

Sugar Weekly Report

August 13 – August 17 2018



Sugar Prices and Macros as of		17-Aug-18								
	17-Aug-18	10-Aug-18	17-Jul-18	Weekly Var.	Monthly Var.	17-Aug-18	10-Aug-18	17-Jul-18	Weekly Var.	Monthly Var.
NY #11	10.18	10.54	11.13	↓ -0.36	↓	USD Index	96.13	96.27	94.99	↓ -0.13
London #5	307.5	315.7	326.3	↓ -8.2	↓	USDBZL	3.91	3.86	3.84	↑ 0.05
NY#16	25.60	25.72	25.06	↓ -0.12	↑	USDINR	69.86	69.13	68.44	↑ 0.73
Front White Premium	83.1	83.3	80.9	↓ -0.3	↑	EURUSD	1.14	1.14	1.17	↑ 0.00

Market Situation at a Glance

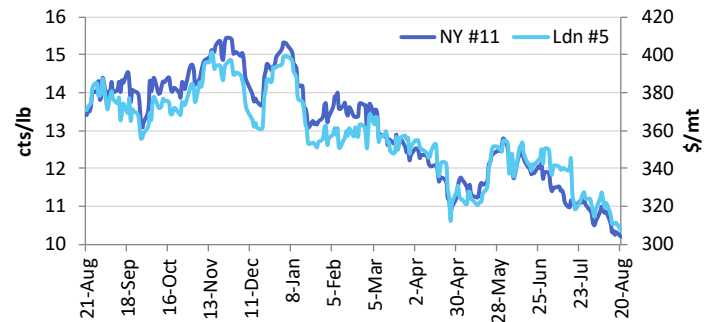
International Prices	17-Aug-18	10-Aug-18	Weekly Var.
Sugar			
NY #11	10.18	10.54	↓ -0.36 cts/lb
Front Spread	-0.87	-0.96	↑ 0.09 cts/lb
London #5	307.50	315.70	↓ -8.20 \$/mt
Front Spread	-1.30	-2.30	↑ 1.00 \$/mt
White Premium	83.07	83.33	↓ -0.26 \$/mt
USD Index	96.13	96.27	↓ -0.13
USDBZL	3.91	3.86	↑ 0.05 R\$/
USDINR	69.86	69.13	↑ 0.73 RUP/\$
RUBUSD	66.99	67.66	↓ -0.67 RUB/\$
EURUSD	1.14	1.14	↑ 0.00 \$/EUR
S&P500	2850	2833	↑ 16.85
DJ Industrial Avg	25559	25509	↑ 49.50
Light Crude Oil	65.92	67.75	↓ -1.83 \$/Barrel
Corn	364.50	357.25	↑ 7.25 cts/Bushel
Wheat	560.00	546.50	↑ 13.50 cts/Bushel
Coffee (Arabic)	101.20	107.00	↓ -5.80 cts/lb

Domestic Markets

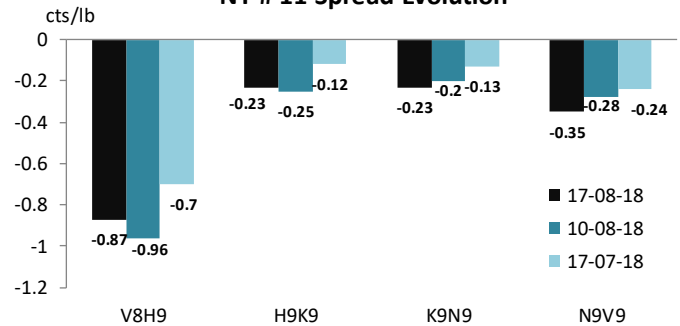
	17-Aug-18	10-Aug-18	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	39.83	40.67	↓ -0.84	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	49.80	50.79	↓ -0.99	R\$/50kg
Esalq Sugar (US\$)	12.73	13.16	↓ -0.43	cts/lb
Hydrous Ethanol (NY#11 equiv.)	11.42	11.55	↓ -0.13	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	11.11	11.37	↓ -0.26	cts/lb
Ethanol/Gasoline in Sao Paulo				
Ethanol	2,423	2,462	↓ -39	R\$/l
Gasoline	4,208	4,221	↓ -13	R\$/l
Ethanol/Gasoline Parity	57.6%	58.3%	↓ -1%	
Anhydrous from US Parity	-148.37	-139.29	↓ -9.08	USD/M3
Anhydrous to US Parity	-43.03	-53.05	↑ 10.02	USD/M3
India				
NCDEX	31,640	31,720	↓ -80	RUP/mt
S-Grade (Kolhapur)*	30,600	30,740	↓ -140	RUP/mt
M-Grade (Kolkatta)*	34,381	34,286	↑ 96	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China	17-Aug-18	10-Aug	Weekly Var.	Unit
ZCE Front Month	4,685	4,888	↓ -203	RMB/mt
ZCE Front Spread	104	102	↑ 2	RMB/mt
Northern Spot Cash	Rizhao 5,450	5,450	↑ 0	RMB/mt
Southern Spot Cash	Liuzhou 5,530	5,530	↑ 0	RMB/mt

