

### **Domestic Market Highlights**

#### **Recent Updates:**

Indian Sugar Mills Association has again requested the government to allow sugar mills to export sugar. The Indian Sugar Mills Association has expressed their concern that sugar mills had applied for 17 LMT of sugar for export however Export Release Order (ERO)s for only 8 LMT were issued earlier. Furthermore, approximately 6-7 LMT of raw sugar is lying idle at the mills/ ports and proving to be unhelpful in building of the closing stock. For un-exported quantities, sugar mills may face financial losses in future.

As per Agriwatch if Government allow further sugar exports of 6-7 LMT domestic supply would not get affected as currently Special sugarcane crushing season is in progress in Karnataka and Tamil Nadu and around 3-4 LMT of sugar production is expected to increase further. Along with it the new sugarcane season will start in October 2022. The area under sugarcane for the coming season is also expected to increase. As a result, more exports would not affect the domestic market as prices are currently stable despite a record sugar export in the 2021-22 season. Although Ending stock would further decline but overall, not much impact would be there in the domestic market. Also, a major increase in sugar demand i.e. the festive demand will come after October 2022.

According to Indian Sugar Mills Association Preliminary estimate, the total acreage under sugarcane in India is estimated to be around 58.28 lakh hectares in 2022-23 Season, which is about 4% higher than 2021-22 sugar seasons of 55.83 lakh hectares. As of 15<sup>th</sup> July 2022, Sugar Production is expected to be 354.97 lakh tonnes in the 2022-23 season as compared to previous season 360 lakh tonnes. Currently, Special sugarcane crushing season is in progress in Karnataka and Tamil Nadu.

According to the data released by Agriculture Ministry, as of 15<sup>th</sup> July 2022, Sugarcane sowing has been reported at 53.31 lakh hectares which were 53.69 lakh hectares in the previous 2021-22 season.

According to the Uttar Pradesh Sugarcane Department, the Sugarcane acreage is expected to increase by 3-4 percent to 2.93 million hectares in 2022-23 season as compared to 2.84 million hectares in 2021-22 season. One of the major reasons behind the rise in acreages are the higher prices of Sugarcane as compared to other crops such as wheat and paddy. During the 2021-22 season, State Advised Price for sugarcane was Rs. 350 per quintal for early variety, Rs. 340 for normal variety.

As of 20<sup>th</sup> July 2022, Andhra Pradesh Sugarcane sowing has reached 0.27 lakh hectares for the 2022-23 season which is slightly lower compared to the previous season's sowing of 0.24 lakh hectares. Average rainfall for the period from 01.06.2022 to 20.07.2022 has reached 222 mm higher as compared to the previous season of 192 mm.

According to Agriwatch, with good rainfall sowing of sugarcane in Andhra Pradesh is further expected to gain. During the previous season (2020-21) area under sugarcane cultivation was 0.84 lakh hectares. As per State Agriculture

Department data, Targeted area for the 2022-23 season is around 0.66 lakh hectares, which we at Agriwatch expect would be higher in the 2021-22 season at 1.2 lakh hectares.

### International Market Highlights

#### Previous Updates

- According to Unica, Brazil's Center South region sugarcane crushing in the second half of June'22 has reached 41.87 million tonnes, lower by 7.9 percent as compared to the previous season. Sugar production has reached 2.48 million tonnes so far. Brazil has also been facing lower raw material quality in 2022-23 season, with total recoverable sugar content down 3.3% in late June and 4.35% so far in this season.

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		22-Jul-22	15-Jul-22	22-Jun-22	22-Jul-21	22-Jul-22
22-May	11.42	3118	3333	3237	2762	79.88
22-Jul	7.96	3053	3240	3295	2810	
22-Oct	11.85	3039	3197	3202	2679	
(Source: mrci)						

