

# Sugar Weekly Report

January 21 – 25 2019



Sugar Prices and Macros as of 25-Jan-19											
	25-Jan-19	18-Jan-19	25-Dec-18	Weekly Var	Monthly Var.		25-Jan-19	18-Jan-19	25-Dec-18	Weekly Var.	Monthly Var.
NY #11	12.44	13.03	-	⬇️ -0.59	⬆️	USD Index	95.81	96.36	96.58	⬇️ -0.55	⬇️ -0.77
London #5	339.5	353.2	-	⬇️ -13.7	⬆️	USDBZL	3.77	3.75	0.00	⬆️ 0.02	⬆️ 3.77
NY#16	25.42	25.70	-	⬇️ -0.28	⬆️	USDINR	70.94	71.22	0.00	⬇️ -0.28	⬆️ 70.94
Front White Premium	65.2	65.9	-	⬇️ -0.7	⬆️	EURUSD	1.14	1.14	1.14	⬆️ 0.00	⬆️ 0.00

## Market Situation at a Glance

International Prices			
	25-Jan-19	18-Jan-19	Weekly Var.
<b>Sugar</b>			
NY #11	12.44	13.03	↓ -0.59 cts/lb
Front Spread	-0.15	-0.13	↓ -0.02 cts/lb
London #5	339.50	353.20	↓ -13.70 \$/mt
Front Spread	-9.40	-8.10	↓ -1.30 \$/mt
White Premium	65.25	65.94	↓ -0.69 \$/mt
<b>USD Index</b>	95.81	96.36	↓ -0.55
USDBZL	3.77	3.75	↑ 0.02 R\$/
USDINR	70.94	71.22	↓ -0.28 RUP/\$
RUBUSD	65.99	66.17	↓ -0.18 RUB/\$
EURUSD	1.14	1.14	↑ 0.00 \$/EUR
<b>S&amp;P500</b>	2665	2671	↓ -5.95
<b>DJ Industrial Avg</b>	24553	24370	↑ 183.14
<b>Light Crude Oil</b>	53.55	53.76	↓ -0.21 \$/Barrel
<b>Corn</b>	380.25	380.75	↓ -0.50 cts/Bushel
<b>Wheat</b>	521.00	516.75	↑ 4.25 cts/Bushel
<b>Coffee (Arabic)</b>	106.35	105.25	↑ 1.10 cts/lb

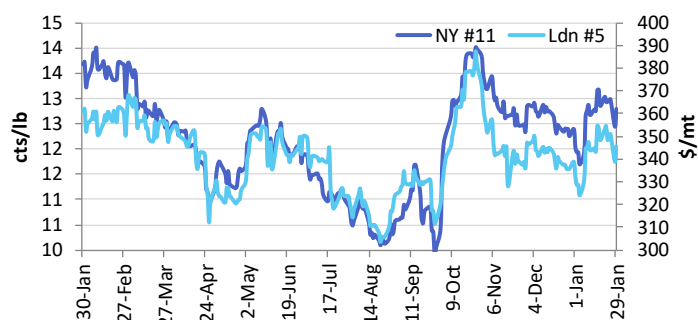
## Domestic Markets

	25-Jan-19	18-Jan-19	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	46.89	48.87	↓ -1.97	R\$/cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	69.41	69.04	↑ 0.37	R\$/50kg
Esalq Sugar (US\$)	18.41	18.41	↑ 0.00	cts/lb
Hydrous Ethanol (NY#11 equiv.)	13.04	13.43	↓ -0.39	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	13.83	14.26	↓ -0.42	cts/lb
<b>Ethanol/Gasoline in Sao Paulo</b>				
Ethanol	2,608	2,643	↓ -35	R\$/l
Gasoline	4,012	4,108	↓ -96	R\$/l
Ethanol/Gasoline Parity	65.0%	64.3%	↑ 1%	
Anhydrous from US Parity	-10.97	-6.77	↓ -4.19	USD/M3
Anhydrous to US Parity	-184.67	-189.62	↑ 4.95	USD/M3

