

Sugar Weekly Report

September 9 - 13 2019



Sugar Prices and Macros as of		13-Sep-19					13-Sep-19					
	13-Sep-19	6-Sep-19	13-Aug-19	Weekly Var.	Monthly Var.	13-Sep-19	6-Sep-19	13-Aug-19	Weekly Var.	Monthly Var.		
NY #11	10.91	11.02	11.72	↓ -0.11	↓	USD Index	97.86	98.01	97.83	↓ -0.15	↑	0.03
London #5	329.4	304.1	317.2	↑ 25.3	↑	USDBZL	4.08	4.06	3.96	↑ 0.02	↑	0.12
NY#16	25.51	25.75	25.88	↓ -0.24	↓	USDINR	70.97	71.63	71.40	↓ -0.66	↓	-0.43
Front White Premium	88.9	61.2	58.8	↑ 27.7	↑	EURUSD	1.11	1.10	1.12	↑ 0.00	↓	-0.01

Market Situation at a Glance

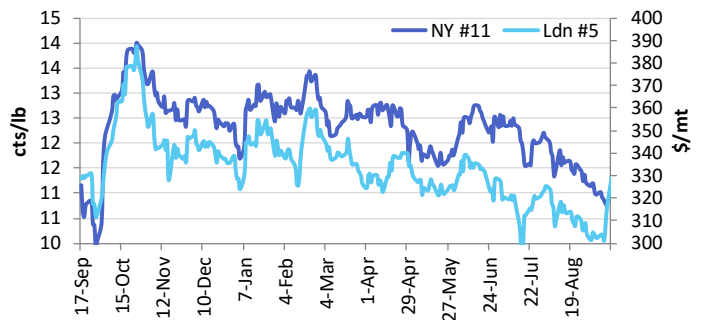
International Prices	13-Sep-19	6-Sep-19	Weekly Var.
Sugar			
NY #11	10.91	11.02	↓ -0.11 cts/lb
Front Spread	-1.05	-0.95	↓ -0.10 cts/lb
London #5	329.40	304.10	↑ 25.30 \$/mt
Front Spread	-4.50	-7.10	↑ 2.60 \$/mt
White Premium	88.88	61.15	↑ 27.73 \$/mt
USD Index	97.86	98.01	↓ -0.15
USDBZL	4.08	4.06	↑ 0.02 R\$/
USDINR	70.97	71.63	↓ -0.66 RUP/\$
RUBUSD	63.92	65.41	↓ -1.50 RUB/\$
EURUSD	1.11	1.10	↑ 0.00 \$/EUR
S&P500	3007	2979	↑ 28.68
DJ Industrial Avg	27182	26728	↑ 454.30
Light Crude Oil	54.82	56.73	↓ -1.91 \$/Barrel
Corn	355.50	342.00	↑ 13.50 cts/Bushel
Wheat	485.75	460.25	↑ 25.50 cts/Bushel
Coffee (Arabic)	99.50	93.85	↑ 5.65 cts/lb

Domestic Markets

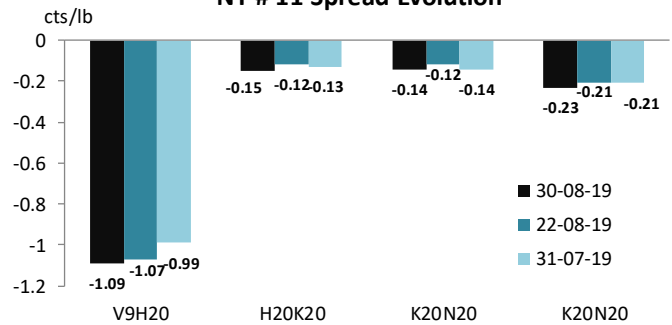
	13-Sep-19	6-Sep-19	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	44.56	44.76	↓ -0.20	R\$/cts/lb
Domestic:				
Esalq Sugar (R\$)	59.99	59.88	↑ 0.11	R\$/50kg
Esalq Sugar (US\$)	14.69	14.74	↓ -0.06	cts/lb
Hydrous Ethanol (NY#11 equiv.)	12.98	13.10	↓ -0.13	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	13.46	13.81	↓ -0.35	cts/lb
Ethanol/Gasoline in S. Paolo	13-Sep-19	6-Sep-19	Weekly Var.	Unit
Ethanol	3,587	3,554	↑ 33	R\$/l
Gasoline	4,308	4,201	↑ 107	R\$/l
Ethanol/Gasoline Parity	83.3%	84.6%	↓ -1%	
Anhydrous from US Parity	-8.97	14.76	↓ -23.73	USD/M3
Anhydrous to US Parity	-182.25	-206.50	↑ 24.25	USD/M3
India	13-Sep-19	6-Sep-19	Weekly Var.	Unit
NCDEX	31,600	31,600	0	RUP/mt
S-Grade (Kolhapur)*	31,973	32,277	↓ -304	RUP/mt
M-Grade (Kolkatta)*	35,857	35,810	↑ 48	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China	13-Sep-19	06-Sep	Weekly Var.	Unit
ZCE Front Month	5,562	5,548	↑ 14	RMB/mt
ZCE Front Spread	-69	-54	↓ -15	RMB/mt
Northern Spot Cash	Rizhao 6,010	6,020	↓ -10	RMB/mt
Southern Spot Cash	Liuzhou 5,900	5,830	↑ 70	RMB/mt