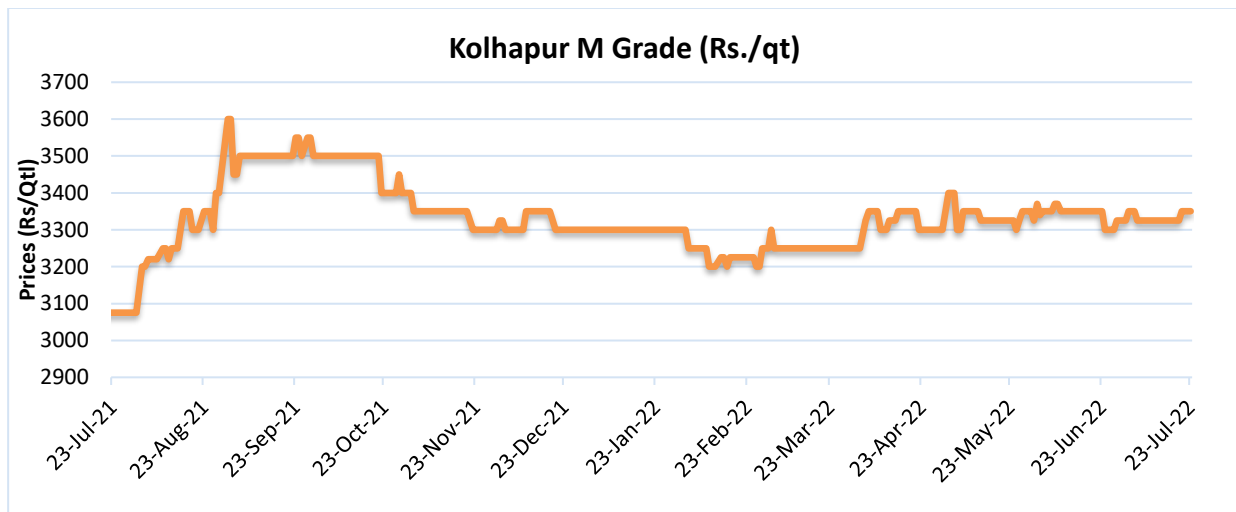
International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		22-Jul-22	15-Jul-22	22-Jun-22	22-Jul-21	22-Jul-22
22-May	21.32	3950	4155	4322	3108	79.88
22-Aug	16.98	3892	4068	4108	3231	
22-Oct	14.13	3830	4783	3993	3289	
(Source: mrci)						

#### Price Outlook:

- The average sugar prices were lower at Rs. 3,427 per quintal during the past week from Rs.3,460 per quintal in Delhi market. Whereas, sugar prices in Maharashtra have decreased to Rs.3342 per quintal. Agriwatch expects prices to remain range bound in the coming week.

#### Price Projection for the Next week

- Agriwatch expects that spot Sugar prices (M grade) in the benchmark Kolhapur market is likely to range in between Rs.3350 -3450 per quintal. Average prices for Sugar 'M' grade in key Kolhapur market was at Rs.3350 per quintal last week.



### International Sugar Futures Price Projection



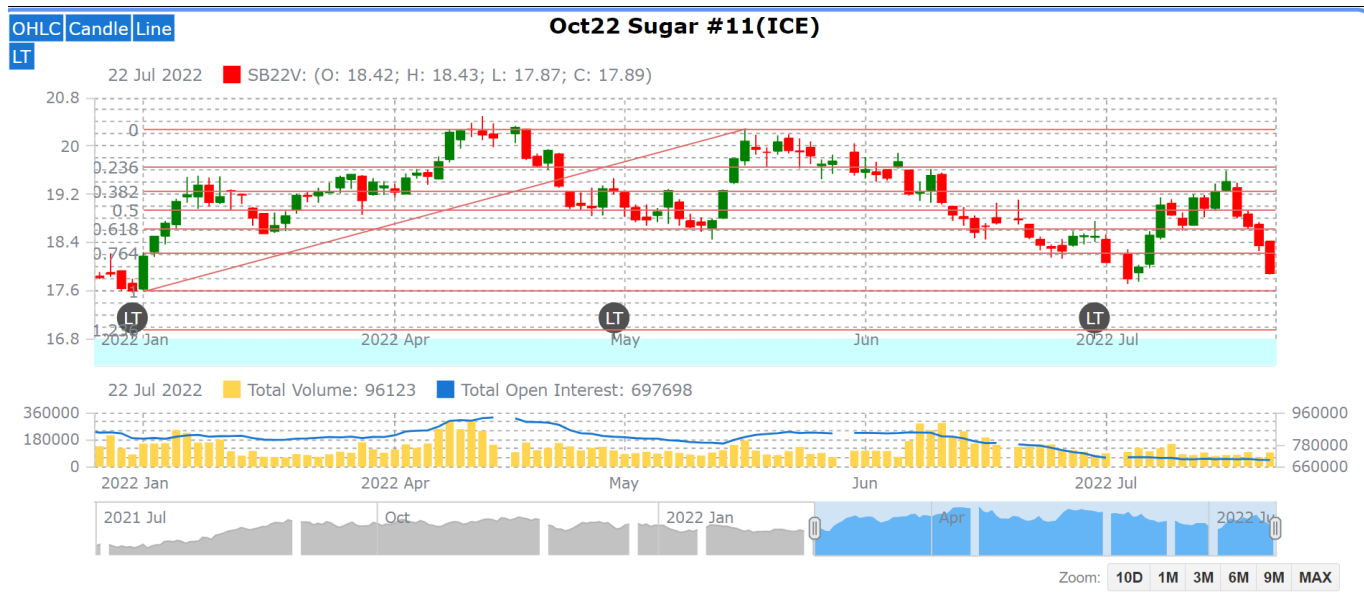
### LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Oct'22 Contract)

