

Price Outlook:

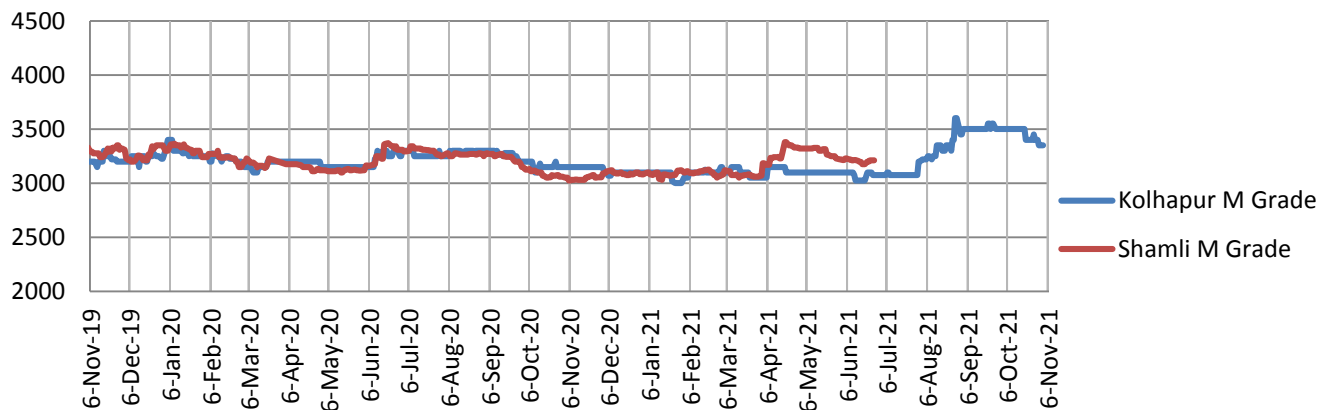
The Union government has approved ethanol projects worth Rs. 3400 crore for Bihar. Government has fixed 22.5 LMT of monthly sugar sales quota for November 2021. Sugarcane crushing has started in Maharashtra and will start in Uttar Pradesh from this month. The average sugar prices have slightly increased at Rs. 3648/q from the previous week at Rs.3643/q in Delhi market. The prices in Maharashtra stood low at Rs.3783/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.3300 -3350 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3350per quintal, while in Shamli district there were no arrivals during the last week.

Price comparsion Kolhapur and Shamli Rs/Qtl**Domestic Market Highlights****Recent Updates:**

- **The Union government has approved ethanol projects worth Rs. 3400 crore for Bihar.** The ethanol production units in Bihar has increased from 6 to 17 by the center, increasing the ethanol production capacity of 36 crore litres. These 17 units will be set up in 10 different districts across Bihar that are known for production of sugarcane, rice and maize.

Previous Updates

- **About 54 sugar mills in Maharashtra have started the cane crushing operation for the 2021-22 season.** Till 01st November 2021, sugar mills have crushed 18.35 lakh tonnes of sugarcane to produce 13.32 lakh quintals of sugar. Around 30 sugar mills from Pune and Kolhapur regions have started the cane crushing operations. Total 31 cooperative and 23 private sugar mills have started the cane crushing operation as on 01st November 2021. As per the agriwatch market analysis, about 190 sugar mills had participated in the cane crushing operation last season of which 154 sugar mills have paid 100 percent of the FRP (fair and remunerative price). Around 36 sugar mills are yet to clear the FRP of around Rs. 321.41 crore.
- Due to heavy and untimely rainfall in Uttar Pradesh especially in the eastern Uttar Pradesh, yield and sugar recovery are both likely to fall in the 2021-22 season. Also, a higher diversion to ethanol production are likely to result in a drop in sugar production. As a result, Maharashtra is likely to overtake Uttar Pradesh in sugar production this season with good monsoon rainfall and sufficient water availability in the reservoirs in the region. Although ratoon cane availability is higher than plant cane i.e yield per hectare is expected to be slightly lower as compared to previous season in Maharashtra. ISMA has estimated the sugar production (without considering diversion into ethanol) in Maharashtra to be around 122.5 lakh tonnes and around 113.5 lakh tonnes in Uttar Pradesh for the 2021-22 season.
- Sugar industry may face challenges for export of sugar during the 2021-22 season. For the 2021-22 season, till 28th October 2021, sugar mills have signed contracts to export 1.5 million tonnes of sugar. But the sugar mills are likely to face 3 key challenges on the way. One Thailand production is expected to be higher this season, second instability in the market in Afghanistan which can affect the India's exports and third, Sri Lanka's shortage of foreign exchange. In the previous season, major sugar export destination for India were Indonesia, Afghanistan and Sri Lanka. (Around 50 percent of the total exports were sent to these countries). Indian sugar sector needs to find new ways to overcome these challenges for export in the 2021-22 season.
- **Government has fixed 22.5 LMT of monthly sugar sales quota for November 2021.** The food ministry has allocated 22.5 LMT monthly sugar quota for November 2021 to 558 sugar mills which is same as the quota released during the previous season for November 2020. Government has also gave an extension of 30 days to sell the unsold quota of October 2021. As per Agriwatch, this will create a selling pressure for the sugar mills despite of the festive demand.

