

### Domestic Market Highlights

#### Recent Updates:

As during the last week, 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. The Sugar millers from Uttar Pradesh have started demanding a hike in state-advised prices for sugarcane for the 2022-23 season. In the previous season, Uttar Pradesh government had released an FRP of Rs. 350 per quintal.

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

Many sugar mills which have produced raw sugar for export were unable to export sugar due to restrictions. Since the raw sugar if not exported may get deteriorated in other 3-4 months, it has been decided to issue ERO to such sugar mills having stock of raw sugar and those who have applied for ERO. Around 4,30,563 MT of sugar is allowed for further export.

Earlier, Sugar Exports were under the restricted category. In June'2022, the government has capped sugar exports at 100 Lakh Tonne (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.

As per Agriwatch estimate, Sugarcane crushing generally commence by end of October or 1st week of November however, but in the coming 2022-23 season due to sufficient availability of sugarcane, crushing of cane is likely to commence in 1st to 3rd week of October 2022 and new sugar would start coming in the market from mid of October, 2022. Also, Given the current scenario, despite increased production this season, overall, the ending stocks are below the last year and pointing gradually tightening supply. Higher exports are the main cause of decline in the ending stocks. Overall, additional exports would further tighten the overall supplies.

### International Market Highlights

#### Previous Updates

- According to the Pakistan Sugar Mills Association, around 1.2 million tonnes of excess sugar is available at the beginning of the next sugarcane crushing season. During the previous 2021-22 season sugar mills had produced 2 million tonnes of surplus sugar. As per the sources, it is expected that because of good weather conditions in this season the sugarcane crop is expected to increase by 10 percent in the 2022-23 season.
- 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.

International Sugar Futures ICE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		12-Aug-22	5-Aug-22	13-Jul-22	12-Aug-21	12-Aug-22
22-May	-10.73	3020	2980	3298	3344	79.66
22-Jul	-6.95	2977	2935	3211	3184	
22-Oct	9.22	3319	3201	3414	3013	
(Source: mrci)						

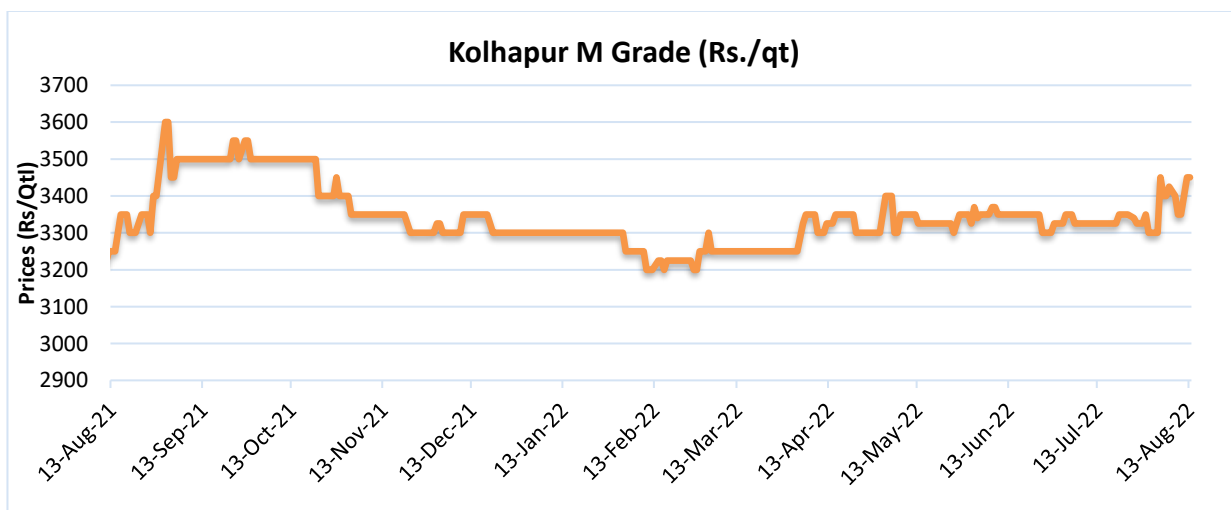
International Sugar Futures LIFFE					(Rs/Qtl)	
Futures month	% Change over previous year	Today	Week ago	Month Ago	Year Ago	RBI Dollar
		12-Aug-22	5-Aug-22	13-Jul-22	12-Aug-21	12-Aug-22
22-Aug	8.50	4023	3900	4028	3681	79.66
22-Oct	5.28	3936	3831	4684	3728	
22-Dec	14.84	4246	4118	4180	3616	
(Source: mrci)						

