

Price Outlook:

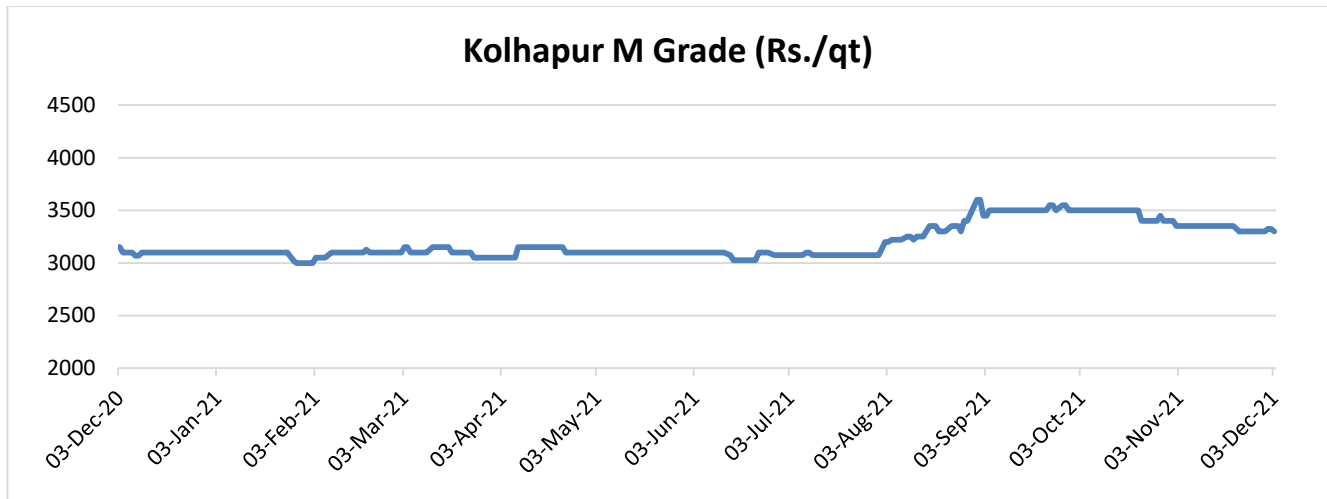
The food ministry has allocated 21.5 LMT monthly sugar quota for December 2021. Sugar mills have produced around 47.21 lakh tonnes of sugar till 30th November '2021 as against 43.02 lakh tonnes produced same period last year. The average sugar prices have slightly decreased at Rs. 3497/q from the previous week at Rs.3513/q in Delhi market. The prices in Maharashtra stood low at Rs.3304/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.3200 -3400 per quintal for next week.

Domestic Sugar Market Summary

Average prices for sugar 'M' grade in key Kolhapur market were range bound at Rs.3300per quintal.

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

- Government has fixed 21.5 LMT of monthly sugar sales quota for December 2021. The food ministry has allocated 21.5 LMT monthly sugar quota for December 2021 to 558 sugar mills which is same as the quota released during the previous season for December 2020. In the previous month the government has fixed 22.5 LMT monthly sugar quota for domestic scale in November 2021 with extension for unsold quota of October 2021.