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

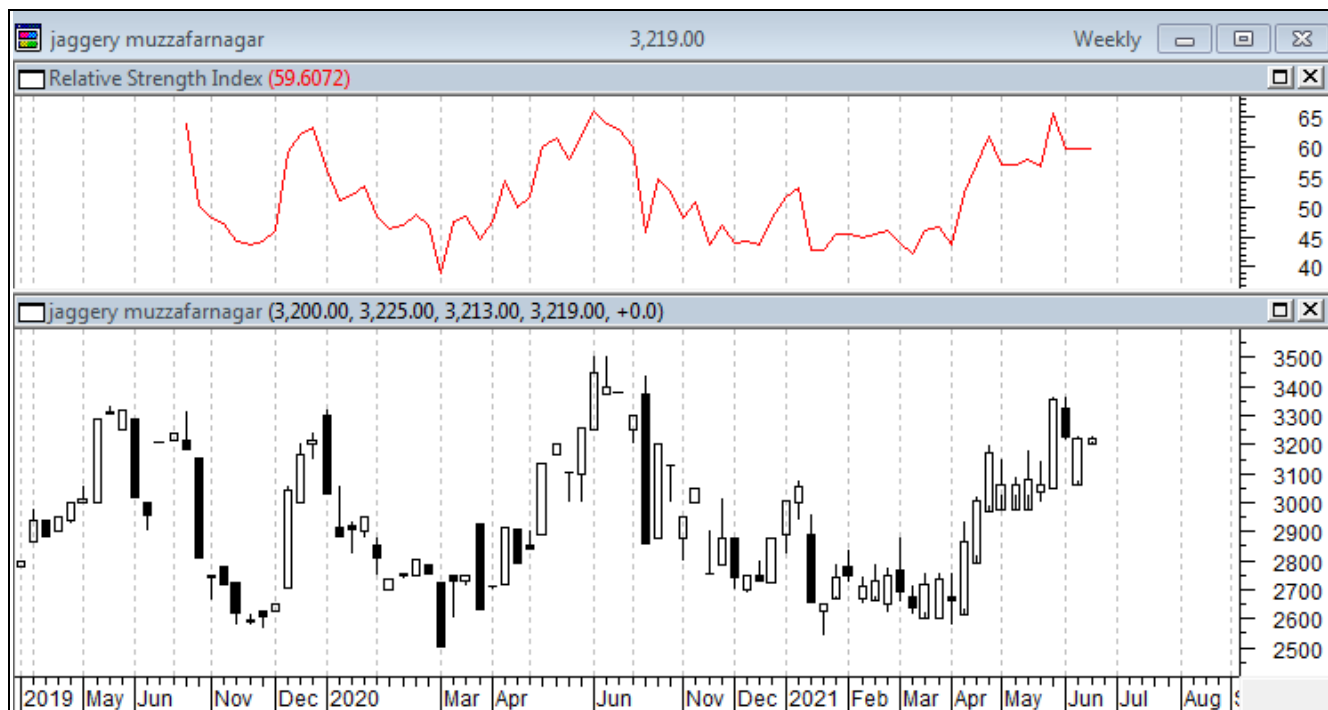
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3350/q.
- The next resistance and support level for the next week is expected at Rs.3400 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- The arrivals have closed in Muzaffarnagar.



International Market Highlights

Recent Updates:

Sugar importers from Sri Lanka has urged the government to release an adequate amount of dollars to the banks to import sugar. This will further help to regularize the sugar import and control the sugar price. Earlier, The Consumer Affairs Authority has fixed the prices for white sugar at Rs. 122 per kg and for brown sugar at Rs. 125 per kg. Despite this, sugar is been sold at a higher rate in the market.

