

Sugar Weekly Report

July 15 - 19 2019



Sugar Prices and Macros as of		19-Jul-19					19-Jul-19				
	19-Jul-19	12-Jul-19	18-Jun-19	Weekly Var.	Monthly Var.	19-Jul-19	12-Jul-19	18-Jun-19	Weekly Var.	Monthly Var.	
NY #11	11.59	12.30	12.61	↓ -0.71	↓	USD Index	97.07	96.72	97.63	↑ 0.35	↓ -0.56
London #5	315.7	306.8	333.6	↑ 8.9	↓	USDBZL	3.75	3.74	3.86	↑ 0.01	↓ -0.11
NY#16	25.55	25.57	26.50	↓ -0.02	↓	USDINR	68.85	68.55	69.51	↑ 0.30	↓ -0.66
Front White Premium	60.2	35.6	55.6	↑ 24.6	↑	EURUSD	1.12	1.13	1.12	↓ -0.00	↑ 0.00

Market Situation at a Glance

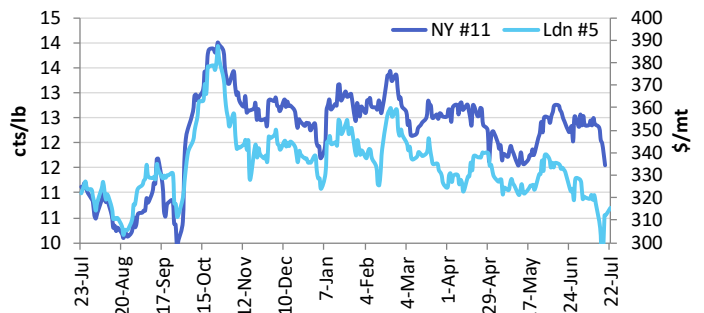
International Prices	19-Jul-19	12-Jul-19	Weekly Var.
Sugar			
NY #11	11.59	12.30 ↓	-0.71 cts/lb
Front Spread	-1.03	-1.00 ↓	-0.03 cts/lb
London #5	315.70	306.80 ↑	8.90 \$/mt
Front Spread	-10.70	-9.00 ↓	-1.70 \$/mt
White Premium	60.18	35.63 ↑	24.55 \$/mt
USD Index	97.07	96.72 ↑	0.35
USDBZL	3.75	3.74 ↑	0.01 R\$/
USDINR	68.85	68.55 ↑	0.30 RUP/\$
RUBUSD	62.94	62.91 ↑	0.03 RUB/\$
EURUSD	1.12	1.13 ↓	-0.00 \$/EUR
S&P500	2977	3014 ↓	-37.16
DJ Industrial Avg	27223	27088 ↑	134.89
Light Crude Oil	55.74	60.39 ↓	-4.65 \$/Barrel
Corn	432.00	449.50 ↓	-17.50 cts/Bushel
Wheat	503.50	536.25 ↓	-32.75 cts/Bushel
Coffee (Arabic)	105.85	105.20 ↑	0.65 cts/lb

Domestic Markets

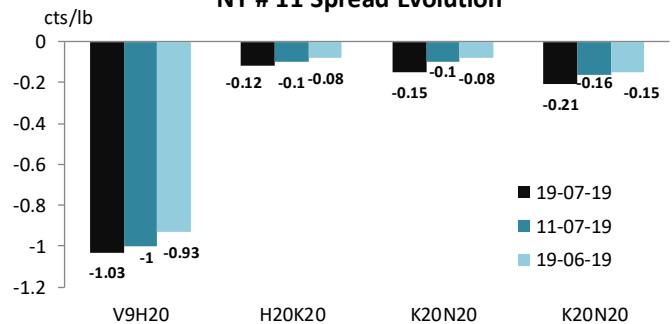
	19-Jul-19	12-Jul-19	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	43.43	45.98 ↓	-2.55	R\$/cts/lb
Domestic:				
Esalq Sugar (R\$)	59.69	60.51 ↓	-0.82	R\$/50kg
Esalq Sugar (US\$)	15.93	16.19 ↓	-0.26	cts/lb
Hydrous Ethanol (NY#11 equiv.)	13.99	13.75 ↑	0.23	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	14.79	14.60 ↑	0.18	cts/lb
Ethanol/Gasoline in S. Paolo	19-Jul-19	12-Jul-19	Weekly Var.	Unit
Ethanol	2,544	2,549 ↓	-5	R\$/l
Gasoline	4,113	4,126 ↓	-13	R\$/l
Ethanol/Gasoline Parity	61.9%	61.8%	0%	
Anhydrous from US Parity	-7.98	-24.68	↑ 16.70	USD/M3
Anhydrous to US Parity	-188.98	-172.52	↓ -16.46	USD/M3
India	19-Jul-19	12-Jul-19	Weekly Var.	Unit
NCDEX	31,520	31,190	↑ 330	RUP/mt
S-Grade (Kolhapur)*	31,000	31,000	0	RUP/mt
M-Grade (Kolkatta)*	34,048	33,810	↑ 238	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China	19-Jul-19	12-Jul	Weekly Var.	Unit
ZCE Front Month	5,150	5,204 ↓	-54	RMB/mt
ZCE Front Spread	1	2 ↓	-1	RMB/mt
Northern Spot Cash Rizhao	5,750	5,750 ↑	0	RMB/mt
Southern Spot Cash Liuzhou	5,380	5,380 ↑	0	RMB/mt