USA	13-Sep-19	6-Sep-19	Weekly Var.	Unit
No #16	25.51	25.75	↓ -0.24	cts/lb
#16/11 Spread	14.60	14.73	↓ -0.13	cts/lb

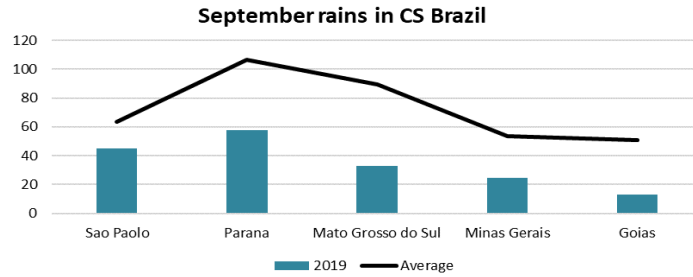
EU	13-Sep-19	6-Sep-19	Weekly Var.	Unit
EU 45s containers	40	40	0.0	\$/mt ov Ldn

Russia	13-Sep-19	6-Sep-19	Weekly Var.	Unit
Price in Krasnodar	350	350	↓ -0.1	\$/m3

Sugar Weekly Report



CS Brazil September Rainfall

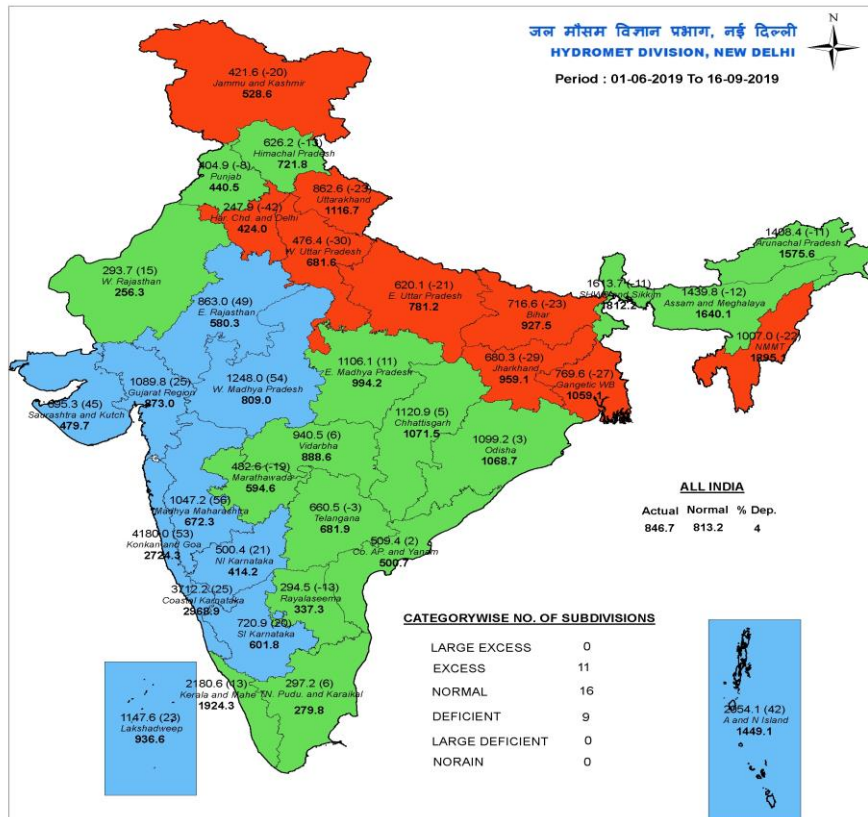


Indian: Monsoon Rains



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

NOTES :
a) Rainfall figures are based on operation data.
b) Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).
c) Percentage Departures of rainfall are shown in brackets.