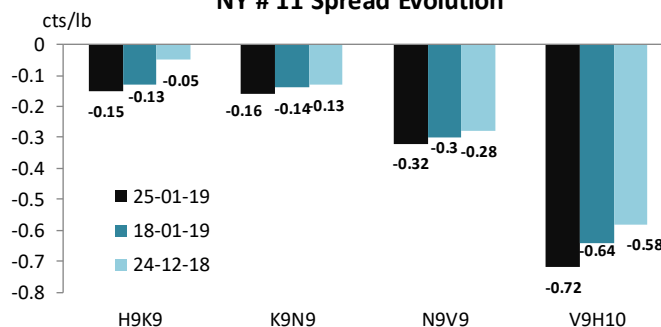
<b>India</b>				
NCDEX	30,140	30,460	↓ -320	RUP/mt
S-Grade (Kolhapur)*	29,080	29,300	↓ -220	RUP/mt
M-Grade (Kolkatta)*	32,929	34,286	↓ -1,357	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution



	25-Jan-19	18-Jan-19	Weekly Var.	Unit
<b>China</b>				
ZCE Front Month	5,023	4,930	↑ 93	RMB/mt
ZCE Front Spread	26	-20	↑ 46	RMB/mt
Northern Spot Cash	Rizhao 5,630	5,550	↑ 80	RMB/mt
Southern Spot Cash	Liuzhou 5,400	5,300	↑ 100	RMB/mt

	25-Jan-19	18-Jan-19	Weekly Var.	Unit
<b>USA</b>				
No #16	25.42	25.70	↓ -0.28	cts/lb
#16/11 Spread	12.98	12.67	↑ 0.31	cts/lb

<b>EU</b>				
EU 45s containers	10	10	↑ 0.0	\$/mt ov Ldn

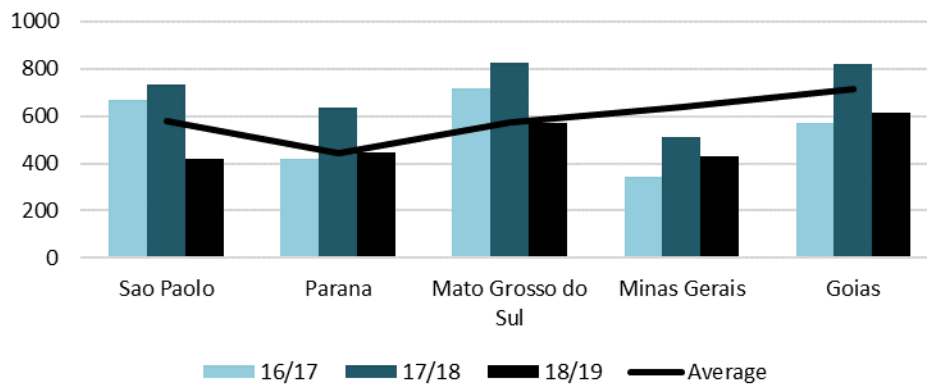
<b>Russia</b>				
Price in Krasnodar	542	552	↓ -10.0	\$/m3

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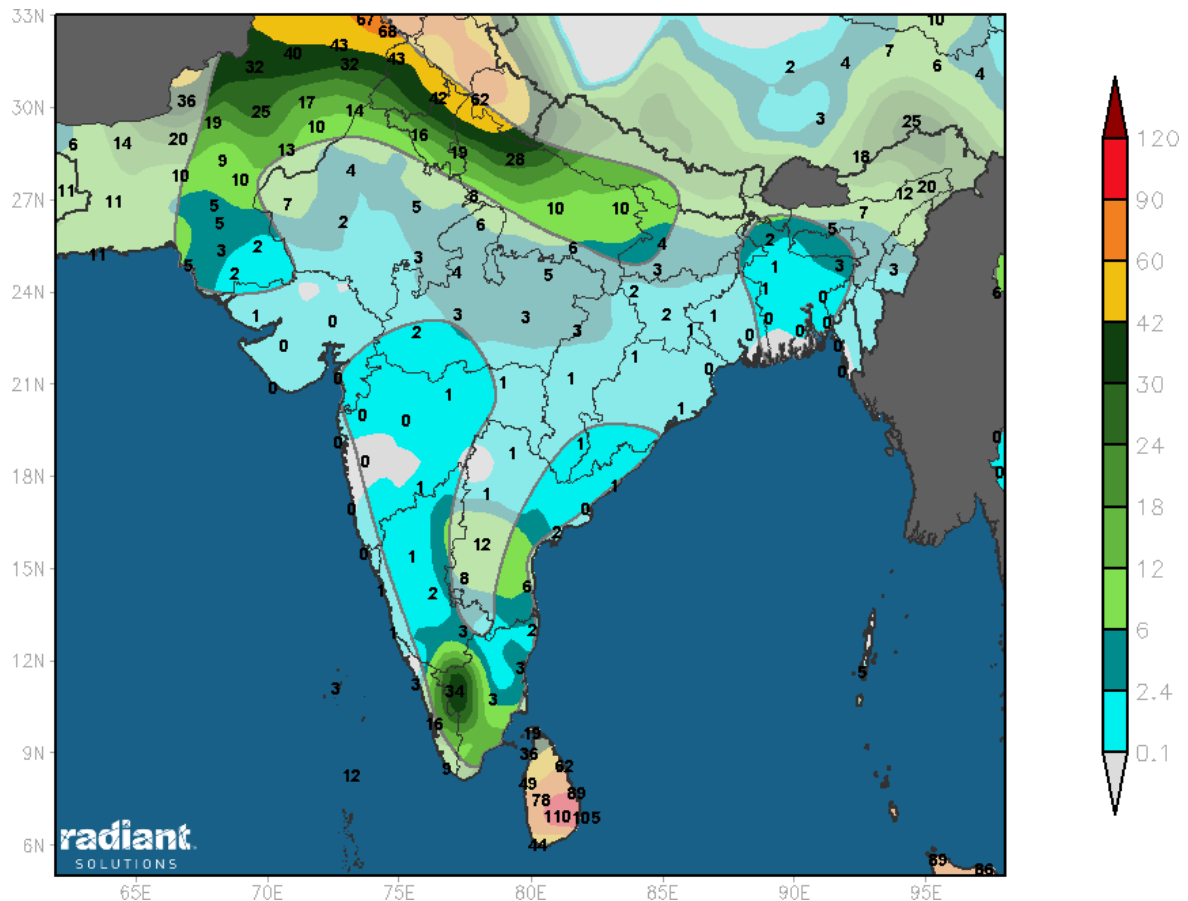


