

Sugar Weekly Report

November 26 - 30 2018



Sugar Prices and Macros as of 30-Nov-18										
	30-Nov-18	23-Nov-18	30-Oct-18	Weekly Var.	Monthly Var.	30-Nov-18	23-Nov-18	30-Oct-18	Weekly Var.	Monthly Var.
NY #11	12.84	12.47	13.32	↑ 0.37	↓	USD Index	97.20	96.94	97.01	↑ 0.25
London #5	348.2	338.0	358.8	↑ 10.2	↓	USDBZL	3.87	3.82	3.70	↑ 0.04
NY#16	25.10	25.00	25.15	↑ 0.10	↓	USDINR	69.70	70.48	73.50	↓ -0.78
Front White Premium	65.1	63.1	65.1	↑ 2.0	↓	EURUSD	1.13	1.13	1.13	↓ -0.00

Market Situation at a Glance

International Prices			
	30-Nov-18	23-Nov-18	Weekly Var.
Sugar			
NY #11	12.84	12.47	↑ 0.37 cts/lb
Front Spread	-0.11	-0.11	↑ 0.00 cts/lb
London #5	348.20	338.00	↑ 10.20 \$/mt
Front Spread	-3.90	-3.80	↓ -0.10 \$/mt
White Premium	65.13	63.08	↑ 2.04 \$/mt
USD Index	97.20	96.94	↑ 0.25
USDBZL	3.87	3.82	↑ 0.04 R\$/
USDINR	69.70	70.48	↓ -0.78 RUP/\$
RUBUSD	67.07	66.23	↑ 0.84 RUB/\$
EURUSD	1.13	1.13	↓ -0.00 \$/EUR
S&P500	2760	2633	↑ 127.61
DJ Industrial Avg	25339	0	↑ 25,338.84
Light Crude Oil	50.72	50.39	↑ 0.33 \$/Barrel
Corn	366.00	359.00	↑ 7.00 cts/Bushel
Wheat	515.50	499.75	↑ 15.75 cts/Bushel
Coffee (Arabic)	103.25	107.15	↓ -3.90 cts/lb

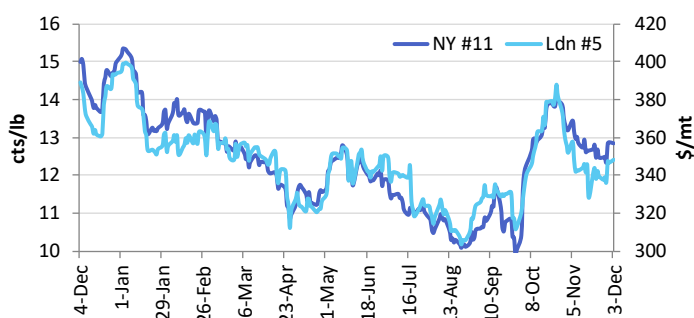
Domestic Markets

	30-Nov-18	23-Nov-18	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	49.64	47.67	↑ 1.97	R\$/cts/lb
Domestic:				
Esalq Sugar (R\$)	68.53	68.12	↑ 0.41	R\$/50kg
Esalq Sugar (US\$)	17.73	17.82	↓ -0.09	cts/lb
Hydrous Ethanol (NY#11 equiv.)	13.17	13.39	↓ -0.21	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	13.69	14.18	↓ -0.49	cts/lb
Ethanol/Gasoline in Sao Paulo				
Ethanol	2,696	2,760	↓ -64	R\$/l
Gasoline	4,291	4,377	↓ -86	R\$/l
Ethanol/Gasoline Parity	62.8%	63.1%	↓ 0%	
Anhydrous from US Parity	-50.23	-32.37	↓ -17.86	USD/M3
Anhydrous to US Parity	-144.24	-163.13	↑ 18.90	USD/M3

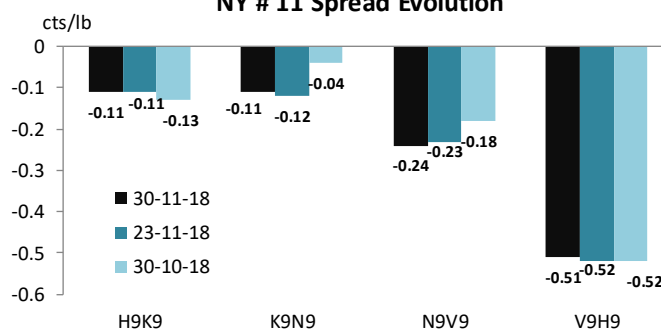
India				
NCDEX	30,130	30,240	↓ -110	RUP/mt
S-Grade (Kolhapur)*	29,182	29,312	↓ -130	RUP/mt
M-Grade (Kolkatta)*	32,667	33,334	↓ -667	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China				
	30-Nov-18	23-Nov	Weekly Var.	Unit
ZCE Front Month	4,939	4,939	0	RMB/mt
ZCE Front Spread	18	7	↑ 11	RMB/mt
Northern Spot Cash	Rizhao 5,550	5,550	0	RMB/mt
Southern Spot Cash	Liuzhou 5,670	5,670	0	RMB/mt