Previous Updates

- According to the Ukrtsukor National Association of Sugar Producer of Ukraine, Sugar output in Ukraine has crossed 562.3 thousand tonnes by crushing 4.20 million tonnes of sugar beet till 23rd October 2021. Around 29 sugar refineries have participated in the sugar beet processing in 2021 season. As per the data released by Economy Ministry, Ukraine is likely to produce 1.4 million tonnes of sugar this season. In the previous season, around 30 sugar refineries had participated in the beet refining season and produced 1.1 million tonnes of sugar.
- Bangladesh Sugar Refiners Association (BSRA) has proposed the government to increase the sugar price by Bangladeshi Taka (TK) 10 per kg i.e. from TK 75 per kg to TK 85 per kg and the MRP of unpacked sugar to TK

80 from TK 74 per kg. Although the commerce industry is yet to approve the price hike, the sugar is sold at higher rates in the domestic market.

- Kenyan Parliament is planning to make changes in the law to penalize the sugar mills if they delay cane payment to farmers. The Parliament has approved changes to the Sugar Bill 2019, according to which the millers will be given a time limit to pay farmers their dues else they would have to pay a fine. The bill now awaits the President's assent to become a law that will protect the sugarcane farmers.
- According to the Ministry of Supply and Internal Trade, Egypt has sufficient sugar stock to cater consumption needs of the people of the country for 6 months. According to the Head of the Internal Trade Development Authority, apart from sugar, the cooking oil reserve in the country is available for 5 months and the rice reserve is sufficient for three and a half months.

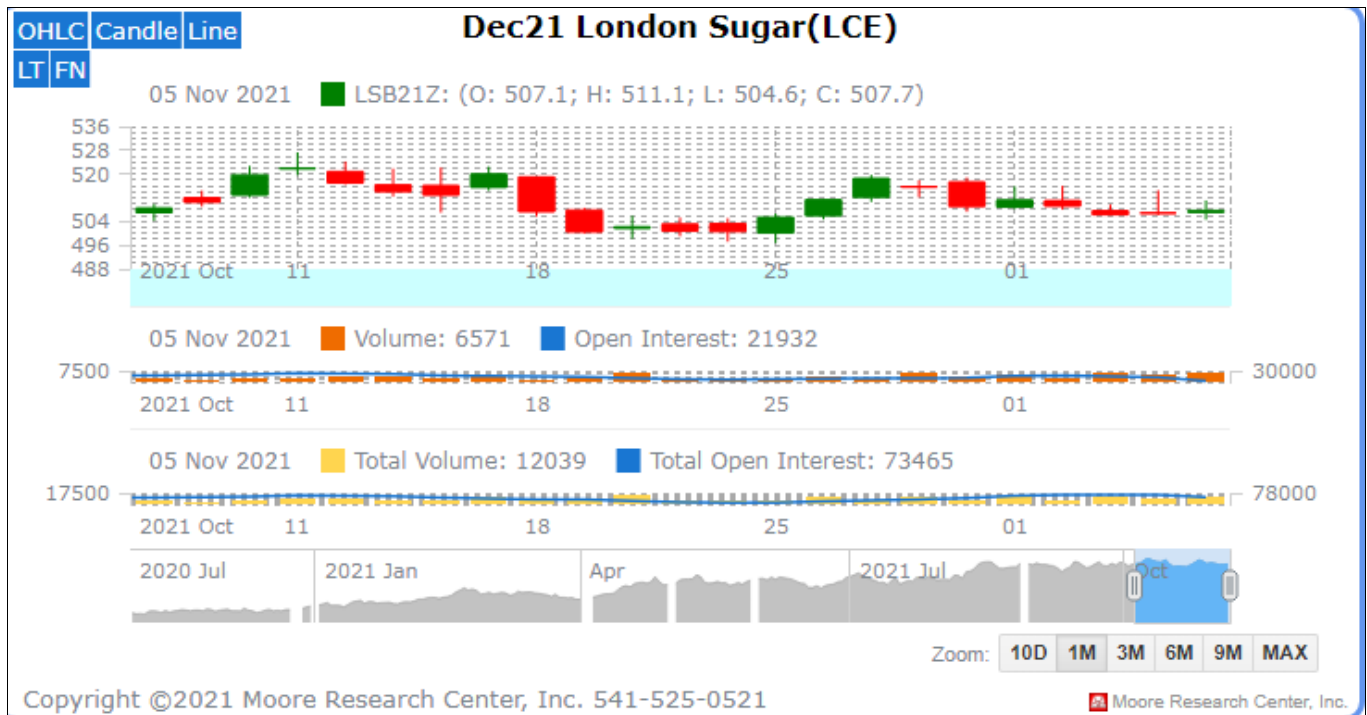
International Sugar Futures Price Projection