### Price Outlook:

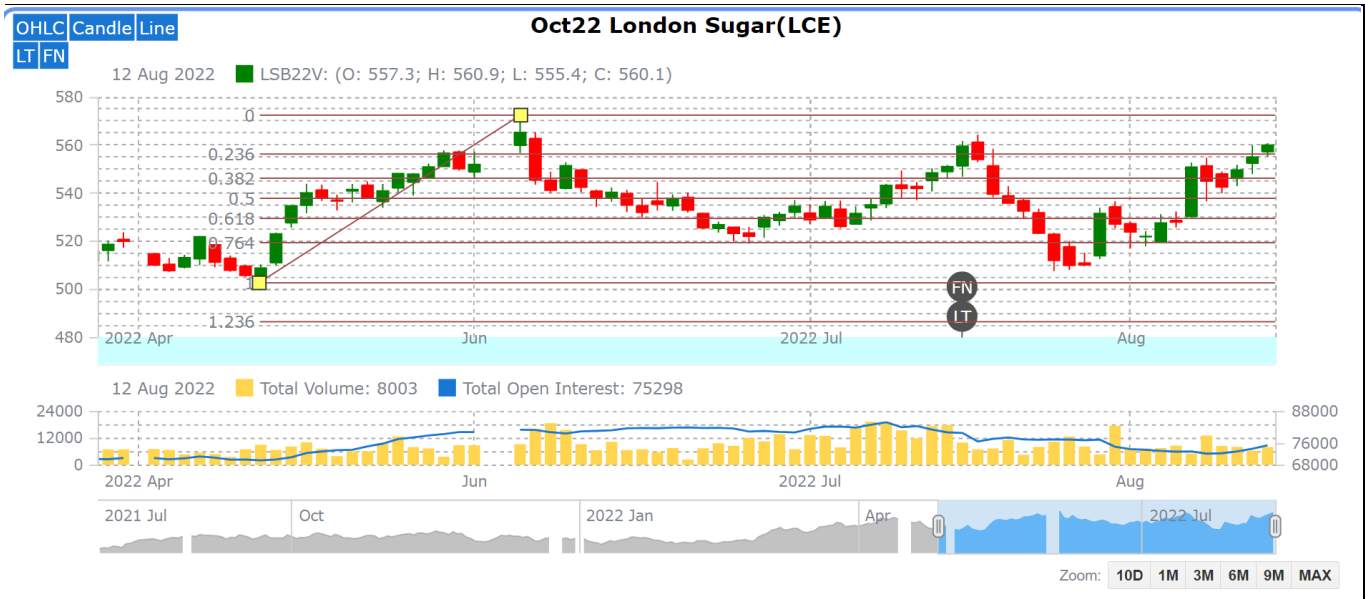
- The average sugar prices were slightly higher at Rs. 3,530 per quintal during the past week from Rs.3,518 per quintal in Delhi market. Whereas, sugar prices in Maharashtra have increased to Rs.3525 per quintal.

### 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 lower at Rs.3400 per quintal post-Rakhi festival as the demand was reportedly lower in the market.



