

Sugar Weekly Report

March 4 - 8 2019



Sugar Prices and Macros as of 8-Mar-19												
	8-Mar-19	1-Mar-19	5-Feb-19	Weekly Var.	Monthly Var.		8-Mar-19	1-Mar-19	5-Feb-19	Weekly Var.	Monthly Var.	
NY #11	12.18	12.62	12.82	⬇️	-0.44 ⬇️	USD Index	97.36	96.44	96.07	⬆️	0.92 ⬆️	1.29
London #5	338.5	344.4	341.2	⬇️	-5.9 ⬇️	USDBZL	3.87	3.77	3.67	⬆️	0.09 ⬆️	0.20
NY#16	25.93	25.80	25.58	⬆️	0.13 ⬆️	USDINR	70.08	70.99	71.52	⬇️	-0.91 ⬇️	-1.44
Front White Premium	70.0	66.2	58.6	⬆️	3.8 ⬆️	EURUSD	1.12	1.14	1.14	⬇️	-0.01 ⬇️	-0.02

Market Situation at a Glance

International Prices			
	8-Mar-19	1-Mar-19	Weekly Var.
Sugar			
NY #11	12.18	12.62	↓ -0.44 cts/lb
Front Spread	-0.19	-0.25	↑ 0.06 cts/lb
London #5	338.50	344.40	↓ -5.90 \$/mt
Front Spread	-4.30	-7.30	↑ 3.00 \$/mt
White Premium	69.98	66.18	↑ 3.80 \$/mt
USD Index	97.36	96.44	↑ 0.92
USDBZL	3.87	3.77	↑ 0.09 R\$/
USDINR	70.08	70.99	↓ -0.91 RUP/\$
RUBUSD	66.35	65.91	↑ 0.44 RUB/\$
EURUSD	1.12	1.14	↓ -0.01 \$/EUR
S&P500	2743	2804	↓ -60.62
DJ Industrial Avg	25473	25916	↓ -442.77
Light Crude Oil	56.04	55.75	↑ 0.29 \$/Barrel
Corn	354.75	363.50	↓ -8.75 cts/Bushel
Wheat	432.75	454.00	↓ -21.25 cts/Bushel
Coffee (Arabic)	95.25	97.50	↓ -2.25 cts/lb

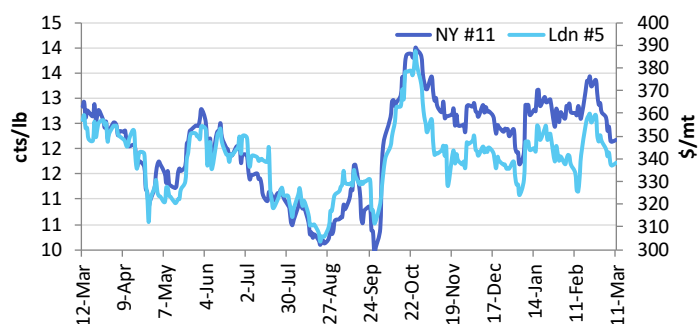
Domestic Markets

	8-Mar-19	1-Mar-19	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	47.10	47.64	↓ -0.54	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	67.72	66.47	↑ 1.25	R\$/50kg
Esalq Sugar (US\$)	17.51	17.61	↓ -0.09	cts/lb
Hydrous Ethanol (NY#11 equiv.)	14.91	15.23	↓ -0.32	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	14.70	14.83	↓ -0.14	cts/lb
Ethanol/Gasoline in Sao Paulo				
Ethanol	2,722	2,585	↑ 137	R\$/l
Gasoline	3,989	3,967	↑ 22	R\$/l
Ethanol/Gasoline Parity	68.2%	65.2%	↑ 3%	
Anhydrous from US Parity	-52.79	-37.08	↓ -15.71	USD/M3
Anhydrous to US Parity	-142.95	-159.92	↑ 16.97	USD/M3