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 512, T1 514

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Dec'21	511	512-518

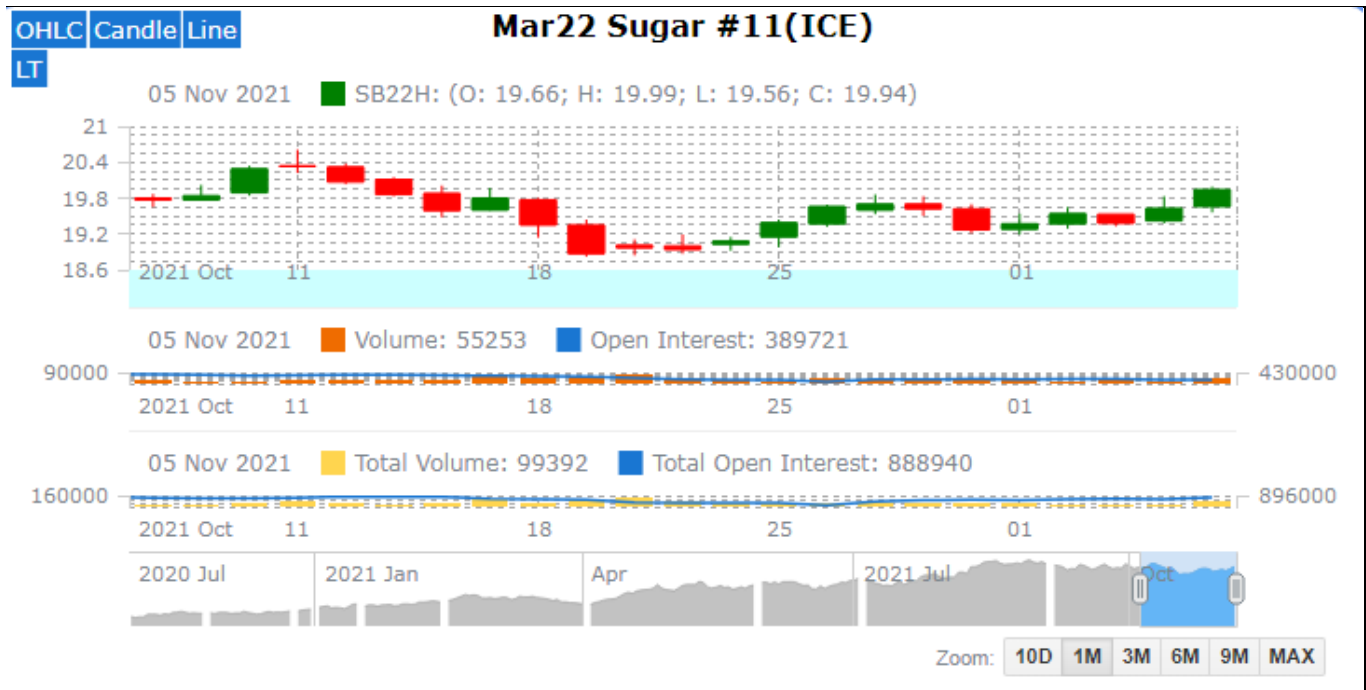


ICE (Raw Sugar Exchange) Future Market Scenario (Mar'22 Contract)

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 19.90 Targeting 19.96.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	19.99	19.80– 20.10



Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
			28th Oct'21 to 03rd Nov'21	21st Oct'21 to 27th Oct'21	
Sugar					
Delhi	Delhi	M-Grade	3668	3663	5
	Delhi	S-Grade	3648	3643	5
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	3783	3796	-13
	Mumbai	S-Grade	3545	3575	-30
	Nagpur	M-Grade	3517	3550	-33
	Nagpur	S-Grade	3417	3450	-33
	Kolhapur	M-Grade	3392	3425	-33
	Kolhapur	S-Grade	3292	3325	-33
Assam	Guhawati	S-Grade	3552	3585	-33
Meghalaya	Shillong	S-Grade	3612	3645	-33

Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4020	4020	Unch
	Vijayawada	S-Grade (With Duty)	3920	3920	Unch
West Bengal	Kolkata	M-Grade	3950	3950	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3640	3840	-200
	Dindigul	M-Grade (DCA)	3930	3920	10
	Coimbatore	M-Grade (DCA)	3900	3900	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3600	3683	-83