## International Sugar Futures Price Projection

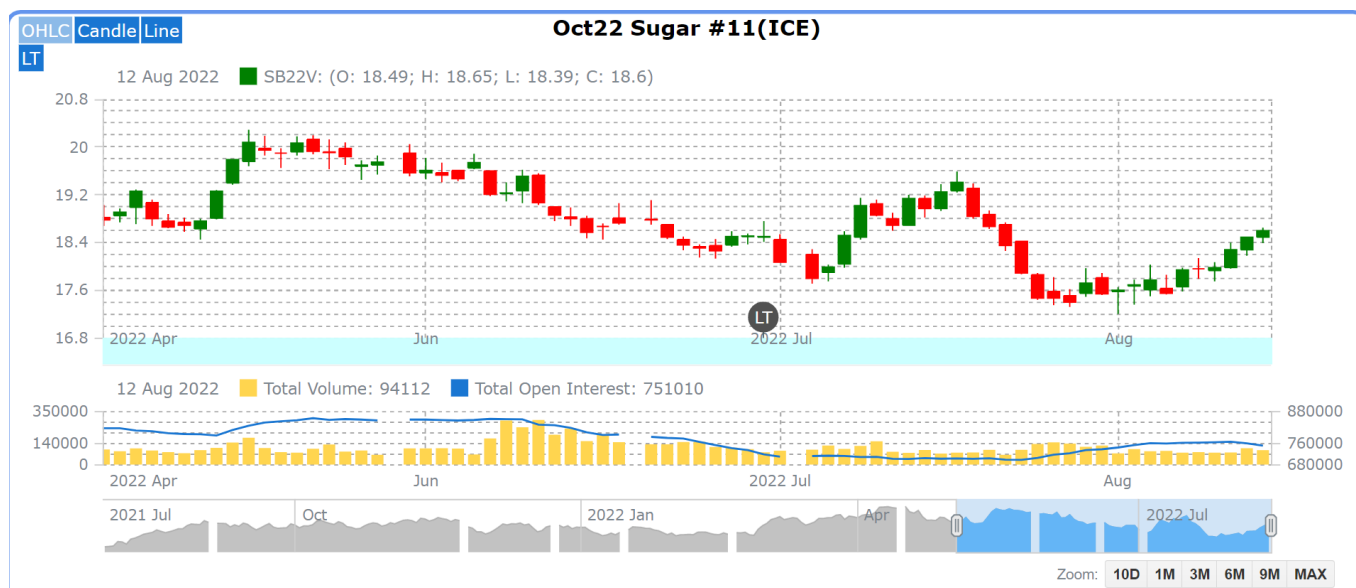


## LIFFE (White Sugar Exchange) Future Market Sugar Scenario (Oct'22 Contract)

## 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	560	550-565



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

#### Technical Commentary:

- ☐ As depicted in the above chart, market has re-gained after a fall in the last week.
- ☐ Market is currently indicating some fresh buying strength.
- ☐ 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	18.60	18.40-18.80

Spot Sugar Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Average Prices (Rs/Qtl)		Change
Sugar			08th Aug'22 to 13th Aug'22	01st Aug'22 to 06th Aug'22	
Delhi	Delhi	M-Grade	3530	3518	12
	Delhi	S-Grade	3510	3518	-8
Maharashtra	Mumbai	M-Grade	3646	3649	-3
	Mumbai	S-Grade	3516	3619	-103
	Nagpur	M-Grade	3525	3504	21
	Nagpur	S-Grade	3425	3404	21
	Kolhapur	M-Grade	3400	3379	21
	Kolhapur	S-Grade	3300	3279	21
Assam	Guhawati	S-Grade	3560	3539	21
Meghalaya	Shillong	S-Grade	3620	3599	21
Andhra Pradesh	Vijayawada	M-Grade (With Duty)	3960	3950	10
	Vijayawada	S-Grade (With Duty)	3860	3850	10
West Bengal	Kolkata	M-Grade	3810	3810	Unch
Tamil Nadu	Chennai	S-Grade (With GST)	3550	3525	25
	Dindigul	M-Grade (DCA)	3810	3810	Unch
	Coimbatore	M-Grade (DCA)	NA	NA	-
Chattisgarh	Ambikapur	M-Grade (Without Duty)	3900	3900	Unch
Sugar Prices are in INR/Quintal. (1 Quintal=100 kg)					

Spot Jaggery(Gur) Prices Scenario (Weekly) (Average)					
Commodity	Centre	Variety	Prices (Rs/Qtl)		Change
Jaggery(Gur)			08th Aug'22 to 13th Aug'22	01st Aug'22 to 06th Aug'22	
	Hapur	Chaurasa	3045	3042	3
	Hapur	Balti	3045	3042	3
Andhra Pradesh	Chittur	Gold	NA	NA	-
		White	NA	NA	-
		Black	NA	NA	-
Maharashtra	Latur	Lal Variety	NA	NA	-
Karnataka	Bangalore	Mudde (Average)	4500	4633	-133
	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)	3765	3520	245

	Mandya	Kurikatu (Medium)	3390	3300	90
	Mandya	Other (Medium)	3325	3310	15
	Mandya	Yellow (Medium)	3375	3353	22
	Shimoga	Achhu (Average)	3800	3758	42

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