#### Technical Commentary

- As depicted in the above chart, prices have showed a bullish movement in the last week.
- Market has broken 61 percent Fibonacci retracement level.
- Overall, the prices are expected to remain elevated in the coming week.

## International Sugar Futures Price Projection

	Contract Month	Present Quote	The expected Price level for next week
LIFFE Sugar (US \$/MT)	Oct'22	533	530-550



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

## Technical Commentary:

- As depicted in the above chart, market has broken more than 76 percent Fibonacci retracement.
- Market is further expected to remain range bound in the coming week.

## International Sugar Futures Price Projection

	Contract Month	Present Quote	The expected Price level for next week
ICE Sugar #11 (US Cent/lb)	Oct'22	18.43	18.40-18.65

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			18th June'22 to 23rd June'22	11th June'22 to 16th June'22	
Delhi	Delhi	M-Grade	3427	3460	-33
	Delhi	S-Grade	3407	3440	-33
Maharashtra	Mumbai	M-Grade	3560	3551	9
	Mumbai	S-Grade	3417	3452	-35
	Nagpur	M-Grade	3467	3475	-8
	Nagpur	S-Grade	3367	3375	-8
	Kolhapur	M-Grade	3342	3350	-8
	Kolhapur	S-Grade	3242	3250	-8
Assam	Guhawati	S-Grade	3502	3510	-8
Meghalaya	Shillong	S-Grade	3562	3570	-8
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3950	3960	-10
	Vijayawada	S-Grade (With Duty)	3850	3840	10
West Bengal	Kolkata	M-Grade	3810	3820	-10
Tamil Nadu	Chennai	S-Grade (With GST)	3475	3550	-75
	Dindigul	M-Grade (DCA)	3820	3810	10
	Coimbatore	M-Grade (DCA)	3840	3840	Unch
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3840	3800	40
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)			18th June'22 to 23rd June'22	11th June'22 to 16th June'22	
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	3047	3037	10
	Hapur	Balti	3047	3037	10
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-

Karnataka	Bangalore	Mudde (Average)	4490	4650	-160
	Belgaum	Mudde (Average)	NA	NA	-
	Belthangadi	Yellow (Average)	NA	NA	-
	Bijapur	Achhu	NA	NA	-
	Gulbarga	Other (Average)	NA	NA	-
	Mahalingapura	Penti (Average)	NA	NA	-
	Mandya	Achhu (Medium)	3300	3496	-196
	Mandya	Kurikatu (Medium)	3200	3406	-206
	Mandya	Other (Medium)	3100	3476	-376
	Mandya	Yellow (Medium)	3250	3508	-258
	Shimoga	Achhu (Average)	3700	3700	Unch

International Sugar Prices (Weekly Average)				
	Contract Month	18th June'22 to 23rd June'22	11th June'22 to 16th June'22	Change
ICE Sugar #11 (US Cent/lb)	22-May	18.04	18.68	-0.64
	22-Jul	17.59	18.98	-1.39
	22-Oct	17.41	18.42	-1.01
LIFFE Sugar (US \$/MT)	22-May	497.94	516.94	-19.00
	22-Aug	489.12	510.40	-21.28
	22-Oct	536.60	503.60	33.00

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