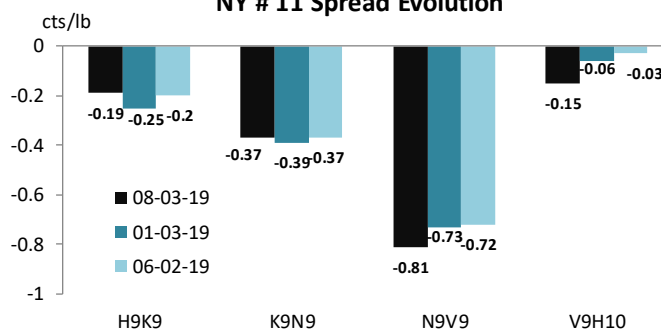
India				
NCDEX	4,328	4,540	↓ -213	RUP/mt
S-Grade (Kolhapur)*	31,000	31,610	↓ -610	RUP/mt
M-Grade (Kolkatta)*	32,762	33,191	↓ -429	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



	8-Mar-19	01-Mar	Weekly Var.	Unit
China				
ZCE Front Month	5,085	5,133	↓ -48	RMB/mt
ZCE Front Spread	-21	-3	↓ -18	RMB/mt
Northern Spot Cash	Rizhao 5,800	5,760	↑ 40	RMB/mt
Southern Spot Cash	Liuzhou 5,400	5,400	0	RMB/mt

	8-Mar-19	1-Mar-19	Weekly Var.	Unit
USA				
No #16	25.93	25.80	↑ 0.13	cts/lb
#16/11 Spread	13.75	13.18	↑ 0.57	cts/lb

EU				
EU 45s containers	20	10	↑ 10.0	\$/mt ov Ldn

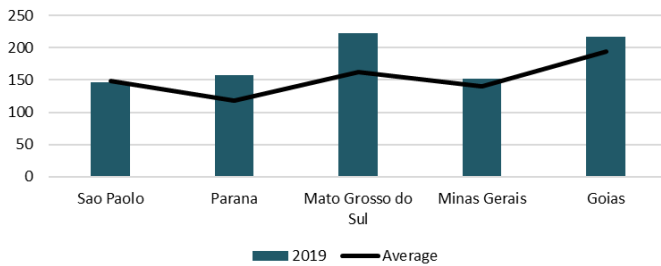
Russia				
Price in Krasnodar	521	527	↓ -5.8	\$/m3

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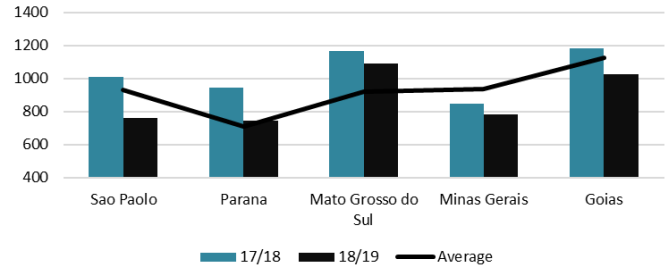