USA	19-Jul-19	12-Jul-19	Weekly Var.	Unit
No #16	25.55	25.57 ↓	-0.02	cts/lb
#16/11 Spread	13.96	13.27 ↑	0.69	cts/lb

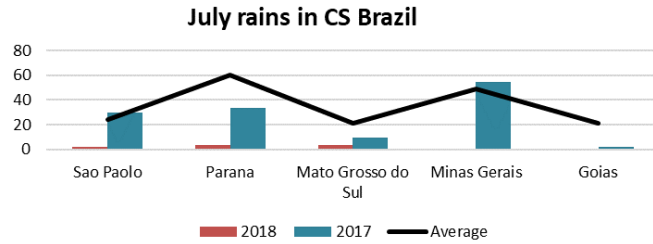
EU	19-Jul-19	12-Jul-19	Weekly Var.	Unit
EU 45s containers	40	40 ↑	0.0	\$/m3 \$/mt ov Ldn

Russia	19-Jul-19	12-Jul-19	Weekly Var.	Unit
Price in Krasnodar	438	421 ↑	17.0	\$/m3

Sugar Weekly Report



CS Brazil July Rainfall

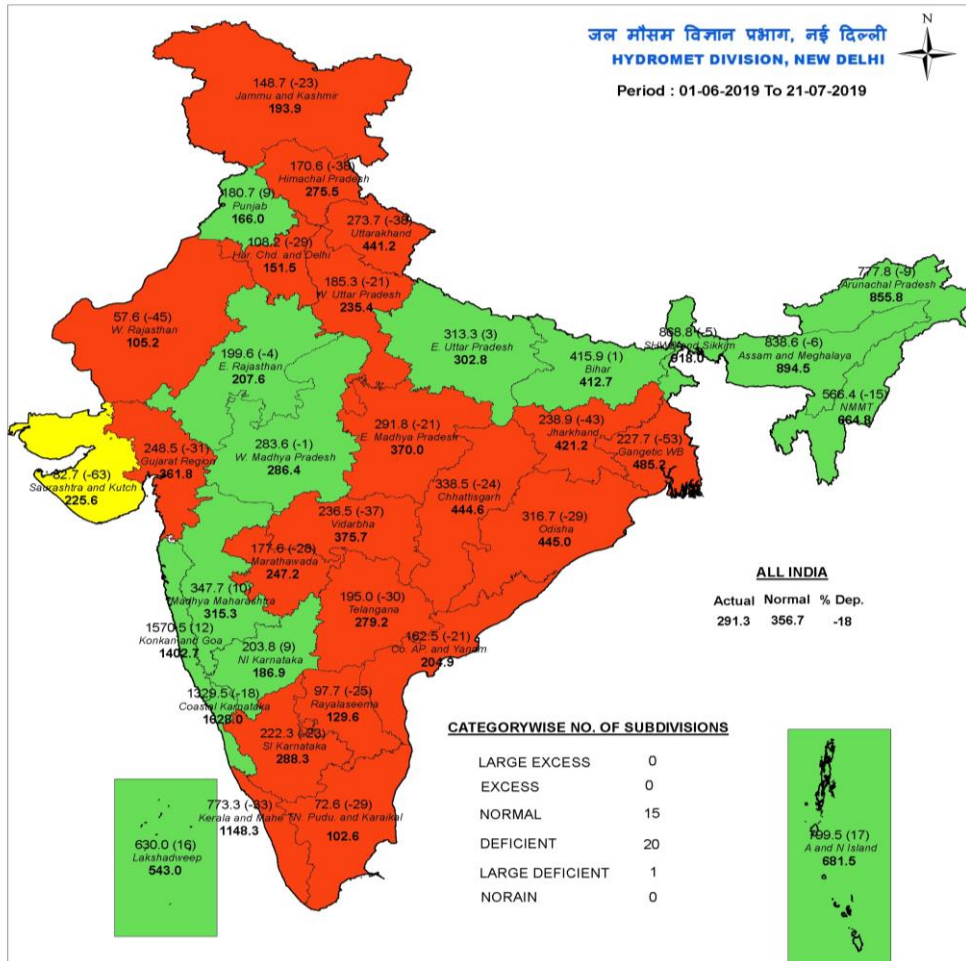


Indian: Monsoon Rains



भारत मौसम विज्ञान विभाग
INDIA METEOROLOGICAL DEPARTMENT

SUBDIVISION RAINFALL MAP



Legend

■ Large Excess [60% or more]
 ■ Excess [20% to 59%]
 ■ Normal [-19% to 19%]
 ■ Deficient [-59% to -20%]
 ■ Large Deficient [-99% to -60%]
 ■ No Data [-100%]
 ■ No Rain

Sugar Weekly Report



- **NY Flat price:** prices collapsed last week, posting the lows of 11.53 cts/lb, still moving in the same downtrend in place since October 2018. October contract closed at 11.59 cts/lb, down from 12.3 cts/lb a week earlier.

- **NY Spreads:** October/March spread weakened last week, reaching the lows of 107 points carry.

- **London market:** Oct/Oct White Premium increased around \$10/mt since the August contract expiry, closing above \$60/mt last Friday.

- **COT report:** the latest COT report showed the specs net-short positions were at 111.9k lots, increase of 27.6k lots week on week. Index funds were net-long 238.5k lots, 3.7k lots up week on week. Finally, commercials held 126.6k lots, down 23.9k lots week on week.

NY #11 Continuation chart



BULL

- ▶ **Monsoon rains in India have been lacking:** in some parts of Maharashtra the deficit is as much as 60%, with South of Karnataka and Tamil Nadu also down.

