

Price Outlook:

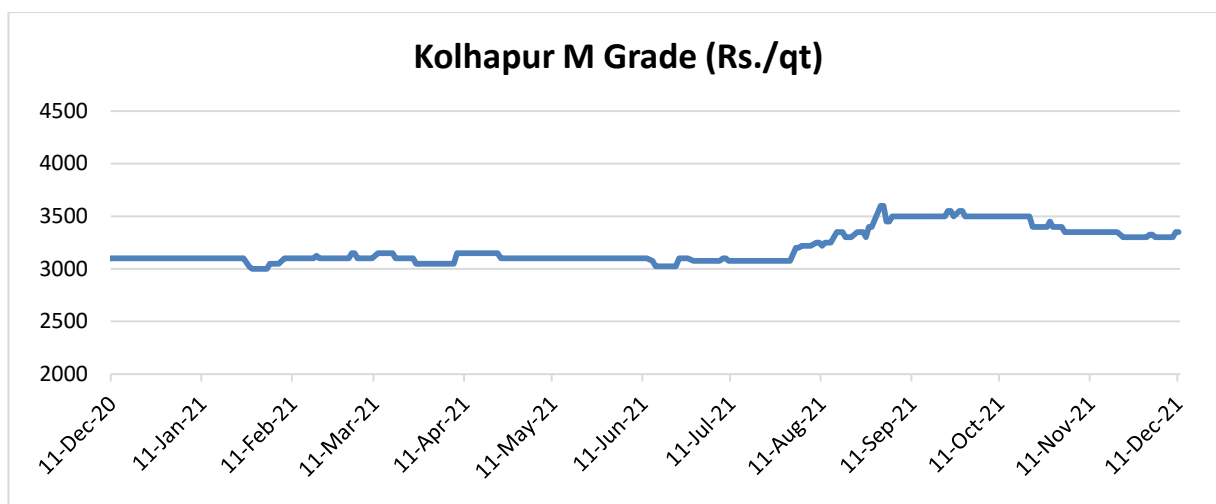
Sugar mills in Maharashtra have produced 268.17 lakh quintals of sugar till 09th December 2021 by crushing 289.1 lakh tonnes of sugarcane. Sugar mills across India have produced around 47.21 lakh tonnes of sugar till 30th November '2021 as against 43.02 lakh tonnes produced same period last year. The average sugar prices have slightly decreased at Rs. 3514/q from the previous week at Rs.3517/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:**

- According to the Maharashtra sugar commissioner, Sugar mills in Maharashtra have produced 268.17 lakh quintals of sugar till 09th December 2021 by crushing 289.1 lakh tonnes of sugarcane. Around 183 sugar mills are currently participating in the cane crushing operation in Maharashtra. Solapur division is leading in the state with highest 43 sugar mills engaged in cane crushing operation this season. Sugar recovery rate for Solapur is currently at 8.37 percent whereas for Maharashtra it is 9.28 percent.

Previous Updates

- The Haryana state pollution control board has issued a notification stating that the industrial operations and processors in NCR, not running on PNG or cleaner fuels, shall be allowed to operate only up to 8 hours a day from Monday to Friday and shall not be allowed to operate on Saturday and Sunday. This decision might affect the sugar industry as when the sugarcane juice is in drying process, the cost of heat energy required and then the shutting the mill for 16 hours after running eight hours heating and cooling will spoil the sugar quality and also the cost will go three times higher. As per the industry people this decision needs to be reviewed.
- Sugar exports for about 35 lac tons has been contracted for exports in the current sugar season 2021-22. According to Indian Sugar Mills Association, most of these contracts were signed when the global sugar prices were in the range of 20-21 cents per pound of raw sugar. However, with a fall in the global prices to below 20 cents, and now to around 18.6 cents per pound of raw sugar, the Indian sugar mills are not coming forward to sign further export contracts.
- The domestic ex-mill prices and the costs of the production of sugar at the increased FRP and SAP for sugarcane for 2021-22 season, it is expected that the sugar mills will enter into further export contracts only after world prices increase to around 21 cents per pound of sugar. Considering that a substantial quantity of around 34 lac tons of sugar equivalent is estimated to get diverted into ethanol production, the pressure on the sugar mills to immediately contract for further exports is less. Therefore, it seems that the sugar mills will wait for an upward revision of the global prices to around 21 cents or more. Presently, Indian sugar mills are going slow on export deals after the fall in global prices of sugar. Also, logistical hurdles have delayed the shipments.
- Gujarat government will soon announce an ethanol production policy 2021 that would benefit both farmers and ethanol manufacturers in the state. The policy aims to utilize, develop, and promote domestic feedstock of agri-produce by products for production of bio ethanol.
- India has reached 8.1 percent ethanol blending rate with petrol during 2020-21 season. As per the food Ministry, during the ethanol supply year 2020-21 (Dec-Nov), 3.03 billion litres of ethanol has been supplied by distillers to Oil Marketing Companies (OMC). Earlier the supply of ethanol was only 0.38 billion litres with blending levels of only 1.53 percent in 2013-14, which was increased by eight times in the last seven years. The government has also committed to achieve a blending target of 10 percent in the current ethanol supply year 2021-22.