Previous Updates

- Around 416 sugar mills are currently participating in the cane crushing operation as compared to 409 sugar mills in the previous season. Sugar mills have produced around 47.21 lakh tonnes of sugar till 30th November '2021 as against 43.02 lakh tonnes produced same period last year. The Indian Sugar Mills Association has attributed the higher production to an early start of crushing season in western region of the country this season and higher availability of cane.
- According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 192.73 lakh quintals of sugar till 29th November 2021 by crushing 212.13 lakh tonnes of sugarcane. Around 171 sugar mills are currently participating in the cane crushing operation in Maharashtra out of which 85 are cooperative and 86 are private sugar mills. While the Solapur division is leading in the state with highest 41 sugar mills engaged in cane crushing operation this season. Sugar recovery rate for Solapur is currently at 8.24 percent.
- Uttarakhand government has increased the sugarcane purchase price for 2021-22 season. The government has increased the sugarcane purchase price by Rs. 29.50 per quintal. The government would purchase the early variety of sugarcane at Rs. 355 per quintal while common variety would be purchased at Rs. 345 per quintal.
- Sugarcane farmers have witnessed lower yield in Punjab. The farmers from Tanda, Dasuya and parts of Gurdaspur have noticed the lower yield after harvesting cane for the ongoing crushing season. It is mainly because the crop was earlier attacked by red rot at initial growth stage.
- Despite of the threat of the newly reported Omicron variant of Covid-19 virus, Indian sugar industry is hopeful for good export during 2021-22 season. During the 2019 season india has exported 59.50 lakh tonnes of sugar while in 2020-21 season exports were around 71 lakh tonnes. For the 2021-22 season too india is expected to export around 60 lakh tonnes of sugar. According to Indian Sugar Mills Association, the last two waves of Covid 19 infection have not affected the sugar exports much. For the 2021-22 season sugar exports are expected to be good despite the emergence of the new variant.
- According to the USDA World sugar Market and Trade Outlook report, Indian sugar production has estimated at 34.7 MT around 3 percent higher from the last season of 33.76 MT. Sugar production is estimated to be higher due to increase in area. Further, domestic consumption has been pegged at 28.5 MT, unchanged from the initial projection but 0.5 MT higher than last season. However, USDA has raised exports to 7 MT from the previous 6 MT but, it would still be 0.2 MT lower than last season 7.2 MT export. Ending stocks are estimated lower at 14.37 MT against earlier projection of 16.57 MT but higher than last season's 14.17 MT.
- According to the data released by Sugar commissionerate, Maharashtra sugar production has crossed 150 lakh quintals mark till 24th November 2021. Around 151 sugar mills, including 74 cooperative and 77 private are currently participating in the cane crushing operation. These mills have produced 152.25 lakh quintals of sugar by crushing 169.35 lakh tonnes of sugarcane with a recovery rate of 8.99 percent.

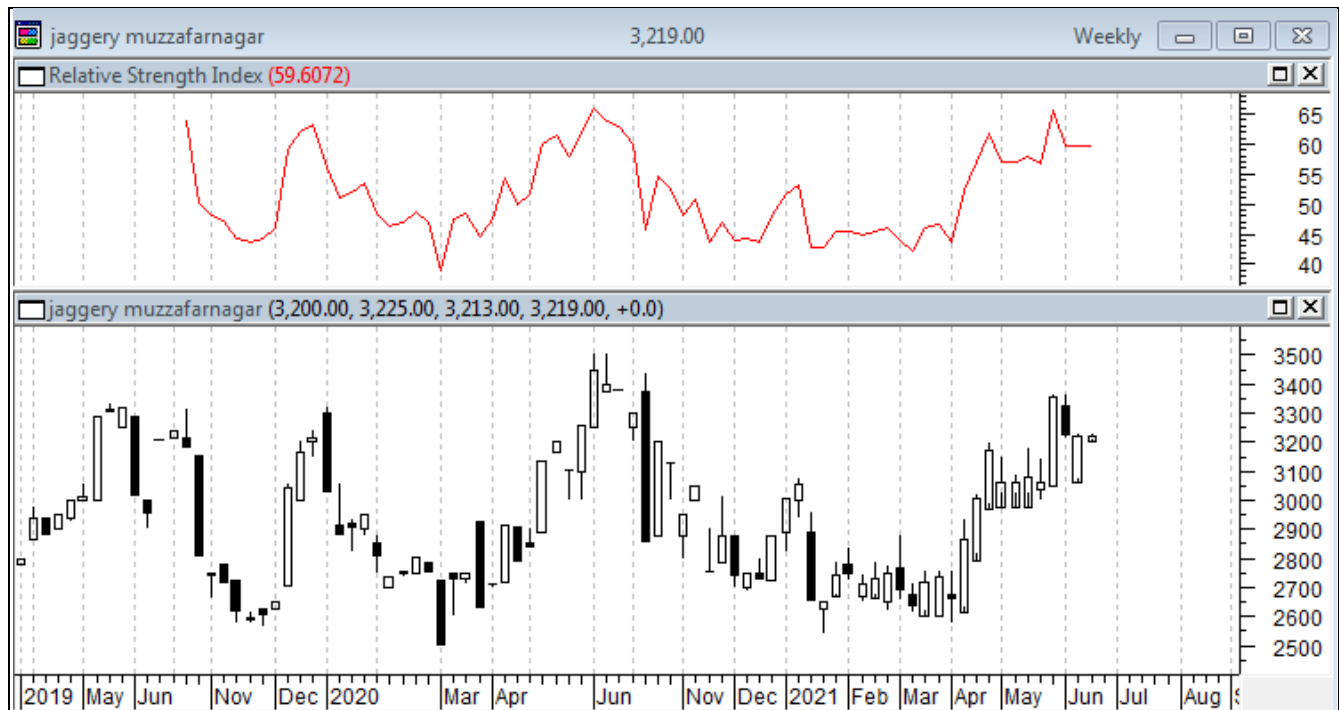
Technical Analysis - Sugar (M grade) Spot Market at Kolhapur market

- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3300/q.
- The next resistance and support level for the next week is expected at Rs.3350 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:**

The Government trading corporation of Iran has announced that the sugar import by Iran is down by 12 percent this year. Due to increase in the domestic sugar production the country has imported 758,000 tonnes of sugar in the first eight months (March 2021 – November 2021) of the year which was lower compared to the previous year.