Sugar Weekly Report



- **NY Flat price:** October contract broke below 11 cts/lb, hitting contract lows at 10.68 cts/lb.

- **NY Spreads:** October/March spread came back to the levels seen 2 weeks ago, closing at: 105 points carry, compared with 95 points carry a week before.

- **London market:** March/March White Premium rallied to \$58/mt last week from the lows of \$52/mt

- **COT report:** COT report as of September 3rd showed that specs held a record net-short positions of 218.9k lots, increase of 29.5k lots week on week. Commercials for the first time turned net-long of 11.4k lots. Index positions stood at 207.5k lots, down 4k lots week on week.

NY #11 Continuation chart



BULL

- ▶ Indian production could be as low as 27 million mt in 2019/20 due to a higher ethanol diversion.

- ▶ CS and NNE Brazil production is down year on year due to stronger sugar mix so far.

- ▶ Ethanol demand in CS Brazil remains strong.



BEAR

- ▶ Yields in CS Brazil are above last season with more cane available to crush.

- ▶ Domestic prices in Russia are falling, making exporting to the neighboring countries more attractive.



London October Contract Expiry

Row Labels	Sucden	Wilmar	Grand Total
October	73,250	73,850	147,100
Brazil CS	21,650	21,850	43,500
Brazil NE	13,950	14,050	28,000
Thailand	35,650	35,950	71,600
Mexico	2,000	2,000	4,000

▶ London October contract expired Friday at \$316.9/mt, with Oct/Dec spread going off board at \$4.5/mt carry

▶ 147k mt was received by Wilmar and Sucden, with most of sugar was delivered in Thailand (72k mt)

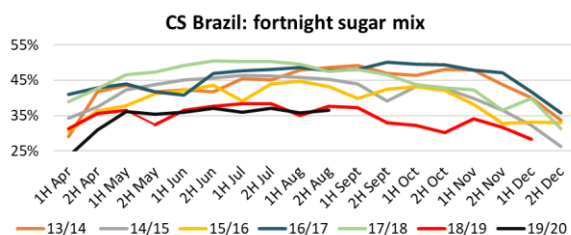
CS Brazil: Crushing Update

Cane (1000 mt)	2018/19	2019/20	Variation Y-o-Y	
Fortnight	2H Aug			
Cane (1000 mt)	43,523	47,815	↑	4,291
Sugar (1000 mt)	2,383	2,513	↑	130
Ethanol (1000 M3)	2,464	2,724	↑	260
ATR (kg/mt)	152.6	150.9	↓	1.7
Sugar mix (%)	37.64%	36.55%	↓	-1.1%

Cumulative	2018/19	2019/20	Variation Y-o-Y	
	2H Aug			
Cane (1000 mt)	393,742	398,286	↑	4,544
Sugar (1000 mt)	18,887	17,971	↓	916
Ethanol (1000 M3)	20,591	20,610	↑	19
ATR (kg/mt)	138.1	133.3	↓	5
Sugar mix (%)	36.47%	35.52%	↓	-1.0%

▶ CS Brazil mills crushed 47.8 million mt of cane during 2H of August 4.3 million mt up year on year.

▶ Even with higher cane crush, sugar mix managed to be below last year at 36.6% (vs 37.6% last year).

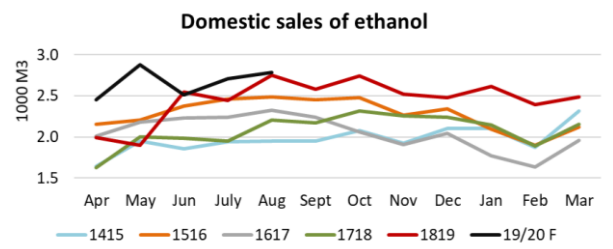


▶ ATR was also lower than last season at 150.9 kg/mt and this resulted in sugar production of 2.5 million mt, 130k mt up year on year.

▶ Cumulative production of sugar is now at 18 million mt, 900k below last year, while cumulative cane crush is 4.5 million mt above last season.