CS Brazil Total Rainfall

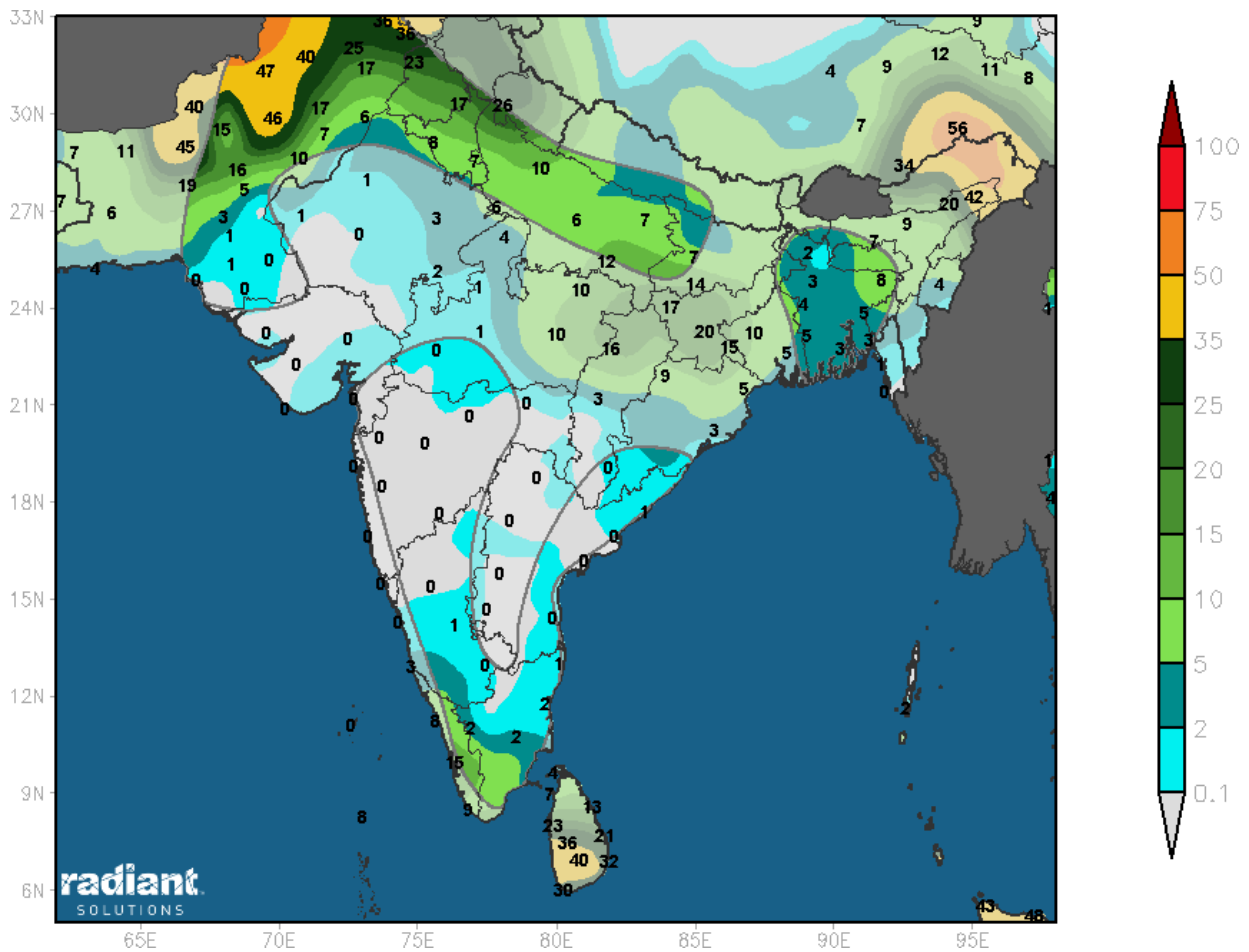
March rains in CS Brazil



Nov'18-March'19 rains in CS Brazil



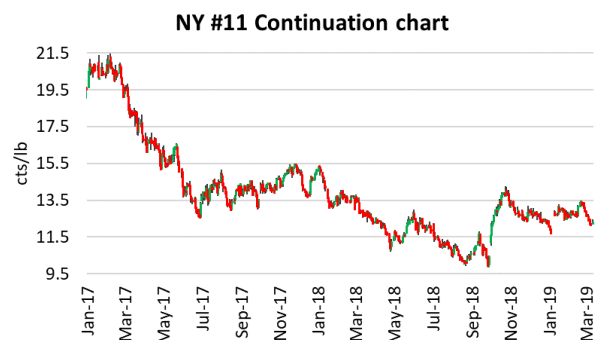
Indian 15 Day Forecast (% of normal rainfall)