USA	17-Aug-18	10-Aug-18	Weekly Var.	Unit
No #16	25.60	25.72	↓ -0.12	cts/lb
#16/11 Spread	15.42	15.18	↑ 0.24	cts/lb

EU	17-Aug-18	10-Aug-18	Weekly Var.	Unit
Inquota Price				\$/m3
Out-of-Quota	12	10	↑ 2.0	\$/mt ov Ldn

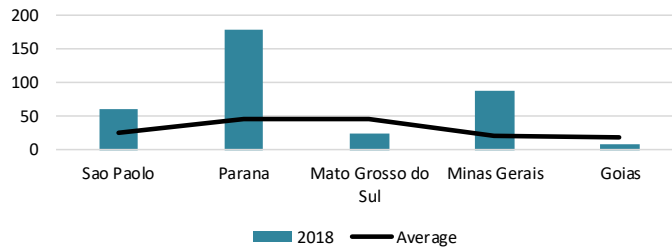
Russia	17-Aug-18	10-Aug-18	Weekly Var.	Unit
Price in Krasnodar	419	460	↓ -41.5	\$/m3

Sugar Weekly Report



CS Brazil Crushing Days Lost to Rain in CS Brazil

August rains in CS Brazil

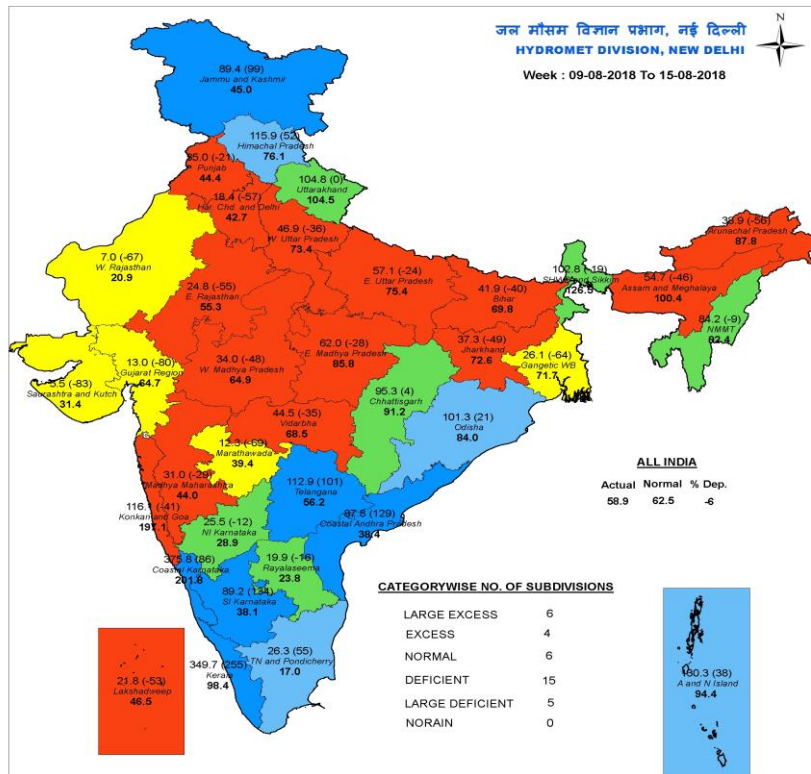


Indian 15 Day Cumulative Rainfall (% of normal rain)