USA				
	30-Nov-18	23-Nov-18		
No #16	25.10	25.00	↑ 0.10	cts/lb
#16/11 Spread	12.26	12.53	↓ -0.27	cts/lb

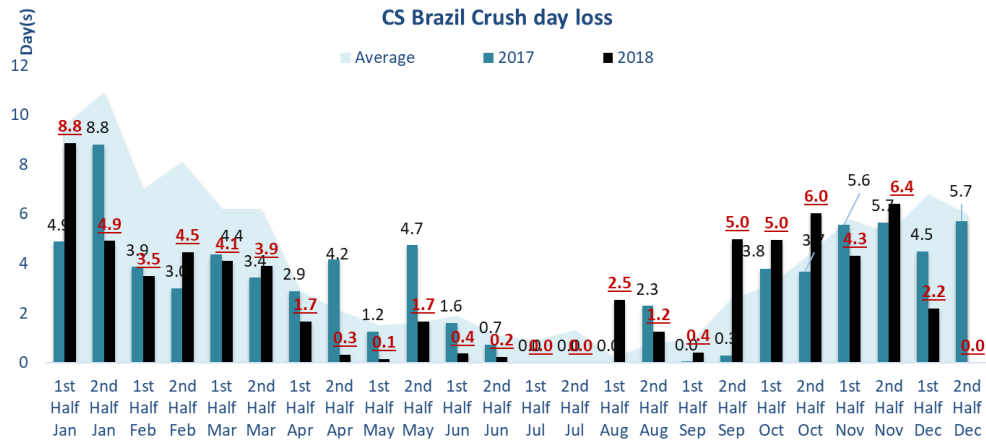
EU				
EU 45s containers	11	10	↑ 1.0	\$/mt ov Ldn

Russia				
Price in Krasnodar	555	567	↓ -11.7	\$/m3

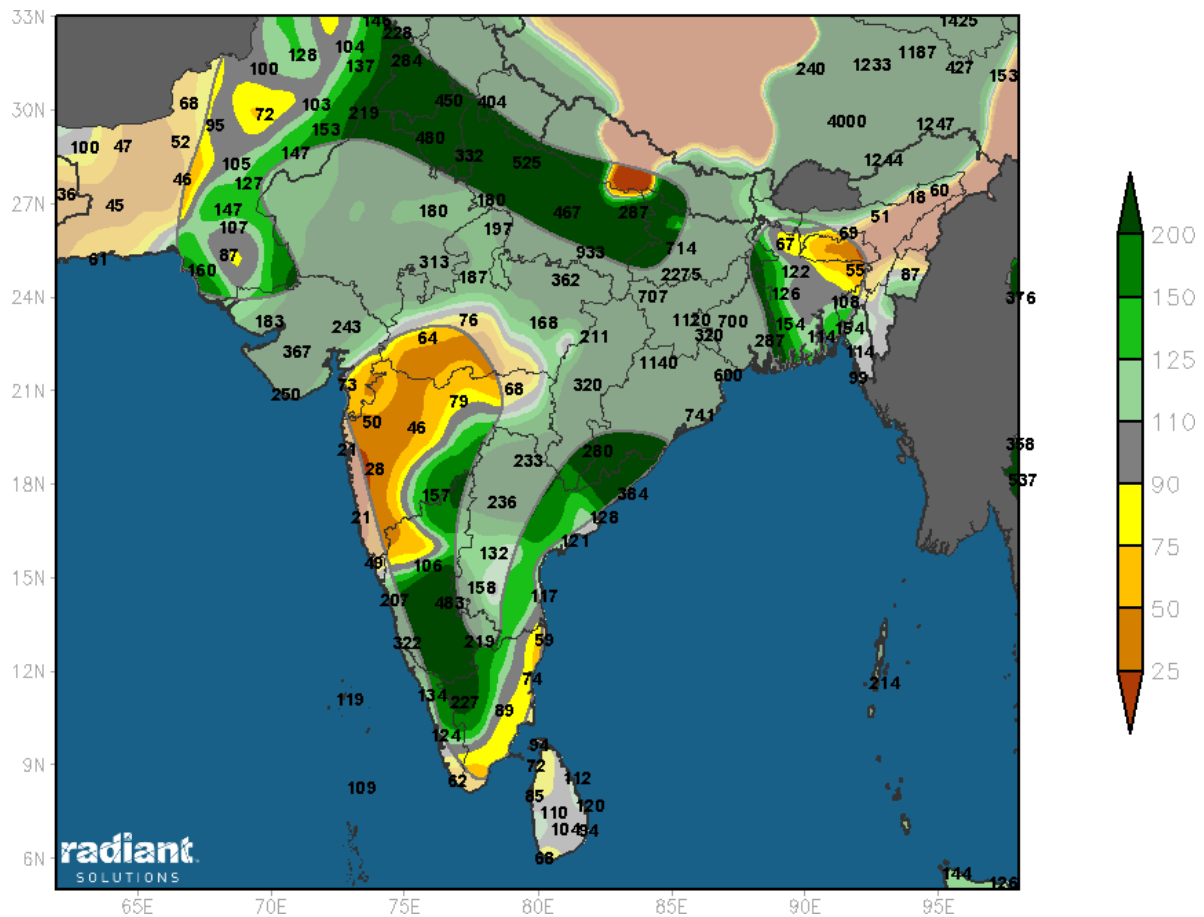
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Crushing Days Lost to Rain in CS Brazil