- 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. The adjoining table shows the state-wise breakup of sugar production till 30th November 2021 and its comparison with the previous year.

State	Sugar Production (as of 30 th Nov) (lakh tonnes)		Mills in Operation (as of 30 th Nov)	
	2020	2021	2020	2021
Maharashtra	15.79	20.34	158	172
Uttar Pradesh	12.65	10.39	111	101
Karnataka	11.11	12.76	63	66
Gujarat	1.65	1.66	15	15
Others	1.82	2.06	NA	62

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

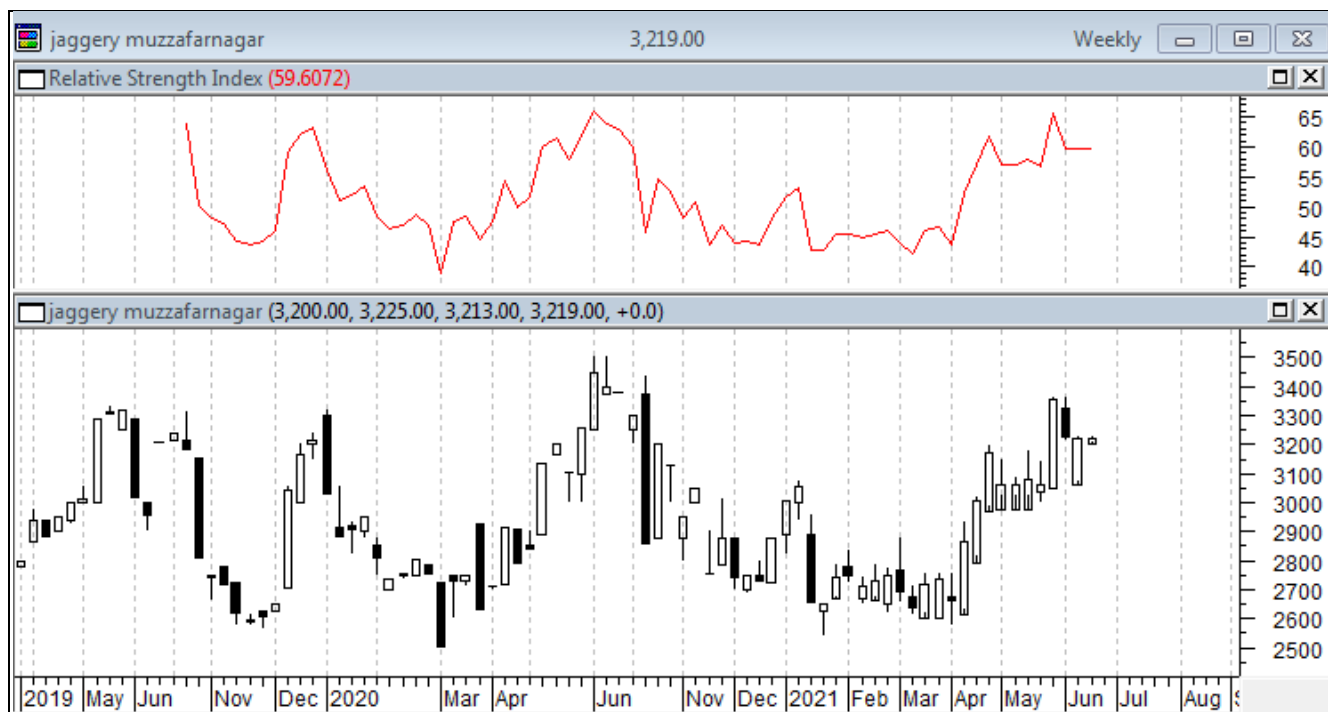
- The sugar spot prices at the benchmark Kolhapur market was higher during last week and ended at Rs.3300/q.
- The next resistance and support level for the next week is expected at Rs.3350 and Rs.3200 per quintal respectively.
- RSI is in the neutral region.