## Crushing Days Lost to Rain in CS Brazil

### Nov'18-Jan'19 rains in CS Brazil



## Indian 15 Day Forecast (% of normal rainfall)



# Sugar Weekly Report



- **NY Flat price:** March contract did not manage to hold above 13 cts/lb during last week and closed on Friday at 12.44 cts/lb, down from 13.03 a week earlier.
- **NY Spreads:** March/May spread weakened to 15 points carry from the highs of 9 points carry a week earlier.
- **London market:** March/May spread traded around \$8.5/mt carry, closing at \$9.5/mt Friday. March/March White Premium traded in a narrow range around \$64-65/mt during last week, similar to a week earlier.
- **COT report:** Please note, there is still no COP update due to US Government shutdown.



**BULL**

- ▶ Chinese domestic prices increased during the past week.
- ▶ Planting in Maharashtra, India, has lagged behind last season, which could result in significant drop of production in 2019-20. The region has been dry since September 2018.
- ▶ NN Brazil production will be the same as, or possibly lower than last year due to the low sugar mix.



**BEAR**

- ▶ Ethanol prices have decreased further in CS Brazil, which is not supportive for sugar. Gasoline/ethanol price ratio increased to 65%, up from 64.3% last week.
- ▶ Chinese import margin remains negative for out of quota sugar.
- ▶ Indonesian import licenses still have not been issued.



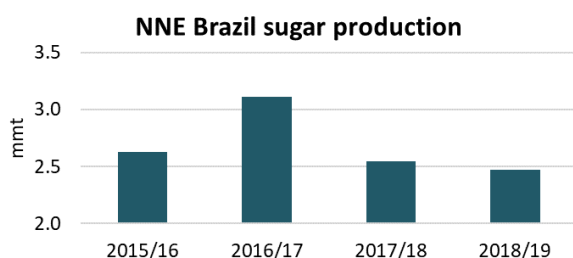
# Sugar Weekly Report



## NNE Brazil: Production Update

1H JAN	2017/18	2018/19	Var.
Cane(mmt)	36.75	40.46	↑ 3.7
Sugar (kmt)	2.07	2.11	↑ 0.0
Total Ethanol	1,470	1,889	↑ 418
ATR (kg/t of cane)	127.77	134.08	↑ 6.3
Sugar mix (%)	46.23%	40.75%	↓ -5.5%

- ▶ NNE Brazilian mills crushed 40.5 million mt of cane by mid-January, 3.7 million mt higher year on year due to earlier start.
- ▶ Sugar mix dropped to 40.75% down from 46.2% last year.
- ▶ ATR was at 134 kg/mt, up from 127.8 kg /mt last year.
- ▶ This resulted in sugar production of 2.1 million mt, 40k mt higher year on year.