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)			28th Oct'21 to 03rd Nov'21	21st Oct'21 to 27th Oct'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3895	3734	161
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	44000	27000	17000
	Muzaffarnagar	Khurpa (Fresh)	3263	3373	-110
	Muzaffarnagar	Laddoo (Fresh)	3713	3833	-120
	Muzaffarnagar	Rascut (Fresh)	2809	2598	211
	Hapur	Chaurasa	3306	3365	-59
	Hapur	Balti	3188	3290	-102
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4550	4550	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3643	3669	-26
	Mandya	Achhu (Medium)	3598	3422	176
	Mandya	Kurikatu (Medium)	3200	3250	-50
	Mandya	Other (Medium)	3223	3300	-78
	Mandya	Yellow (Medium)	3645	3455	190
	Shimoga	Achhu (Average)	3733	3700	33

Spot Sugar Prices Scenario (Weekly)						
Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			3-Nov-21	28-Oct-21	6-Oct-21	5-Nov-20
Delhi	Delhi	M-Grade	3650	3680	3690	3245
	Delhi	S-Grade	3630	3660	3670	3225
Uttar Pradesh	Khatauli	M-Grade	NR	NR	0	3075
	Ramala	M-Grade	NR	NR	0	0
	Dhampur	M-Grade Ex-Mill	NR	NR	0	3100
	Dhampur	S-Grade Ex-Mill	NR	NR	0	3080
	Dhampur	L-Grade Ex-Mill	NR	NR	0	3150
Maharashtra	Mumbai	M-Grade	3770	3800	3810	3436
	Mumbai	S-Grade	3542	3550	3630	3266
	Nagpur	M-Grade	3475	3575	3625	3275
	Nagpur	S-Grade	3375	3475	3525	3225
	Kolhapur	M-Grade	3350	3450	3500	3150
	Kolhapur	S-Grade	3250	3350	3400	3100
Assam	Guhawati	S-Grade	3563	3664	3715	3410
Meghalaya	Shillong	S-Grade	3570	3670	3720	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	4020	4020	4020	3600
	Vijayawada	S-Grade (With Duty)	3920	3920	3920	3660
West Bengal	Kolkata	M-Grade	3950	3950	3950	3730
Tamil Nadu	Chennai	S-Grade	3640	3640	3820	3580
	Dindigul	M-Grade (DCA)	#N/A	3920	3900	3780
	Coimbatore	M-Grade (DCA)	#N/A	3900	3860	3620
Chattisgarh	Ambikapur	M-Grade (Without Duty)	#N/A	3600	3800	3600

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Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Jaggery(Gur)			3-Nov-21	28-Oct-21	6-Oct-21	5-Nov-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	Close d	NR	3628	2925
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	Close d	NR	200	10000
	Muzaffarnagar	Khurpa	Close d	NR	3375	2350
	Muzaffarnagar	Laddoo	Close d	NR	3803	2900

	Muzaffarnagar	Rascut	Close d	NR	0	2275
	Hapur	Chaurasa	Close d	3475	3250	2488
	Hapur	Balti	Close d	3350	3475	2488
Andhra Pradesh	Chittur	Gold	NR	NR	0	0
		White	NR	NR	0	0
		Black	NR	NR	0	0
Maharashtra	Latur	Lal Variety	NR	NR	0	0
Karnataka	Bangalore	Mudde (Average)	NA	4550	0	4400
	Belgaum	Mudde (Average)	NA	NA	0	3500
	Belthangadi	Yellow (Average)	NA	NA	0	0
	Bijapur	Achhu	NA	NA	0	0
	Gulbarga	Other (Average)	NA	NA	0	0
	Mahalingapura	Penti (Average)	NA	3654	0	3351
	Mandya	Achhu (Medium)	NA	3600	0	3380
	Mandya	Kurikatu (Medium)	NA	3200	0	3250
	Mandya	Other (Medium)	NA	3300	0	3150
	Mandya	Yellow (Medium)	NA	3700	0	3300
	Shimoga	Achhu (Average)	NA	3700	0	3600

International Sugar Prices (Weekly Average)

	Contract Month	28th Oct'21 to 03rd Nov'21	21st Oct'21 to 27th Oct'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	18.86	18.69	0.17
	21-Oct	18.62	18.47	0.15
	22-Mar	19.45	19.35	0.10
LIFFE Sugar (US \$/MT)	21-Aug	499.78	498.10	1.68
	21-Oct	495.55	493.42	2.13
	21-Dec	488.30	491.66	-3.36

Source: MRCI

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