Previous Updates

- The USDA World sugar Market and Trade Outlook report has projected lower sugar production in Brazil due to dry weather conditions and frosts. Brazil sugar production is expected to fall by 6.1 MT to 36 MT against 42.05 MT during the previous season. As overall prices are likely to remain firm and relatively more attractive than ethanol prices, at least 46 percent of sugarcane crop is expected to be processed for sugar and 54 percent for ethanol. Further consumption is expected to be down slightly, with stocks unchanged. Exports are estimated to drop to 26 MT against 32.15 MT last season. Further, Thailand sugar production is expected to rebound this season to 10 MT from 7.58 MT last season but still be lower than the initial projections of 10.6 MT.
- According to the Quarterly market outlook report by International Sugar Organization, the global deficit in 2021-22 is reduced to 2.552 million tonnes from 3.582 million tonnes in August, with production at 170.473 million tonnes lower by 0.165 million tonnes since August but higher by 1.476 million tonnes in 2020-21. Consumption was revised down at 1.442 million tonnes from August to 173.025 million tonnes but was higher by 2.007 million tonnes as compared to previous season. Exports were estimated at 60.266 million tonnes, higher compared to 59.285 million tonnes in August. Imports demand has been lowered by 1.076 million tonnes to 59.327 million tonnes as the higher freight rates reduce buying interest from Russia, India and South Africa. The stock to use ratio is forecasted at 53.90 percent down by 2.67 percent as compared to last season.
- According to International Sugar Organization, global ethanol production for the 2021-2022 season has been projected to reach 109.0 billion litres, consumption has been projected to reach 104.2 billion litres. Further recovery in production and consumption is expected in the US with higher corn ethanol production in recent weeks pointing to improved profitability of processor.
- Due to supply chain issue in Turkey, supermarkets in Turkey have taken a decision to limit the purchase of sugar. The Turkish Sugar Refineries Corporation (Turkseker) has maintained the prices of sugar at an optimum level but the private companies have hiked the sugar prices by 40 percent and they are further forced to limit supply to markets leading to shortage. Turkseker has also raised the prices by 25 percent but still the demand supply gap continues in the market.

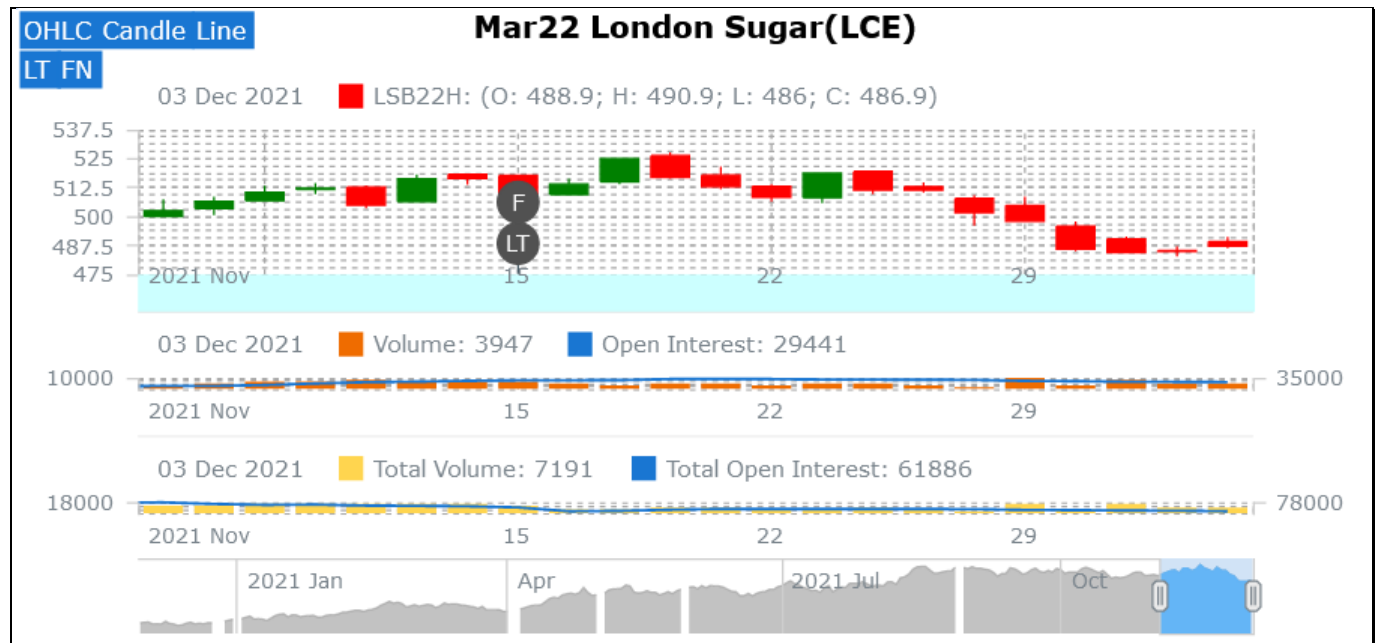
International Sugar Futures Price Projection

LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Mar'22 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 490, T1 498

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'22	486	485-500



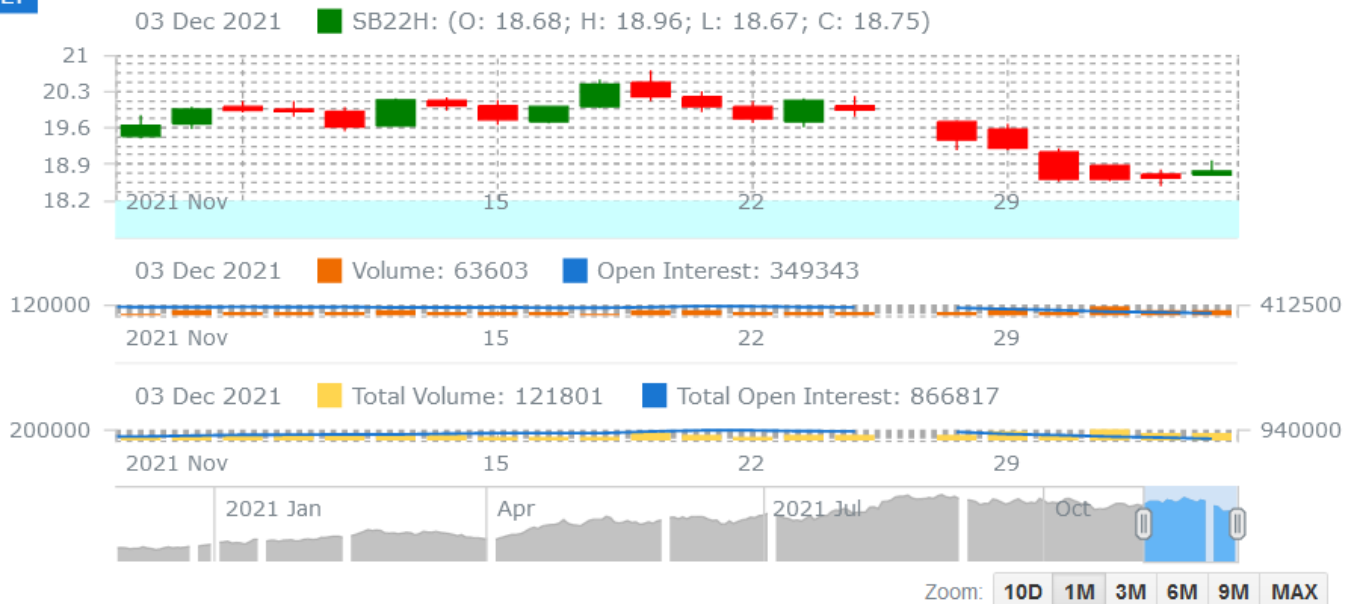
ICE (Raw Sugar Exchange) Future Market Scenario (Mar'22 Contract)**Technical Commentary:**

- 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 18.90 Targeting 18.75.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	18.75	18.72– 19.30

OHLC Candle Line

LT

Mar22 Sugar #11(ICE)

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			25th Nov'21 to 01st Dec'21	18th Nov'21 to 24th Nov'21	
Delhi	Delhi	M-Grade	3517	3541	-24
	Delhi	S-Grade	3497	3521	-24
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	3683	3685	-2
	Mumbai	S-Grade	3345	3466	-121
	Nagpur	M-Grade	3429	3445	-16
	Nagpur	S-Grade	3329	3345	-16
	Kolhapur	M-Grade	3304	3320	-16
	Kolhapur	S-Grade	3204	3220	-16
Assam	Guhawati	S-Grade	3516	3480	36
Meghalaya	Shillong	S-Grade	3524	3540	-16
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3940	3940	Unch
	Vijayawada	S-Grade (With Duty)	3880	3848	32
West Bengal	Kolkata	M-Grade	3950	3950	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3693	3660	33
	Dindigul	M-Grade (DCA)	3950	3890	60
	Coimbatore	M-Grade (DCA)	3800	3824	-24
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3950	3720	230