▶ UNICA did not mention agricultural yields for August in the report, but they should have been consistently higher year on year.

▶ Ethanol sales were at 2.8 million m³, slightly higher year on year. Hydrous contributed to 1.97 million m³, similar than last year.



NNE Brazil: Crushing Update

	2H AUG	2017/18	2018/19	Var.
Cane(kmt)	6,787	7,219	↑	431
Sugar (kmt)	167	129	↓	38
Total Ethanol	392	428	↑	35
Androus(000 m3)	179	194	↑	14
Hydrous (000 m3)	213	234	↑	21
ATR (kg/t of cane)	124.71	120.00	↓	5
Sugar mix (%)	20.77%	15.65%	↓	-5.1%

▶ NNE Brazil crushed 7.2 million mt of cane, 430k mt higher year on year.

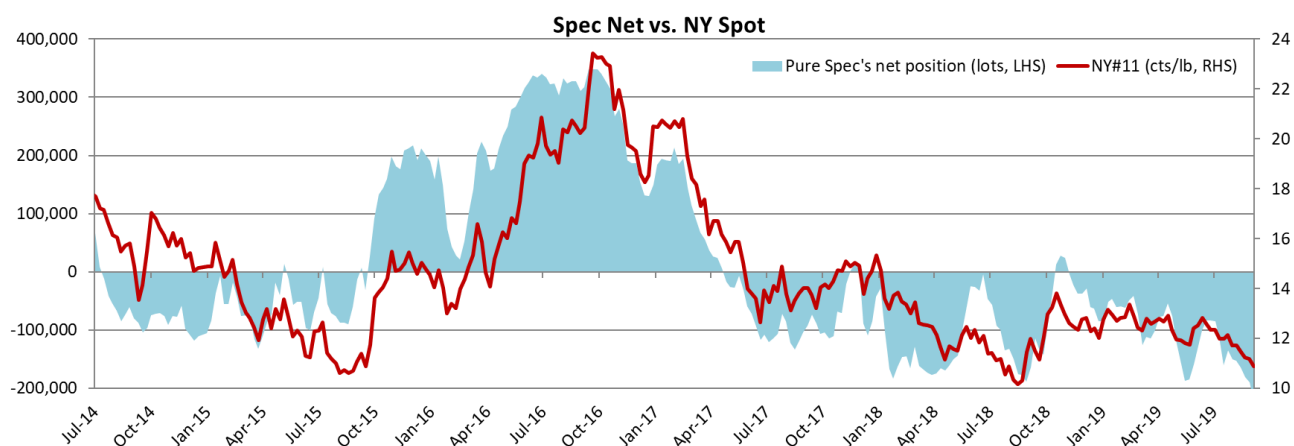
▶ Sugar mix stood at 15.7%, down from 20.8% last year. ATR was 5 kg/mt lower year on year at 120 kg/mt.

▶ Sugar production was at 129k mt, 38k mt down year on year.



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
23-07-19	11.98	-160,497	194,437	354,934	213,679	-53,181	382,194	435,375	1,084,641
30-07-19	12.15	-134,068	203,155	337,223	207,926	-73,858	373,024	446,882	1,086,225
06-08-19	11.73	-149,433	194,164	343,597	213,585	-64,151	388,699	452,850	1,120,379
13-08-19	11.72	-152,984	201,129	354,113	212,411	-59,428	427,808	487,236	1,189,745
20-08-19	11.44	-163,643	197,957	361,600	214,038	-50,396	427,574	477,970	1,183,020
27-08-19	11.24	-181,009	197,882	378,891	216,275	-35,266	450,446	485,712	1,219,655
03-09-19	11.19	-189,410	204,083	393,493	211,495	-22,085	454,673	476,758	1,240,536
10-09-19	10.88	-218,896	197,088	415,984	207,525	11,371	469,657	458,286	1,235,045
Lastet Change	-0.31	-29,486	-6,995	22,491	-3,970	33,456	14,984	-18,472	-5,491



Wilmar Grower Marketing Team

PJ Gileppa (07) 4722 1924 | 0437 297 978
Franco Zaini (07) 4722 1954 | 0419 476 770

Chris Winship (07) 4722 1986 | 0437 669 118
Yolanda Hansen (07) 4722 1956 | 0439 002 240

Angus McKerrow 0419 238 536

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