

Domestic Market Highlights

Recent Updates:

The Department of Food & Public Distribution (DFPD) under a vide notification as on 05th August 2022, has issued Export Release Orders (EROs) of 7.77 LMT to exporters and sugar mills. DFPD has issued the orders taking into account higher-than-anticipated domestic production in the 2021-22 season.

Earlier, Sugar Exports were under the restricted category. In June'2022, the government has capped sugar exports at 100 LMT. Mills have exported 99.7 LMT of sugar so far in the ongoing 2021-22 season to countries such as Nepal, Bangladesh, Sri Lanka, UAE, Afghanistan, Indonesia, Somalia etc.

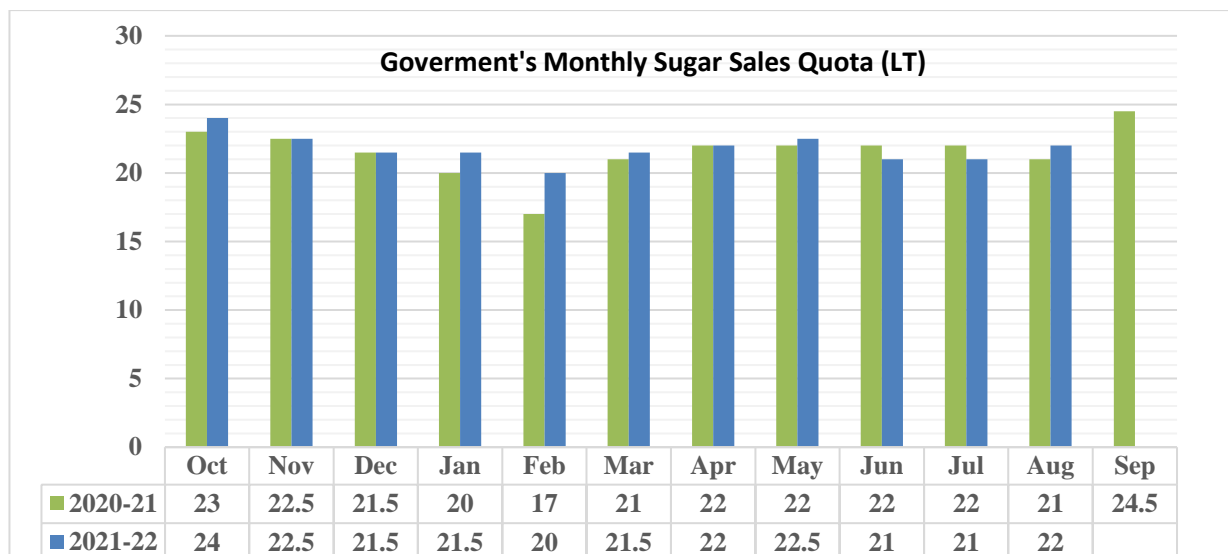
The Cabinet Committee on Economic Affairs has approved Fair and Remunerative Price (FRP) of sugarcane for the 2022-23 sugar season at Rs. 305 per quintal for a basic recovery rate of 10.25%, providing a premium of Rs. 3.05/quintal for each 0.1% increase in sugar recovery over and above 10.25%, & reduction in FRP by Rs. 3.05/quintal for every 0.1% decrease in recovery.

However, the Government with a view to protect interest of sugarcane farmers has also decided that there shall not be any deduction in case of sugar mills where recovery is below 9.5%. Such farmers will get Rs. 282.125/quintal for sugarcane in ensuing 2022-23 season as compared to previous Rs. 275.50/quintal in 2021-22 current season.

Sugarcane Fair & Remunerative Price (FRP)						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
India	255	275	275	285	290	305

Unit: Rs. per Quintal

Keeping in view the upcoming festival like Raksha Bandhan, Janmashtami, Ganesh Chaturthi etc. and expected good demand ahead of festivities, the Government have allocated higher monthly sales quota of 22 Lakh MT (LMT) for monthly August 2022, up by 1 LMT released in the previous season.