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)			25th Nov'21 to 01st Dec'21	18th Nov'21 to 24th Nov'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	2940	2988	-48
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	67000	49000	18000
	Muzaffarnagar	Khurpa (Fresh)	2594	2681	-87
	Muzaffarnagar	Laddoo (Fresh)	2993	3047	-54
	Muzaffarnagar	Rascut (Fresh)	2581	2574	7

	Hapur	Chaurasa	2639	2613	26
	Hapur	Balti	2585	2619	-34
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4900	4900	Unch
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	3495	3537	-42
	Mandya	Achhu (Medium)	3810	3720	90
	Mandya	Kurikatu (Medium)	3320	3500	-180
	Mandya	Other (Medium)	3380	3533	-153
	Mandya	Yellow (Medium)	3726	3645	81
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			30-Nov-21	24-Nov-21	02-Nov-21	02-Dec-20
Delhi	Delhi	M-Grade	3485	3525	3650	3225
	Delhi	S-Grade	3465	3505	3630	3205
Uttar Pradesh	Khatauli	M-Grade	NR	NR	NR	3175
	Ramala	M-Grade	NR	NR	NR	0
	Dhampur	M-Grade Ex-Mill	NR	NR	NR	3140
	Dhampur	S-Grade Ex-Mill	NR	NR	NR	3120
	Dhampur	L-Grade Ex-Mill	NR	NR	NR	3190
Maharashtra	Mumbai	M-Grade	3682	3686	3770	3490
	Mumbai	S-Grade	3422	3450	3542	3246
	Nagpur	M-Grade	3425	3425	3475	3275
	Nagpur	S-Grade	3325	3325	3375	3225
	Kolhapur	M-Grade	3300	3300	3350	3150
	Kolhapur	S-Grade	3200	3200	3250	3100
Assam	Guhawati	S-Grade	3512	3512	3563	3410
Meghalaya	Shillong	S-Grade	3520	3520	3570	3420
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3940	3940	4020	3560
	Vijayawada	S-Grade (With Duty)	3880	3880	3920	3620
West Bengal	Kolkata	M-Grade	3950	3950	3950	3650
Tamil Nadu	Chennai	S-Grade	3700	3660	3640	3560

	Dindigul	M-Grade (DCA)	3950	3950	3940	3780
	Coimbatore	M-Grade (DCA)	3800	3800	3900	3570
Chattisgarh	Ambikapur	M-Grade (Without Duty)	4000	3800	3600	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	30-Nov-21	24-Nov-21	02-Nov-21	02-Dec-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	2913	2988	3563	2725
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	15000	12000	5000
	Muzaffarnagar	Khurpa	2588	2650	3250	2500
	Muzaffarnagar	Laddoo	2925	2975	3550	2863
	Muzaffarnagar	Rascut	2588	2580	2775	2413
	Hapur	Chaurasa	2675	2563	3275	2438
	Hapur	Balti	2625	2500	3000	2425
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)	4900	4900	4550	4400
	Belgaum	Mudde (Average)	NA	NA	3800	0
	Belthangadi	Yellow (Average)	NA	NA	0	0
	Bijapur	Achhu	NA	NA	0	0
	Gulbarga	Other (Average)	NA	NA	0	0
	Mahalingapura	Penti (Average)	NA	3685	3447	3244
	Mandya	Achhu (Medium)	3810	3850	3590	3000
	Mandya	Kurikatu (Medium)	3300	3450	3200	3100
	Mandya	Other (Medium)	3360	3400	3190	2920
	Mandya	Yellow (Medium)	3700	3650	3630	2970
	Shimoga	Achhu (Average)	NA	3700	3800	3600

International Sugar Prices (Weekly Average)				
	Contract Month	25th Nov'21 to 01st Dec'21	18th Nov'21 to 24th Nov'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	18.47	19.99	-1.52
	21-Oct	18.29	19.69	-1.40
	22-Mar	19.13	19.32	-0.19
LIFFE Sugar (US \$/MT)	21-Aug	490.94	513.36	-22.42
	21-Oct	484.56	512.58	-28.02
	21-Dec	484.16	508.66	-24.50

Source: MRCI

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