

Sugar Weekly Report

September 16 - 20 2019



Sugar Prices and Macros as of					20-Sep-19						
	20-Sep-19	13-Sep-19	20-Aug-19	Weekly Var.	Monthly Var.		20-Sep-19	13-Sep-19	20-Aug-19	Weekly Var.	Monthly Var.
NY #11	11.09	10.91	11.44	⬆️ 0.18	⬇️	USD Index	98.46	97.86	98.15	⬆️ 0.60	⬆️ 0.31
London #5	326.3	329.4	309.1	⬇️ -3.1	⬆️	USDBZL	4.15	4.08	4.05	⬆️ 0.06	⬆️ 0.09
NY#16	25.50	25.51	25.81	⬇️ -0.01	⬇️	USDINR	71.06	70.97	71.54	⬆️ 0.09	⬇️ -0.48
Front White Premium	81.8	88.9	56.9	⬇️ -7.1	⬆️	EURUSD	1.10	1.11	1.11	⬇️ -0.01	⬇️ -0.01

Market Situation at a Glance

International Prices			
	20-Sep-19	13-Sep-19	Weekly Var.
Sugar			
NY #11	11.09	10.91	↑ 0.18 cts/lb
Front Spread	-0.98	-1.05	↑ 0.07 cts/lb
London #5	326.30	329.40	↓ -3.10 \$/mt
Front Spread	-1.90	-4.50	↑ 2.60 \$/mt
White Premium	81.81	88.88	↓ -7.07 \$/mt
USD Index	98.46	97.86	↑ 0.60
USDBZL	4.15	4.08	↑ 0.06 R\$/
USDINR	71.06	70.97	↑ 0.09 RUP/\$
RUBUSD	63.99	63.92	↑ 0.07 RUB/\$
EURUSD	1.10	1.11	↓ -0.01 \$/EUR
S&P500	2992	3007	↓ -15.32
DJ Industrial Avg	27095	27182	↓ -87.66
Light Crude Oil	58.09	54.82	↑ 3.27 \$/Barrel
Corn	371.00	355.50	↑ 15.50 cts/Bushel
Wheat	484.75	485.75	↓ -1.00 cts/Bushel
Coffee (Arabic)	98.35	99.50	↓ -1.15 cts/lb

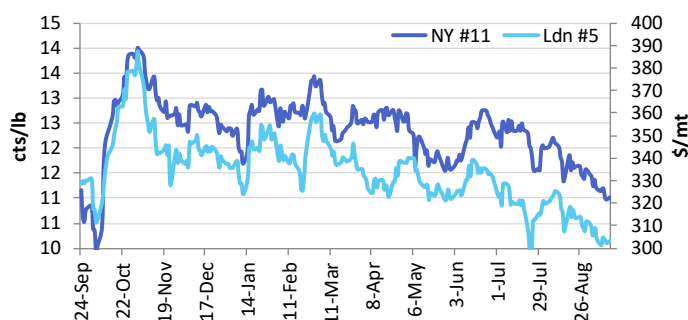
Domestic Markets

	20-Sep-19	13-Sep-19	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	46.00	44.56	↑ 1.44	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	61.19	59.99	↑ 1.20	R\$/50kg
Esalq Sugar (US\$)	14.75	14.69	↑ 0.06	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	12.97	12.98	↓ -0.01	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	12.63	13.46	↓ -0.83	cts/lb
Ethanol/Gasoline in S. Paolo	20-Sep-19	13-Sep-19	Weekly Var.	Unit
Ethanol	2,622	2,626	↓ -4	R\$/l
Gasoline	4,075	4,080	↓ -5	R\$/l
Ethanol/Gasoline Parity	64.3%	64.4%	↓ 0%	
Anhydrous from US Parity	-43.78	-8.97	↓ -34.81	USD/M3
Anhydrous to US Parity	-145.94	-182.25	↑ 36.32	USD/M3

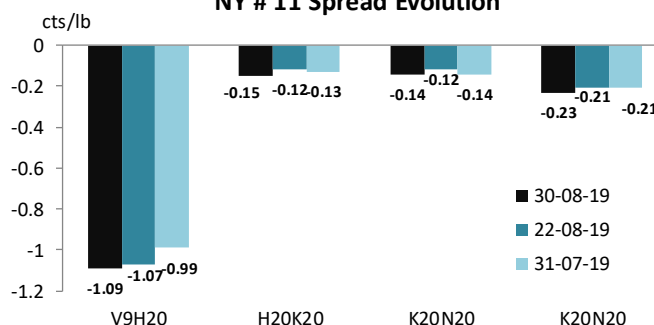
	20-Sep-19	13-Sep-19	Weekly Var.	Unit
India				
NCDEX	31,600	31,600	0	RUP/mt
S-Grade (Kolhapur)*	32,138	31,973	↑ 165	RUP/mt
M-Grade (Kolkatta)*	35,953	35,857	↑ 96	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