International Market Highlights

Previous Updates

- Sugar beet production in Russia is likely to increase by 5 % against the previous season. The Sugar refineries have started processing sugar beet for this season. In the previous season Russia has produced around 41.2 million tonnes of sugar beet. An increase in sugar beet production would help the country to meet the domestic demand as well as the demand of the neighboring countries.
- According to Unica, Brazil's Center South region sugarcane crushing in the first half of July'22 has reached 46.34 million tonnes higher as compared to the previous season by 0.48 percent. Sugar production has reached 2.97 million tonnes in the first half of July 2022. 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.
- The Raw Sugar futures ICE fell to a one year low on 26th July 2022, weighed partly by stronger than expected production in the center south region of Brazil. The LIFE Sugar however traded higher at Rs. 3813 per Quintal as compared to the previous season of Rs. 3397 per Quintal.

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		5-Aug-22	29-Jul-22	6-Jul-22	5-Aug-21	5-Aug-22
22-May	-7.05	2980	3035	3240	3190	79.04
22-Jul	-3.58	2935	2967	3134	3040	
22-Oct	9.34	3201	2964	3082	2902	

(Source: mrci)

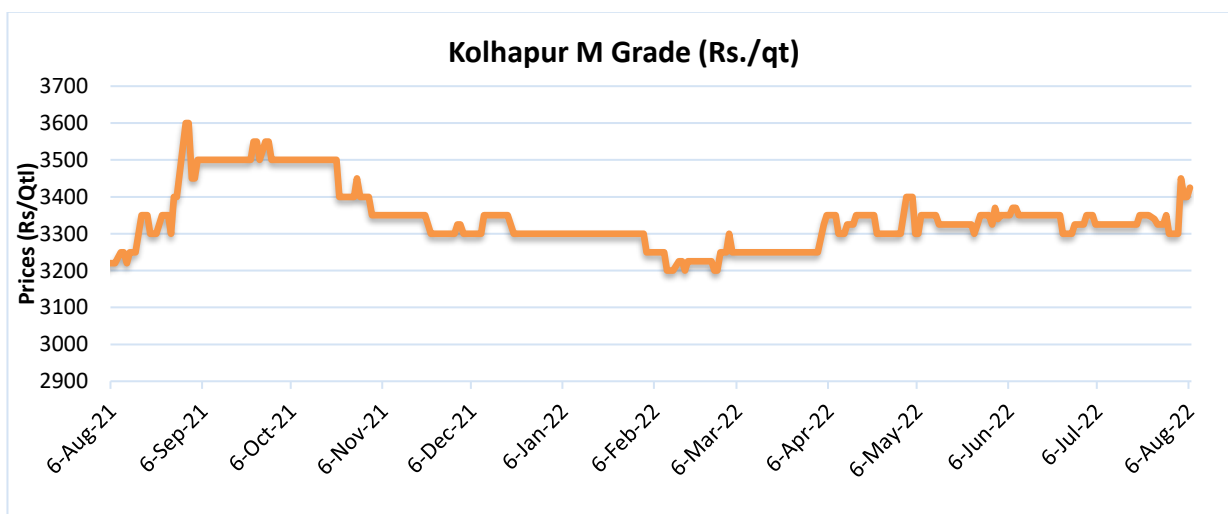
International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		5-Aug-22	29-Jul-22	6-Jul-22	5-Aug-21	5-Aug-22
22-Aug	9.10	3900	3819	4216	3545	79.04
22-Oct	6.29	3831	3763	4037	3590	
22-Dec	15.10	4118	3950	3889	3496	
(Source: mrci)						

Price Outlook:

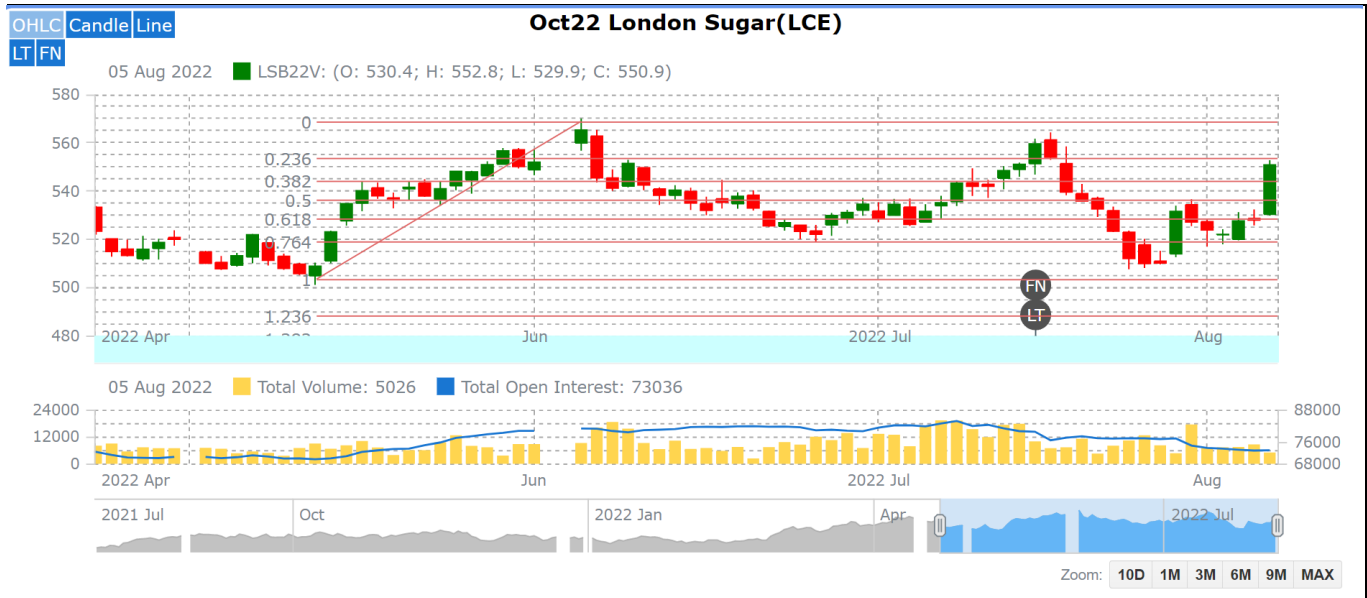
- The average sugar prices were slightly higher at Rs. 3,518 per quintal during the past week from Rs.3,441 per quintal in Delhi market. Whereas, sugar prices in Maharashtra have decreased to Rs.3379 per quintal. AgriWatch expects prices to increase in the coming week due to increased festive demand from domestic market.

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.3400 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 has again re-gained after a fall in the last week.
- Market has broken 23 percent Fibonacci retracement level.
- Overall, the prices are expected to gain 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	552	550-565



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	17.98	17.90-18.36

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			01st Aug'22 to 06th Aug'22	25th July'22 to 30th July'22	
Delhi	Delhi	M-Grade	3518	3441	77
	Delhi	S-Grade	3518	3421	97
Maharashtra	Mumbai	M-Grade	3649	3556	93
	Mumbai	S-Grade	3619	3432	187
	Nagpur	M-Grade	3504	3457	48
	Nagpur	S-Grade	3404	3357	48
	Kolhapur	M-Grade	3379	3332	48
	Kolhapur	S-Grade	3279	3232	48
Assam	Guhawati	S-Grade	3539	3492	48
Meghalaya	Shillong	S-Grade	3599	3552	48
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3950	3960	-10
	Vijayawada	S-Grade (With Duty)	3850	3870	-20
West Bengal	Kolkata	M-Grade	3810	3810	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3525	3475	50
	Dindigul	M-Grade (DCA)	3810	3850	-40
	Coimbatore	M-Grade (DCA)	NA	3840	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3900	3900	Unch
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)			01st Aug'22 to 06th Aug'22	25th July'22 to 30th July'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	3042	3053	-11
	Hapur	Balti	3042	3053	-11
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-

Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4633	4550	83
	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)	3520	3486	34
	Mandya	Kurikatu (Medium)	3300	3236	64
	Mandya	Other (Medium)	3310	3268	42
	Mandya	Yellow (Medium)	3353	3336	17
	Shimoga	Achhu (Average)	3758	3700	58

International Sugar Prices (Weekly Average)

	Contract Month	01st Aug'22 to 06th Aug'22	25th July'22 to 30th July'22	Change
ICE Sugar #11 (US Cent/lb)	22-May	17.04	17.05	-0.01
	22-Jul	16.61	16.70	-0.09
	22-Oct	17.15	16.68	0.47
LIFFE Sugar (US \$/MT)	22-May	483.42	479.22	4.20
	22-Aug	476.14	472.92	3.22
	22-Oct	530.52	518.22	12.30

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