Sugar Weekly Report



- **NY Flat price:** Prices continue to fall, with the May contract reaching lows of 12.08 cts/lb, and closing at 12.18 cts/lb Friday, down from 12.62 cts/lb a week earlier.
- **NY Spreads:** May/July spread strengthened from 23 points carry to 19 points carry, little stronger than a week earlier.
- **London market:** May/May White Premium increased to \$70/mt, from \$66/mt a week earlier.
- **COT report:** COT report as of March 4th showed that specs were net-short 73.6k lots, up 32.9k lots week on week. The massive increase made the market drop to below 12.5 cts/lb during reporting week. Commercials were net-buyers, cutting their net-short positions by 45k lots to 155.4k lots. Index funds were the sellers, decreasing their net-long positions to 229k lots, 12k lots down year on year.



BULL

- Ethanol is paying better than sugar in March and April, resulting in a question mark over the sugar mix for 2019/20 season.
- Iran and China came back to the market, purchasing a lot of sugar recently.



BEAR

- Thai raw sugar production is much higher than last season meaning there may be more available than initially expected.
- The Dubai refinery is still not operating and there has been no buying from their side.

Sugar Weekly Report



Thailand: Production Update

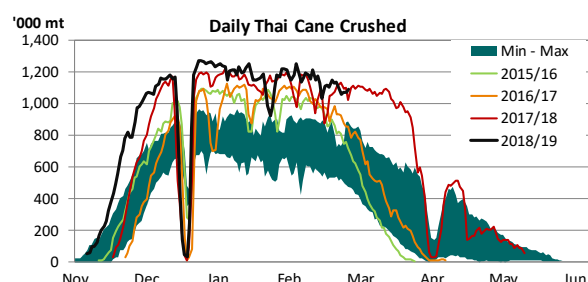
	10.03.19	2017/18	2018/19	VAR
Cane crush	94,700,212	107,403,388	↑ 12,703,176	
Total sugar	10,166,742	11,628,622	↑ 1,461,879	
Whites	1,068,854	786,310	↓ -	282,544
Refined	1,547,868	1,686,670	↑	138,802
Raws	7,391,630	9,000,962	↑	1,609,332
Extraction rate	10.74%	10.83%	↑	0.09%
Mills operating	54	56		
Raws %	72.70%	77.40%		

► By March 10, Thai mills crushed 107.4 million mt of cane, almost 13 million mt higher than same time last season. All 56 mills are still crushing and daily crushing rates remain above 1 million mt.

► Sugar production reached 11.6 million mt, 1.5 million mt up year on year.

► Most of the increase is on raws with 9 million mt produced already. Refined production is also higher year on year at 1.7 million mt.

► Projected total cane crush is almost 130 million mt, down from 135 last year, and sugar production to be around 14 million mt.



Philippines: Production Update

► By February 17, Philippines produced 1.3 million mt of sugar, up from 1.1 million mt same time last season.

► Total production is expected not to surpass last year due to lower acreage.

Mexico: Crushing Update

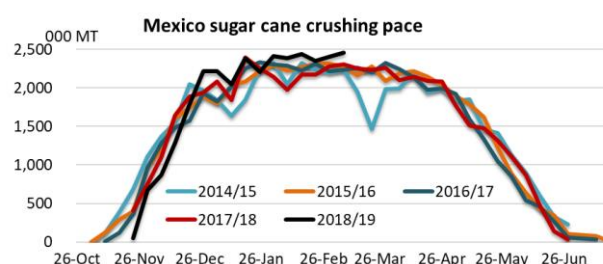
Mexican crush update	2017/18	2018/19	y-o-y
Harvest (Ha)	388,343	384,876	↓ -0.9%
Cane yield (Mt/Ha)	75.6	78.5	↑ 3.8%
Crushing cane (Mt)	29,362,073	30,206,142	↑ 2.9%
Sugar (Mt)	3,204,766	3,205,392	↑ 0.0%
Sugar extraction (%)	10.91%	10.61%	↓ -2.8%

► Mills in Mexico harvested 384,900 ha, slightly lower year on year.