Indian 15 Day Forecast (% of normal rain)



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- **NY Flat price:** After reaching a low of 12.32 cts/lb, March contract recovered by Friday, closing at 12.84 cts/lb, up from 12.47 cts/lb a week earlier.

- **NY Spreads:** March/May spread traded in a narrow range from the lows of 14 points carry to 7 points carry. It closed at 11 points carry Friday, unchanged week on week.

- **London market:** March/May spread was trading around \$3.5/mt carry. March/March white premium traded in a narrow range between \$62-64/mt.

- **COT report:** Speculators now hold 37.5k lots of net-shorts, 15.2k lots higher week on week. Index funds sold net 2.8k lots and now hold 256.2k lots of net-longs. Commercials reduced net-shorts by 18k lots to 218.8k lots.

NY #11 March contract



BULL

► A stronger Rupee is not beneficial for Indian exports.

► Production in Mexico is around 100k mt below the government estimate so far, however it is only the start of the crushing season.

► Cane prices in Thailand were set at 700THB/mt, lower than the 790THB/mt set for last season.



BEAR

► Domestic sugar sales in CS Brazil were down 7% year on year.

► Sucrose content in India is higher than last season and this may help to compensate for any yield reduction.

► Domestic prices in India fell to 29,000 Rs/mt, the floor price fixed by the government.

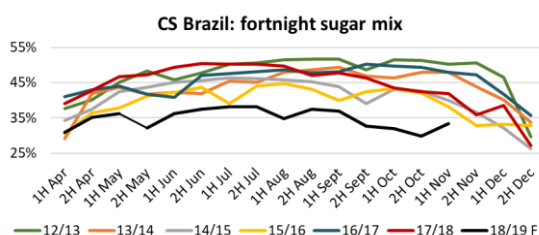
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UNICA: Crushing Update

Cane (1000 mt) Fortnight	2017/18 1H Nov	2018/19 1H Nov	Variation Y-o-Y
Cane (1000 mt)	23,450	21,313	↓ -2,137
Sugar (1000 mt)	1,255	879	↓ -375
Ethanol (1000 M3)	1,070	1,085	↑ 15
ATR (kg/mt)	132.51	127.40	↓ - 5.1
Sugar mix (%)	42.38%	34.0%	↓ -8.4%
Cumulative	2017/18 1H Nov	2018/19 1H Nov	Variation Y-o-Y
Cane (1000 mt)	554,896	529,652	↓ - 25,244
Sugar (1000 mt)	34,474	25,229	↓ - 9,245
Ethanol (1000 M3)	23,732	28,345	↑ 4,613
ATR (kg/mt)	137.53	139.61	↑ 2
Sugar mix (%)	47.4%	35.8%	↓ -11.6%

- ▶ Mills in CS Brazil crushed 21.3 million mt of cane during 1H of November, - 2 million mt down year on year due to more rains this season.
- ▶ Sugar mix stood at 34%, which is down from 42.3% last season, however up from 30% during 2H of October.
- ▶ ATR was at 127.4 kg/mt, down year on year by 5.1 kg/mt.
- ▶ Sugar production reached 900k mt, 375k mt down year on year.
- ▶ Cumulative sugar production was at 25.2 million mt, 9.2 million mt down year on year.



NNE Brazil: Production Update

Until mid-November mills crushed 26.2 million mt of cane, 4 million mt higher year on year.