	20-Sep-19	13-Sep	Weekly Var.	Unit
China				
ZCE Front Month	5,468	5,562	↓ -94	RMB/mt
ZCE Front Spread	-52	-69	↑ 17	RMB/mt
Northern Spot Cash	Rizhao 5,930	6,010	↓ -80	RMB/mt
Southern Spot Cash	Liuzhou 5,870	5,900	↓ -30	RMB/mt

	20-Sep-19	13-Sep-19		
USA				
No #16	25.50	25.51	↓ -0.01	cts/lb
#16/11 Spread	14.41	14.60	↓ -0.19	cts/lb

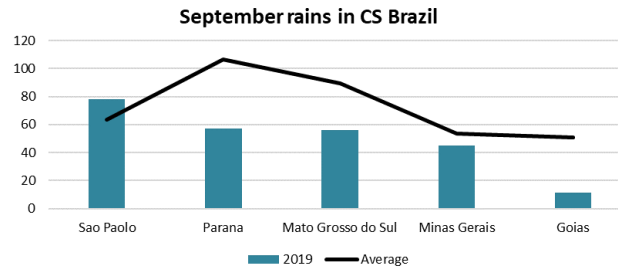
EU				
EU 45s containers	40	40	↑ 0.0	\$/mt ov Ldn

Russia				
Price in Krasnodar	352	350	↑ 2.2	\$/m3

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CS Brazil September Rainfall

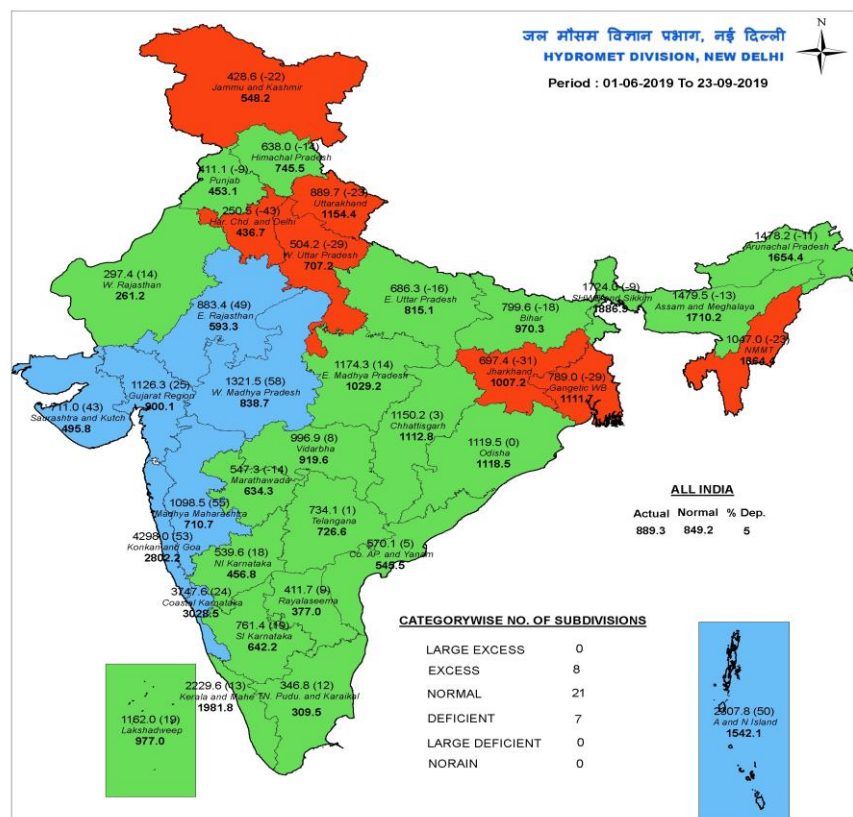


Indian: Monsoon Rains



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 :

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

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- NY Flat price:** October contract traded around 11 cts/lb last week, closing Friday at 11.09 cts/lb. March contract recovered back above 12 cts/lb and closed the week at 12.07 cts/lb, up from 11.94 cts/lb a week earlier.
- NY Spreads:** October/March spread traded from the lows of 117 points carry to 98 points carry end of the week.
- London market:** March/March White Premium rallied to \$62/mt last week, up from \$52/\$53/mt a week earlier.
- COT report:** COT report as of September 17 showed that specs held once again with a record net-short positions of 225.8k lots, increase of 6.9k lots week on week. Commercials increased their net-longs to 24.2k lots, up 12.8k lots week on week and a new record as well. Index positions stood at 201.6k lots, down 5.9k lots week on week.

NY #11 Continuation chart



BULL

- ▶ Next years Thai crop estimates are being lowered due to the drought being broken by flooding.
- ▶ Indian production in 2019/20 is looking smaller than initially expected due to higher ethanol diversion.
- ▶ CS Brazil 2020/21 crop is predicted to again focus more on ethanol production as mills have increased their ethanol capacities.



BEAR

- ▶ Indian exports are expected to stop the market from rallying above 13 cts/lb.
- ▶ Russian production could reach 6.8 million mt, which would be a new production record.