► Cane yields were better: 78.5 mt/ha, vs 75.6 mt/ha a year before.

► Cane crush reached 30.2 million mt, up 3% year on year.

► Sugar production was same as last season at 3.2 million mt.



Guatemala: Crushing Update

	2017/18	2018/19	Var.
Cane(mt)	17,907,801	17,737,010	↓ -1.0%
Sugar(mt)	1,843,688	1,831,365	↓ -1%
Raw	606,680	616,116	↑ 2%
White	1,237,008	1,215,249	↓ -2%
Extraction rate	10.30%	10.33%	↑ 0%
Raws share	33%	34%	

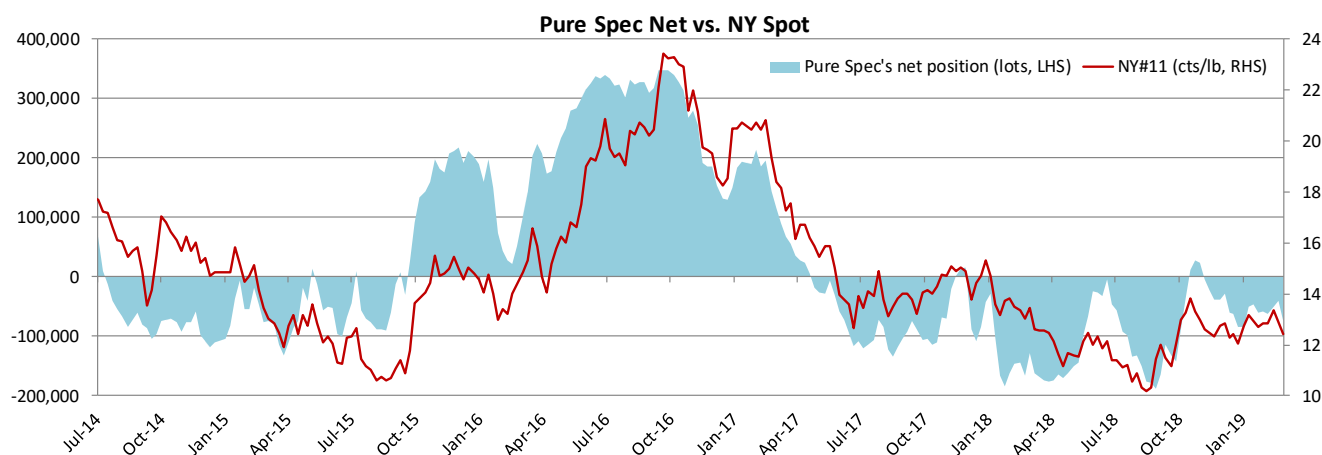
► By 3 March Guatemala crushed 17.7 million mt of cane, slightly lower than last season.

► Sugar production reached 18.3 million mt, similar to last season, raws production is at 616k mt, while refined was at 1.2 million mt.



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)	Commercials gross shorts (iiii)	OI
15-01-19	13.16	-51,038	184,857	235,895	232,163	-181,126	367,266	548,392	1,060,192
22-01-19	12.93	-46,258	175,336	221,594	239,033	-192,775	374,889	567,664	1,073,253
29-01-19	12.69	-60,625	167,465	228,090	239,898	-179,273	387,966	567,239	1,074,232
05-02-19	12.82	-58,508	173,762	232,270	238,611	-180,103	396,706	576,809	1,098,593
12-02-19	12.85	-61,548	180,301	241,849	235,546	-173,998	383,915	557,913	1,054,695
19-02-19	13.35	-49,509	186,202	235,711	240,274	-190,766	343,333	534,099	996,010
26-02-19	12.88	-40,681	185,622	226,303	241,006	-200,324	314,707	515,031	964,883
05-03-19	12.44	-73,620	173,093	246,713	228,989	-155,368	314,044	469,412	961,098
Lastet Change	-0.44	-32,939	-12,529	20,410	-12,017	44,956	-663	-45,619	-3,785



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