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

Gur Market Scenario

- The arrivals have closed in Muzzaffarnagar.



International Market Highlights

Recent Updates:

With the increase in the sugar rates in the domestic market amid the covid outbreak, the Trading Corporation of Bangladesh (TCB) will launch a nationwide programme to sell sugar, red lentil, soyabean and onion at subsidized rates. TCB has issued a press release on 04th December 2021 stating that the sugar will be sold at subsidized rates in Dhaka and other metropolitan cities, districts and upazila towns. The sugar in the domestic market is being sold at Bangladeshi Taka (TK) 75-80 per kg and TCB will sell it at TK 55 per kg.

Previous 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.
- 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.

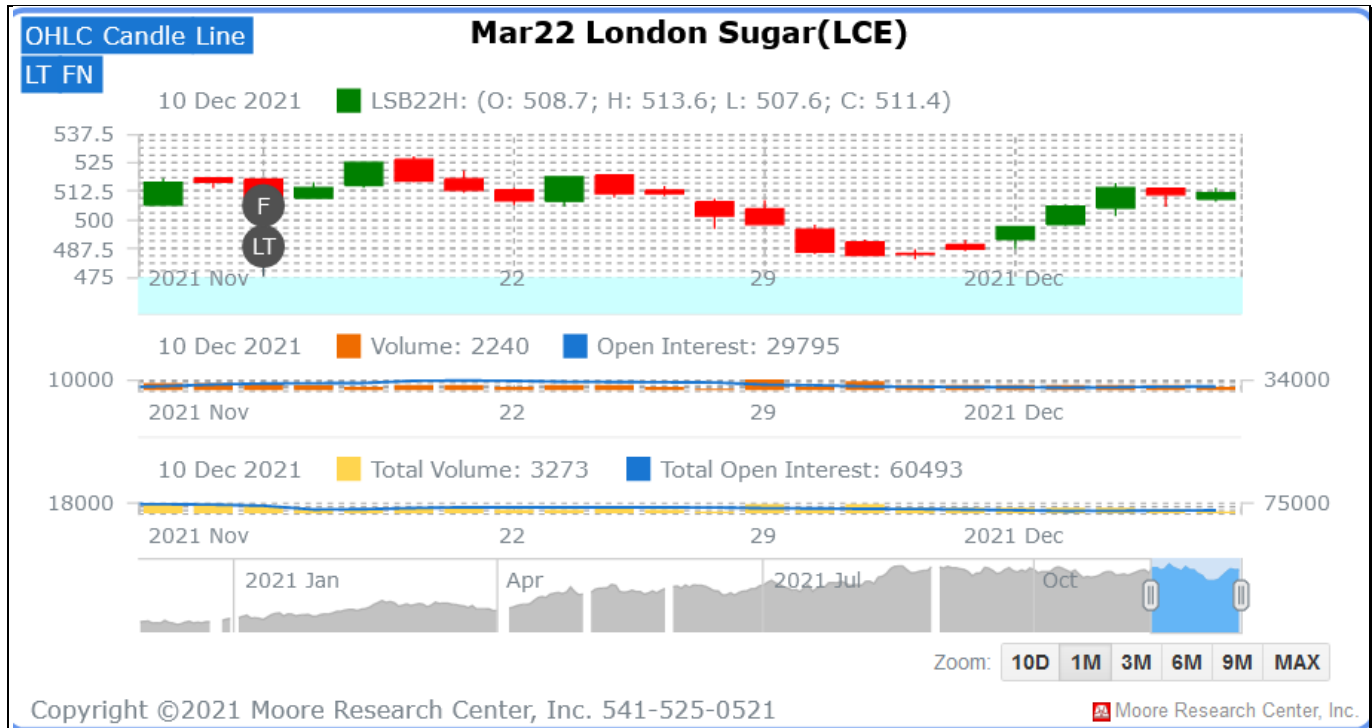
International Sugar Futures Price Projection

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 512, T1 514

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Mar'22	511	511-525



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

Technical Commentary:

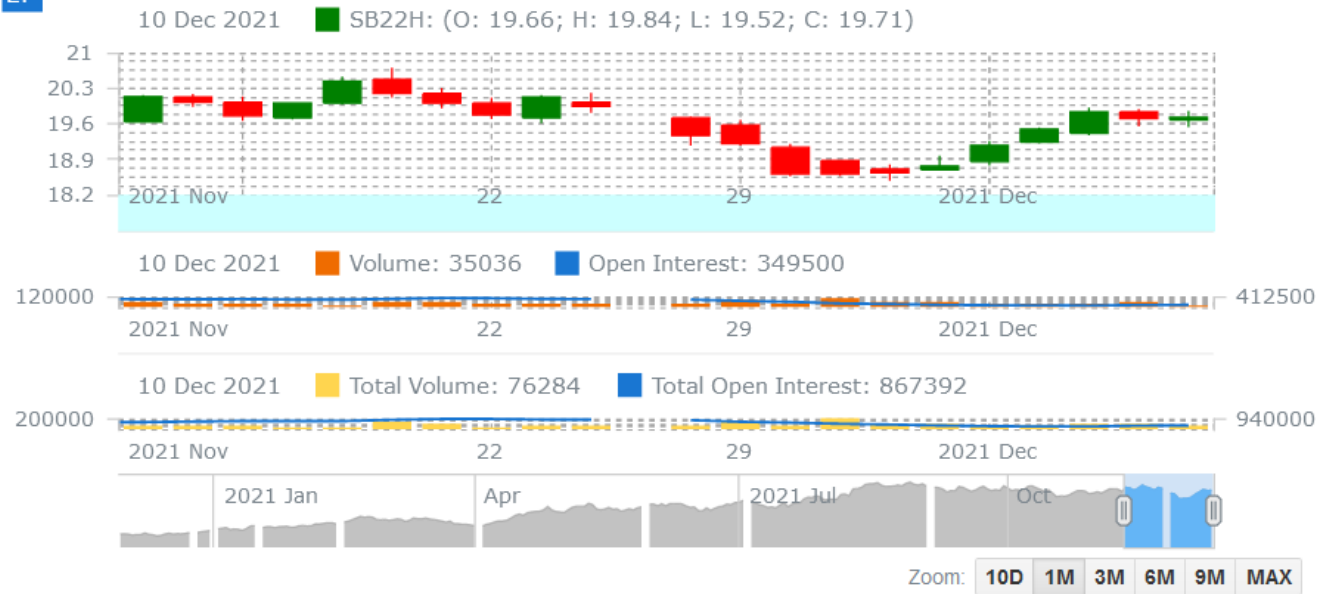
- ICE raw sugar futures remained steady to weak during the week.
- Both total volume increased & open interest increased in a week.
- Strategy: Buy at rate 19.85 Targeting 19.74.

International Sugar Futures Price Projection			
	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Mar'22	19.71	19.70– 20.05

OHLC Candle Line

Mar22 Sugar #11(ICE)

LT



Copyright ©2021 Moore Research Center, Inc. 541-525-0521

Moore Research Center, Inc.

Spot Sugar Prices Scenario (Weekly) (Average)

Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			02nd Dec'21 to 08th Dec'21	25th Nov'21 to 01st Dec'21	
Delhi	Delhi	M-Grade	3514	3517	-3
	Delhi	S-Grade	3494	3497	-3
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	3685	3683	1
	Mumbai	S-Grade	3432	3345	87
	Nagpur	M-Grade	3429	3429	Unch
	Nagpur	S-Grade	3329	3329	Unch
	Kolhapur	M-Grade	3304	3304	Unch
	Kolhapur	S-Grade	3204	3204	Unch
Assam	Guhawati	S-Grade	3464	3516	-52
Meghalaya	Shillong	S-Grade	3524	3524	Unch
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3873	3940	-67
	Vijayawada	S-Grade (With Duty)	3813	3880	-67
West Bengal	Kolkata	M-Grade	3950	3950	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3707	3693	13
	Dindigul	M-Grade (DCA)	3950	3950	Unch
	Coimbatore	M-Grade (DCA)	3800	3800	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3917	3950	-33

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)			02nd Dec'21 to 08th Dec'21	25th Nov'21 to 01st Dec'21	
Uttar Pradesh	Muzaffarnagar	Chaku Fresh	3032	2940	92
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	64000	67000	-3000
	Muzaffarnagar	Khurpa (Fresh)	2730	2594	136