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Australian: Crushing Update

Australian crushing update			
Week 15	2018	2019	Δ
Cane crushed (000 Mt)	19,090	17,375	↓ -1,715
CCS(%)	13.3%	13.0%	↓ - 0.0
Sugar (000 Mt)	2,531	2,260	↓ - 271

Full crop	2018/19	2019/20 F	
Cane crushed (000 Mt)	32,482	31,580	↓ - 902
CCS(%)	13.8%	13.3%	↓ -0.5%
Sugar (000 Mt)	4,480	4,200	↓ - 280

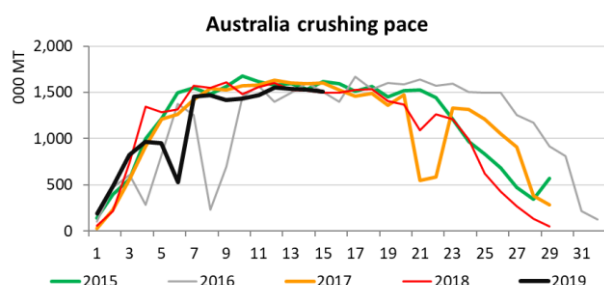
► Mills in Australia crushed 17.4 million mt of cane by mid-September 1.7 million mt down year on year due to slow start to the season that was disrupted by rain.

► CCS so far is lower than last season at 13%.

► Sugar production reached 2.26 million mt, down 270k mt year on year.

► Total cane crush is expected to reach 31.6 million mt, almost 1 million mt lower year on year.

► Sugar production would drop almost 300k mt year on year to 4.2 million mt.



Russian: Production Update

► Russian factories processed 9 million mt of beets by September 18, which is 1.3 million mt higher year on year. 74 factories were operating vs 70 last season.

► Sugar production reached 1.3 million mt, 200k mt up year on year.

18-09-17	2018/19	2019/20	Var
Beet stored up	8,671	9,952	↑ 1,281
Beet processed	7,680	9,014	↑ 1,335
Beet in stocks	896	855	↓ - 41
Sugar produced	1,079	1,276	↑ 197
Extr. rate	14.1	14.2	↑ 0.1
Factories	70	74	↑ 4

► Extraction rate is similar to the last season despite higher ag yields, generally higher agricultural yields mean sucrose concentration reduces.

► Harvested area reached 321.4k ha or 28.1% of the total area.

► Beet tonnage harvested reached 13.8 million mt, vs 11.1 million mt same time last season.

► Agricultural yields stood at 42.9 mt/ha vs 34.5 mt/ha last season



Mexican: Export Update

► By mid-September Mexico exported 1.26 million mt of sugar, most went to the following destinations:

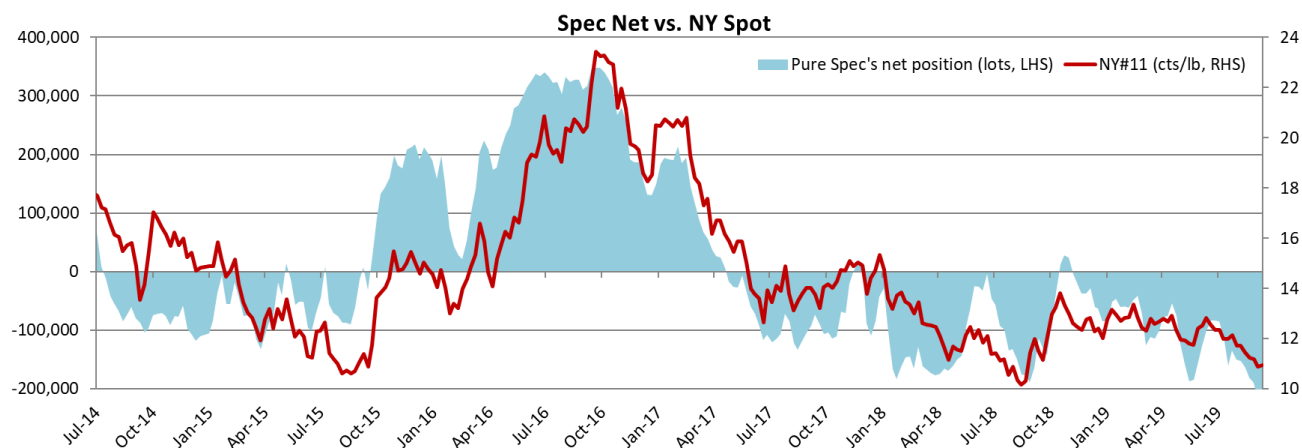
- Morocco: 384k mt
- CIS: 275k mt
- Canada: 227k mt
- US re-export: 160k mt
- Tunisia: 79k mt
- Venezuela 30k mt
- Mauritania: 29k mt (refined)

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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
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
17-09-19	10.94	-225,812	192,810	418,622	201,623	24,188	421,931	397,743	1,099,719
Lastet Change	0.06	-6,916	-4,278	2,638	-5,902	12,817	-47,726	-60,543	-135,326



Wilmar Grower Marketing Team

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