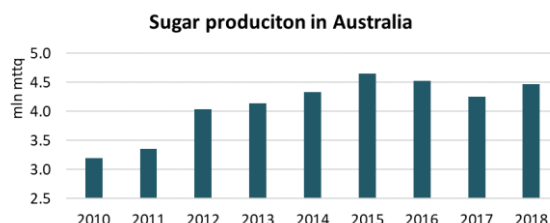
	1H NOV	2017/18	2018/19	Var.
Cane(mmt)		22.17	26.23	↑ 4.1
Sugar (kmt)		1.03	1.22	↑ 0.2
Total Ethanol		958	1,268	↑ 310
ATR (kg/t of cane)		123.07	131.09	↑ 8.0
Sugar mix (%)		39.64%	37.15%	↓ -2.5%

- ▶ Sugar production stood at 1.2 million mt, 200k higher year on year.
- ▶ ATR remains above last year at 131 kg/mt.
- ▶ Sugar mix now accounts for 37.15%, which is 2.5 percentage points lower than last season.

Australia: Production Update

Australian crushing update				
Week 26	2017	2018	Δ	
Cane crushed (000 Mt)	31,644	32,329	↑ 685	
CCS(%)	13.40	14.18	↑ 0.8	
Sugar (000 Mt)	4,087	4,417	↑ 330	
Full crop	2017/18	2018/19 F		
Cane crushed (000 Mt)	33,349	32,500	↓ - 849	
CCS(%)	13.2%	14.3%	↑ 1.0%	
Sugar (000 Mt)	4,253	4,464	↑ 211	

- ▶ Australian mills are almost done for the season: 32.44 million mt of cane has been crushed by November 25, slightly higher than last season.
- ▶ Extraction rate has been extremely good due to dry weather: 14.31% vs 13.4 last season.
- ▶ Sugar production so far reached 4.43 million mt, 330k mt higher year on year.
- ▶ Total production will reach around 4.46 million mt.

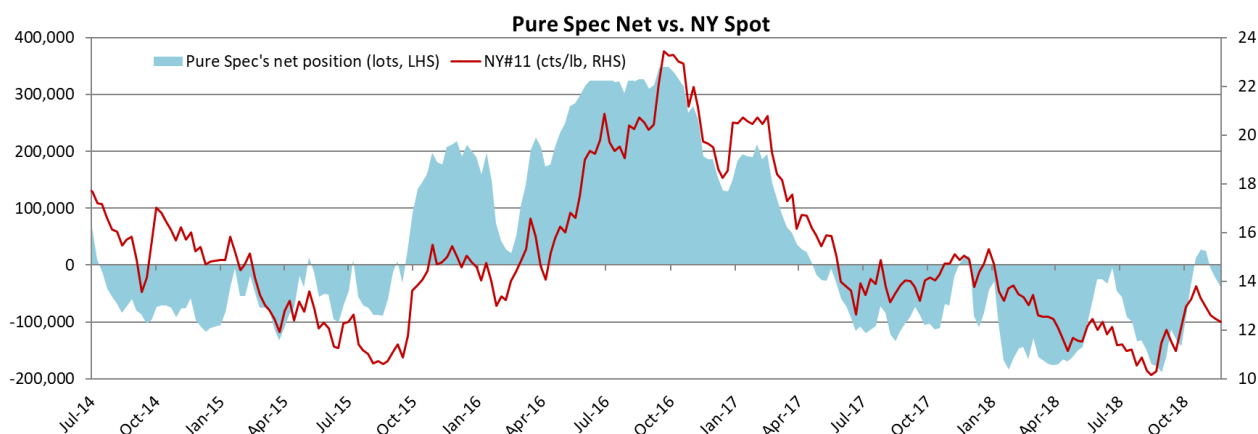


Sugar Weekly Report



COT RECAP

Date	Spot Price	Specs net positions	Specs gross longs	Specs gross shorts	Index traders net positions	Commercials net positions	Commercials gross longs	Commercial gross shorts	OI
		(i)-(ii)	(i)	(ii)		(iii)-(iiii)	(iii)	(iiii)	
09-10-18	12.97	-88,052	167,693	255,745	266,573	-178,522	250,682	429,204	910,872
16-10-18	13.25	-36,289	168,529	204,818	260,085	-223,796	249,071	472,867	909,961
23-10-18	13.81	12,535	201,479	188,944	273,202	-285,738	247,604	533,342	967,272
30-10-18	13.32	27,752	203,595	175,843	276,429	-304,181	253,814	557,995	995,968
06-11-18	12.96	24,388	188,428	164,040	274,572	-298,960	258,272	557,232	960,881
13-11-18	12.61	-3,926	170,822	174,748	267,434	-263,507	291,487	554,994	976,247
20-11-18	12.46	-22,257	163,902	186,159	259,079	-236,823	295,377	532,200	966,314
27-11-18	12.34	-37,478	160,538	198,016	256,236	-218,759	309,271	528,030	987,553
Lastet Change	-0.12	-15,221	-3,364	11,857	-2,843	18,064	13,894	-4,170	21,239



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