- ▶ **Thailand rains are also down,** which is expected to result in lower yields for the 2019/20 crop.

- ▶ **In Brazil sugar production up until the end of June is 870k mt below last year.**



BEAR

- ▶ **Indonesia still has not announced any special licenses for 2019.**

- ▶ **China demand is down,** despite the current drop in prices.

- ▶ **Agricultural yields in CS Brazil are above last season,** leading to more cane than last year being crushed.



London #5: August Contract Expiry

▶ August white sugar contract expired at \$294/mt; August/October spread went off board at a steep carry of \$19/mt

▶ Two trading houses, including Wilmar delivered a total of 793.4k mt of sugar in the ports of Thailand. This was the record August delivery, and the biggest delivery since May 2007.

▶ Please see the table below for the delivery details

Row Labels	Agrocorp	Wilmar
August	300,000	493,350
Cevital	59,100	
Bangkok/Koshi	36,700	
Laemchabang/Sri Racha	22,400	
ED&F Man	9,650	460,550
Bangkok/Koshi	9,650	282,650
Laemchabang/Sri Racha		177,900
SUCDEN	231,250	32,800
Bangkok/Koshi	164,150	
Laemchabang/Sri Racha	67,100	32,800

Australia: Production Update

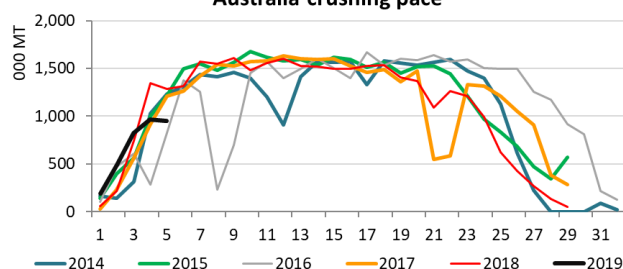
Australian crushing update			
Week 5	2018	2018	Δ
Cane crushed (000 Mt)	3,773	3,402	↓ - 372
CCS(%)	12.0%	12.1%	↑ 0.0
Sugar (000 Mt)	452	411	↓ - 40

Full crop	2018/19	2019/20 F	
Cane crushed (000 Mt)	32,482	31,580	↓ - 902
CCS(%)	13.8%	13.8%	↑ 0.0
Sugar (000 Mt)	4,480	4,201	↓ - 279

▶ By July 7, Australia crushed 3.4 million mt of cane, down 400k mt year on year. Cane crushing is down year on year, still barely reaching 1 million mt per week.