भारत मौसम विज्ञान विभाग
INDIA METEOROLOGICAL DEPARTMENT

SUBDIVISION RAINFALL MAP



Sugar Weekly Report

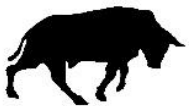


- NY Flat Price:** NY#11 prices have continued the trend down – with the October contract reaching a new low of 10.11 cts/lb. Prices didn't manage to hold below 10.13 cts/lb (low of August 2015) and closed higher at 10.18 cts/lb, while the March contract reaching the lows of 11 cts/lb.

- NY Spreads:** The October/March spread widened to 107 points carry last Monday to close the week higher at 87 points carry on Friday.

- London Market:** The October/October White Premium barely changed from the previous week, trading around \$83-84/mt, barely changed week-on-week.

- COT Report:** Speculators were net short 149.7k lots, 17.3k lots increase week-on-week; the increase can be attributed to new shorts – an increase of 14.7k lots week-on-week. During the reporting week prices dropped more than 50 points. Index funds positions barely changed week-on-week at 250.3k lots of net-longs. Commercials were buyers, reducing net-shorts by 19k lots to 100.6k lots of net-shorts.



BULL

- ▶ Brazilian yields have fallen throughout August.
- ▶ Refined trade-flows are balanced in 2019.
- ▶ There is still a chance of El-Nino forming in Q4 2018.



BEAR

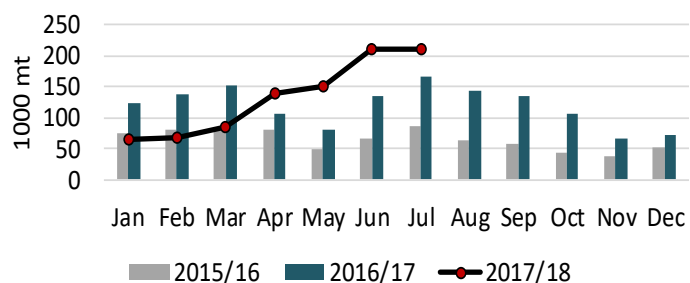
- ▶ Monsoonal rainfall in India has been higher than last season and the crop is in great condition.
- ▶ Mexico may need to export 200-400k mt of sugar.
- ▶ Indonesian import permits have yet to be issued, and domestic demand is low.



Thailand: Export Update

- ▶ Thailand exported 500k mt of refined sugar in July along with 45k mt of crystals, slightly higher than the June result.
- ▶ Most of the refined sugar went to through the smuggling routes- Myanmar took 180k mt (both refined and crystals), followed by Taiwan and then Cambodia with flow dropping to around 35k mt, from 90k mt last month.
- ▶ Second biggest importer was East Africa – Sudan and Ethiopia, with Tanzania importing approximately 200k mt.
- ▶ It is expected that smuggling into Myanmar should slow down due to the suspension of import licenses. Flows through other routes such as Taiwan and Cambodia would then increase.

Thai white exports to Myanmar and Taiwan



India: Monsoon Update

- ▶ Uttar Pradesh's rainfall deficit has increased to 12% from 8% last week.
- ▶ Over the last 3-4 days Maharashtra central region and Vidarbha region have received very heavy rainfall.
- ▶ Overall most cane regions have received higher rainfall than last year, except for Tamil Nadu, where the rainfall has been average.
- ▶ Above average rainfall is forecasted over Vidarbha, Central Maharashtra and North Karnataka.