## Russia: Production Update

22-01-18	2017/18	2018/19	Var
Beet stored up	46,490	39,299	↓ - 7,191
Beet processed	44,981	38,387	↓ - 6,594
Beet in stocks	489	91	↓ - 398
Sugar produced	6,328	5,844	↓ - 484
Extr. rate	14.1	15.2	↑ 1.2
Factories	21	5	↓ - 16

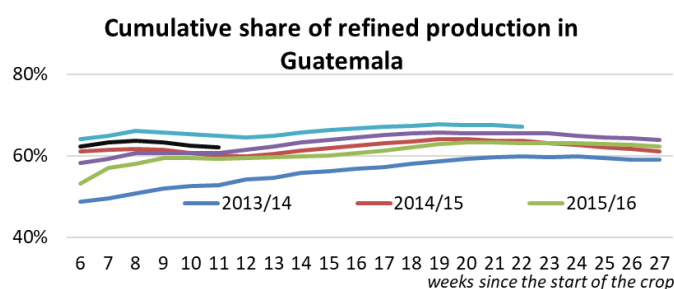
- ▶ Factories in Russia processed 38.4 million mt of beets by January 22, 6.5 million mt down year on year.

- ▶ Sugar production reached 5.85 million mt, down almost 500k mt year on year.
- ▶ Extraction rate was higher at 15.2% due to better sucrose content in the sugar beets.
- ▶ There were still 5 factories processing beets on January 22.
- ▶ Total production should reach 5.9 million mt this season, down from 6.5 last year.

## Guatemala: Crushing Update

	2017/18	2018/19	Var.
Cane(mt)	11,110,221	10,952,595	↓ -1.4%
Sugar(mt)	1,126,459	1,116,477	↓ -1%
Raw	396,048	422,282	↑ 7%
White	730,411	694,195	↓ -5%
Extraction rate	10.14%	10.19%	↑ 1%
Whites share	65%	62%	

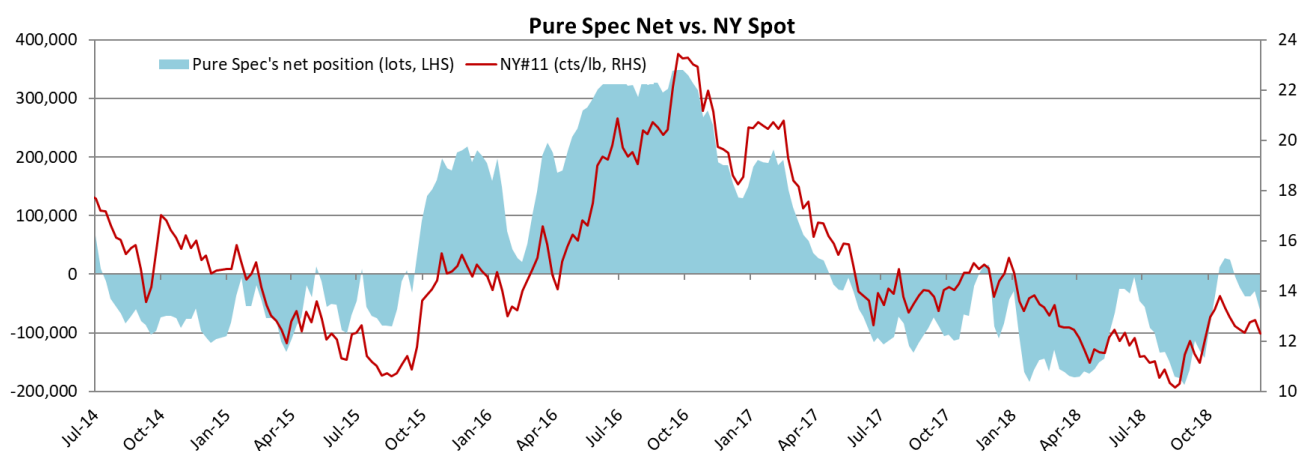
- ▶ Mills in Guatemala crushed 11 million mt of cane by January 20, a little below last year.
- ▶ Industrial yields were above last season at 10.2%.
- ▶ This has resulted in sugar production of 1.1 million mt, slightly down year on year.
- ▶ Share of whites' production is lower than last season at 62% due to lower white premium.
- ▶ Total production is expected to reach 2.65 million mt, similar to last season.





## COT RECAP

Due to the US Government partial shutdown, there is still no updated COT recap to report this week.



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