▶ Extraction rate is similar to a previous season at 12.1%. Sugar production reached 411k mt, slightly down year on year.

Australia crushing pace



Mexico: Export Update

▶ Mexico exported 850k mt of sugar since the start of the season (October 2018).

▶ On top of these, there was 120k mt exported to the US re-export program.

▶ Most of the sugar went to Morocco, Canada and CIS.

▶ There was some refined sugar exported to West Africa.

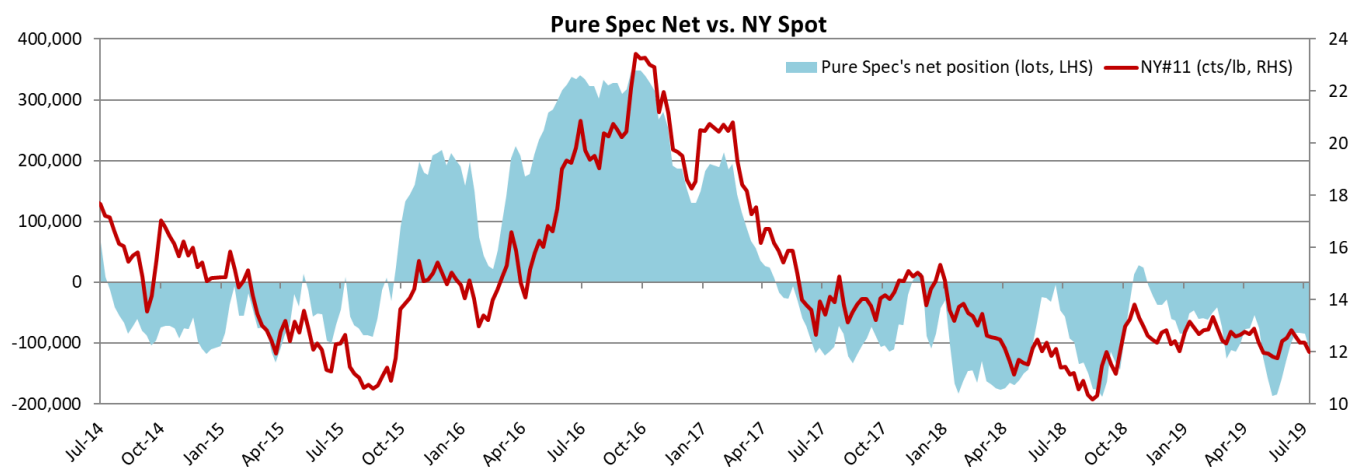
▶ There is still around 300-400k mt of sugar available in Mexico for exports until the end of September 2019.

Exportación al mercado mundial por calidad del azúcar ² (Toneladas métricas)			
País	Estándar ³	Refinada	Total
Marruecos	317,677	-	317,677
Canadá	208,857	-	208,857
Uzbekistán	97,500	-	97,500
República de Georgia	63,000	-	63,000
Túnez	58,250	-	58,250
Venezuela	30,214	59	30,273
Mauritania	-	29,000	29,000
Rusia	26,875	-	26,875
República Dominicana	-	4,024	4,024
Trinidad y Tobago	-	2,554	2,554
Gambia	2,470	-	2,470
Suriname	-	1,664	1,664
Jamaica	-	1,534	1,534
Benin	1,040	-	1,040
Guinea	-	1,040	1,040
Gran Bretaña	-	750	750
Singapur	260	-	260
Australia	100	-	100
Guyana	-	52	52
Haití	-	25	25
Total	806,243	40,702	846,946



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
28-05-19	11.75	-183,962	198,949	382,911	204,143	-20,181	441,991	462,172	1,184,772
04-06-19	12.42	-158,899	198,091	356,990	201,915	-43,016	460,343	503,359	1,176,147
11-06-19	12.54	-127,558	187,925	315,483	205,226	-77,668	466,458	544,126	1,146,015
18-06-19	12.83	-99,739	183,674	283,413	232,830	-133,091	436,604	569,695	1,053,088
25-06-19	12.57	-83,877	182,920	266,797	236,487	-152,610	399,677	552,287	1,007,755
02-07-19	12.35	-83,431	188,170	271,601	238,294	-154,863	331,605	486,468	977,770
09-07-19	12.35	-84,339	189,302	273,641	234,831	-150,492	334,390	484,882	993,232
16-07-19	11.99	-111,901	192,709	304,610	238,480	-126,579	343,212	469,791	1,009,347
Lastet Change	-0.36	-27,562	3,407	30,969	3,649	23,913	8,822	-15,091	16,115



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