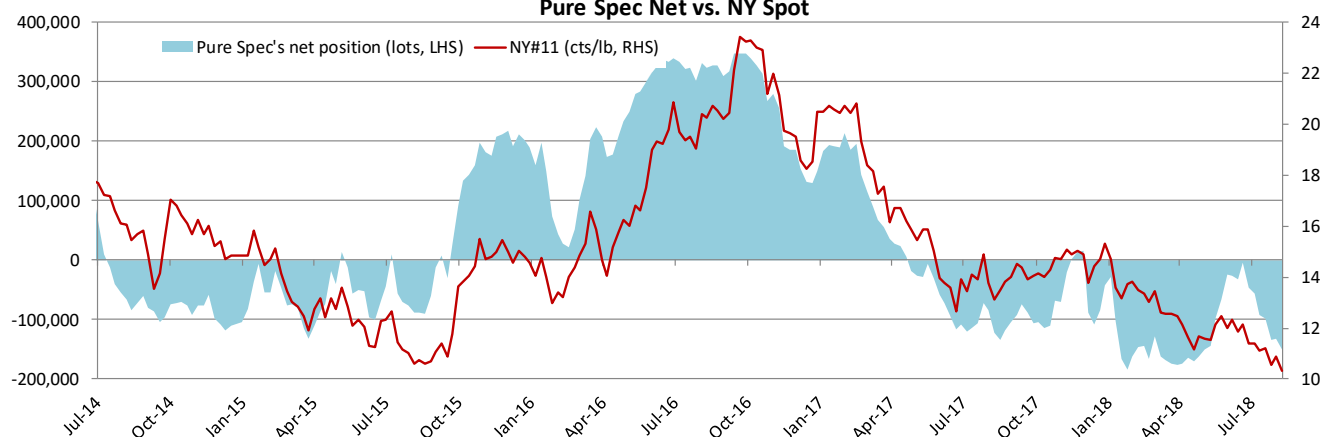
Sub-division	Rainfall until 20 Aug (mm)		Normal (mm)	Variation
	2018	2017		2018
W. UP	479.9	346.1	530.8	-10
E. UP	524.2	500.5	604.8	-13
UP Region Avg	502.1	423.3	567.8	-12
Central MH	544.7	531.2	519.3	5
Marathwada	439.5	370.2	445.8	-1
North K'taka	252.2	261.4	318.7	-21
South K'taka	532.6	344.5	472.8	13
TN	160.6	220.6	163.7	-2
Other Region Avg	385.9	345.6	384.1	0
All India	582.6	602.1	631.0	-8



COT RECAP

Date	Spot Price	Specs net positions (i)-(ii)	Specs gross longs (i)	Specs gross shorts (ii)	Index traders net positions	Commercials net positions (iii)-(iiii)	Commercials gross longs (iii)	Commercial gross shorts (iiii)	OI
26-06-18	12.12	-4,340	262,755	267,095	239,864	-235,524	297,507	533,031	1,074,733
03-07-18	11.39	-45,936	258,055	303,991	251,819	-205,882	272,946	478,828	1,073,896
10-07-18	11.41	-56,255	260,536	316,791	248,327	-192,071	280,689	472,760	1,089,026
17-07-18	11.13	-92,063	232,716	324,779	261,503	-169,440	293,310	462,750	1,094,963
24-07-18	11.19	-99,141	236,725	335,866	261,332	-162,191	292,299	454,490	1,102,603
31-07-18	10.55	-134,179	229,537	363,716	258,461	-124,283	333,969	458,252	1,172,924
07-08-18	10.88	-132,331	226,861	359,192	251,907	-119,577	334,902	454,479	1,174,150
14-08-18	10.34	-149,658	224,256	373,914	250,246	-100,587	338,935	439,522	1,185,138
Lastet Change	-0.54	-17,327	-2,605	14,722	-1,661	18,990	4,033	-14,957	10,988

Pure Spec Net vs. NY Spot



Chris Winship (07) 4722 1986 | 0437 669 118

Zachary Wager (07) 4722 1956 | 0439 002 240

Simon Haire (07) 4945 9708 | 0437 803 019

Franco Zaini (07) 4720 2905 | 0419 476 770

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