	Muzaffarnagar	Laddoo (Fresh)	3041	2993	48
	Muzaffarnagar	Rascut (Fresh)	2596	2581	15
	Hapur	Chaurasa	2680	2639	41
	Hapur	Balti	2628	2585	43
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)	3474	3495	-21
	Mandya	Achhu (Medium)	3512	3810	-298
	Mandya	Kurikatu (Medium)	3267	3320	-53
	Mandya	Other (Medium)	3343	3380	-37
	Mandya	Yellow (Medium)	3462	3726	-264
	Shimoga	Achhu (Average)	3700	3700	Unch

Spot Sugar Prices Scenario (Weekly)

Commodity	Centre	Variety	Today	Week Ago	Month Ago	Year Ago
Sugar			08-Dec-21	02-Dec-21	10-Nov-21	10-Dec-20
Delhi	Delhi	M-Grade	3550	3490	3580	3240
	Delhi	S-Grade	3530	3470	3560	3220
Uttar Pradesh	Khatauli	M-Grade	NR	0	0	3180
	Ramala	M-Grade	NR	0	0	0
	Dhampur	M-Grade Ex-Mill	NR	0	0	3135
	Dhampur	S-Grade Ex-Mill	NR	0	0	3115
	Dhampur	L-Grade Ex-Mill	NR	0	0	3185
Maharashtra	Mumbai	M-Grade	3690	3682	3726	3410
	Mumbai	S-Grade	3446	3422	3486	3232
	Nagpur	M-Grade	3425	3450	3475	3225
	Nagpur	S-Grade	3325	3350	3375	3205
	Kolhapur	M-Grade	3300	3325	3350	3100
	Kolhapur	S-Grade	3200	3225	3250	3080
Assam	Guhawati	S-Grade	3512	3537	3563	3390
Meghalaya	Shillong	S-Grade	3520	3545	3570	3400
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3860	3940	3980	3560
	Vijayawada	S-Grade (With Duty)	3800	3880	3860	3620

West Bengal	Kolkata	M-Grade	3950	3950	3950	3650
Tamil Nadu	Chennai	S-Grade	3720	3700	3610	3560
	Dindigul	M-Grade (DCA)	3950	3950	3940	3600
	Coimbatore	M-Grade (DCA)	3800	3800	3900	3570
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3900	4000	3600	3600

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)			08-Dec-21	02-Dec-21	10-Nov-21	10-Dec-20
Uttar Pradesh	Muzaffarnagar	Chaku Sukha	3050	3038	3275	2700
	Muzaffarnagar	Chaku(Arrival)(40kg Bag)	12000	5000	12000	8000
	Muzaffarnagar	Khurpa	2775	2750	3100	2453
	Muzaffarnagar	Laddoo	3000	3105	3375	2763
	Muzaffarnagar	Rascut	2600	2613	2575	2238
	Hapur	Chaurasa	2600	2750	2963	2500
	Hapur	Balti	2563	2663	2925	2543
Andhra Pradesh	Chittur	Gold	NR	0	0	0
		White	NR	0	0	0
		Black	NR	0	0	0
Maharashtra	Latur	Lal Variety	NR	0	0	0
Karnataka	Bangalore	Mudde (Average)	4900	4900	4550	4400
	Belgaum	Mudde (Average)	NA	0	0	0
	Belthangadi	Yellow (Average)	NA	0	0	0
	Bijapur	Achhu	NA	0	0	0
	Gulbarga	Other (Average)	NA	0	0	0
	Mahalingapura	Penti (Average)	3495	3447	3800	0
	Mandya	Achhu (Medium)	3500	3700	3400	3050
	Mandya	Kurikatu (Medium)	3250	3350	3300	2930
	Mandya	Other (Medium)	3200	3400	3300	2900
	Mandya	Yellow (Medium)	3450	3730	3480	3000
	Shimoga	Achhu (Average)	3700	3700	3700	3600

International Sugar Prices (Weekly Average)				
	Contract Month	02nd Dec'21 to 08th Dec'21	25th Nov'21 to 01st Dec'21	Change
ICE Sugar #11 (US Cent/lb)	21-Jul	18.35	18.47	-0.12
	21-Oct	18.13	18.29	-0.16
	22-Mar	19.17	19.13	0.04
LIFFE Sugar (US \$/MT)	21-Aug	488.60	490.94	-2.34
	21-Oct	481.94	484.56	-2.62
	21-Dec	481.02	484.16	-3.14

Source: MRCI

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.