medium)	2968	2976	-8
	Mandya	Yellow (Medium)	3128	3140	-12
	Shimoga	Achhu (Average)	3650	3650	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			23-Sep-21	15-Sep-21	24-Aug-21	23-Sep-20
Delhi	Delhi	M-Grade	3750	3540	3525	3315
	Delhi	S-Grade	3730	3520	3505	3295
Uttar Pradesh	Khatauli	M-Grade	NR	NR	NR	3280
	Ramala	M-Grade	NR	NR	NR	0
	Dhampur	M-Grade Ex-Mill	NR	NR	NR	3225
	Dhampur	S-Grade Ex-Mill	NR	NR	NR	3205
	Dhampur	L-Grade Ex-Mill	NR	NR	NR	3275
Maharashtra	Mumbai	M-Grade	3796	3770	3710	3496
	Mumbai	S-Grade	3650	3640	3520	3350
	Nagpur	M-Grade	3675	3625	3475	3405
	Nagpur	S-Grade	3525	3525	3375	3305
	Kolhapur	M-Grade	3550	3500	3350	3280
	Kolhapur	S-Grade	3400	3400	3250	3180
Assam	Guhawati	S-Grade	3715	3715	3563	3492
Meghalaya	Shillong	S-Grade	3720	3720	3570	3500
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3960	3960	3820	3640
	Vijayawada	S-Grade (With Duty)	4060	4060	3920	3700
West Bengal	Kolkata	M-Grade	3850	3850	3850	3730
Tamil Nadu	Chennai	S-Grade	3880	3900	3750	3650

	Dindigul	M-Grade (DCA)	3860	3670	3520	3760
	Coimbatore	M-Grade (DCA)	3860	3860	3600	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3600	NA	3600

Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)

*DCA: Department of consumer affairs

Spot Jaggery(Gur) Prices Scenario (Weekly)

Commodity			Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)	Centre	Variety	23-Sep-21	15-Sep-21	24-Aug-21	23-Sep-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	NA	NA	NA	0
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	NA	NA	NA	0
	Muzaffarnagar	Khurpa	NA	NA	NA	0
	Muzaffarnagar	Laddoo	NA	NA	NA	0
	Muzaffarnagar	Rascut	NA	NA	NA	0
	Hapur	Chaurasa	NA	NA	NA	0
	Hapur	Balti	NA	NA	NA	0
Andhra Pradesh	Chittur	Gold	NR	NR	NR	0
		White	NR	NR	NR	0
		Black	NR	NR	NR	0
Maharashtra	Latur	Lal Variety	NR	NR	NR	0
Karnataka	Bangalore	Mudde (Average)	4350	4350	4100	0
	Belgaum	Mudde (Average)	NA	NA	NA	0
	Belthangadi	Yellow (Average)	NA	NA	NA	0
	Bijapur	Achhu	NA	NA	NA	0
	Gulbarga	Other (Average)	NA	NA	NA	0
	Mahalingapura	Penti (Average)	NA	3399	3432	0
	Mandya	Achhu (Medium)	3120	3180	3170	3150
	Mandya	Kurikatu (Medium)	3050	3050	3150	3150
	Mandya	Other (Medium)	3050	2950	3060	3000
	Mandya	Yellow (Medium)	3110	3150	3260	3200
	Shimoga	Achhu (Average)	3650	3650	3650	3600

International Sugar Prices (Weekly Average)				
	Contract Month	16th Sep'21 to 22nd Sep'21	09th Sep'21 to 15th Sep'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	19.34	19.35	-0.01
	21-Oct	18.68	18.79	-0.11
	22-Mar	19.17	19.10	0.07
LIFFE Sugar (US \$/MT)	21-Aug	504.28	505.78	-1.50
	21-Oct	494.98	502.50	-7.52
	21-Dec	487.34	494.12	-6.78

Source: MRCI

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