

# Sugar Weekly Report

October 14-18 2019



Sugar Prices and Macros as of					18-Oct-19									
	18-Oct-19	11-Oct-19	17-Sep-19	Weekly Var.	Monthly Var.		18-Oct-19	11-Oct-19	17-Sep-19	Weekly Var.	Monthly Var.			
NY #11	12.32	12.41	10.94	↓	-0.09	↑	USD Index	97.14	98.33	98.21	↓	-1.19	↓	-1.07
London #5	335.9	339.9	320.8	↓	-4.0	↑	USDBZL	4.11	4.11	4.08	↑	0.00	↑	0.04
NY#16	26.09	25.88	25.51	↑	0.21	↑	USDINR	71.08	70.91	71.37	↑	0.17	↓	-0.29
Front White Premium	64.3	66.3	79.6	↓	-2.0	↓	EURUSD	1.12	1.10	1.11	↑	0.01	↑	0.01

## Market Situation at a Glance

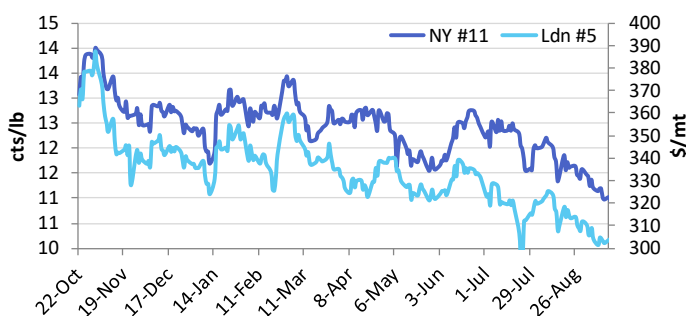
International Prices			
	18-Oct-19	11-Oct-19	Weekly Var.
<b>Sugar</b>			
NY #11	12.32	12.41	↓ -0.09 cts/lb
Front Spread	-0.09	-0.10	↑ 0.01 cts/lb
London #5	335.90	339.90	↓ -4.00 \$/mt
Front Spread	2.50	2.10	↑ 0.40 \$/mt
White Premium	64.29	66.31	↓ -2.02 \$/mt
<b>USD Index</b>	97.14	98.33	↓ -1.19
USDBZL	4.11	4.11	↑ 0.00 R\$/
USDINR	71.08	70.91	↑ 0.17 RUP/\$
RUBUSD	63.68	64.21	↓ -0.53 RUB/\$
EURUSD	1.12	1.10	↑ 0.01 \$/EUR
<b>S&amp;P500</b>	2986	2970	↑ 15.93
<b>DJ Industrial Avg</b>	27026	26497	↑ 529.21
<b>Light Crude Oil</b>	53.70	54.91	↓ -1.21 \$/Barrel
<b>Corn</b>	390.50	398.25	↓ -7.75 cts/Bushel
<b>Wheat</b>	530.50	509.50	↑ 21.00 cts/Bushel
<b>Coffee (Arabic)</b>	95.70	93.35	↑ 2.35 cts/lb

## Domestic Markets

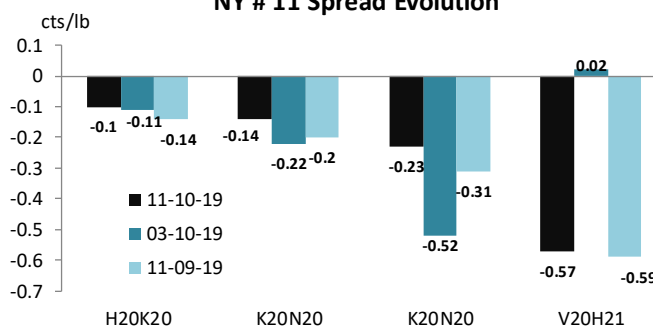
	18-Oct-19	11-Oct-19	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	50.66	51.00	↓ -0.33	R\$ cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	65.26	64.67	↑ 0.59	R\$/50kg
Esalq Sugar (US\$)	15.87	15.74	↑ 0.13	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	13.61	13.60	↑ 0.01	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	14.26	14.15	↑ 0.11	cts/lb
<b>Ethanol/Gasoline in S. Paolo</b>	18-Oct-19	11-Oct-19	Weekly Var.	Unit
Ethanol	2,689	2,669	↑ 20	R\$/l
Gasoline	4,134	4,124	↑ 10	R\$/l
Ethanol/Gasoline Parity	65.0%	64.7%	↑ 0%	
Anhydrous from US Parity	-35.87	-50.05	↑ 14.18	USD/M3
Anhydrous to US Parity	-156.22	-142.05	↓ -14.17	USD/M3
<b>India</b>	18-Oct-19	11-Oct-19	Weekly Var.	Unit
NCDEX	32,860	31,600	↑ 1,260	RUP/mt
S-Grade (Kolhapur)*		31,691	↓ -255	RUP/mt
M-Grade (Kolkatta)*		35,953	↓ -691	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution



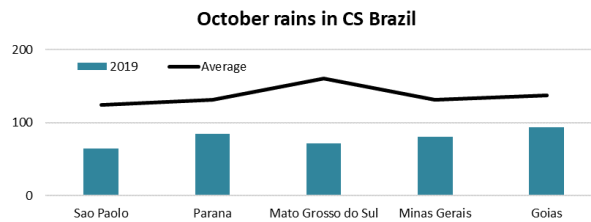
China				
	18-Oct-19	11-Oct	Weekly Var.	Unit
ZCE Front Month	5,585	5,650	↓ -65	RMB/mt
ZCE Front Spread	-94	-102	↑ 8	RMB/mt
Northern Spot Cash	Rizhao 6,100	6,050	↑ 50	RMB/mt
Southern Spot Cash	Liuzhou 6,050	6,080	↓ -30	RMB/mt
USA				
	18-Oct-19	11-Oct-19		
No #16	26.09	25.88	↑ 0.21	cts/lb
#16/11 Spread	13.77	13.47	↑ 0.30	cts/lb
EU				
EU 45s containers	50	50	↑ 0.0	\$/mt ov Ldn
Russia				
Price in Krasnodar	312	324	↓ -12.4	\$/m3



# Sugar Weekly Report



## CS Brazil October Rainfall

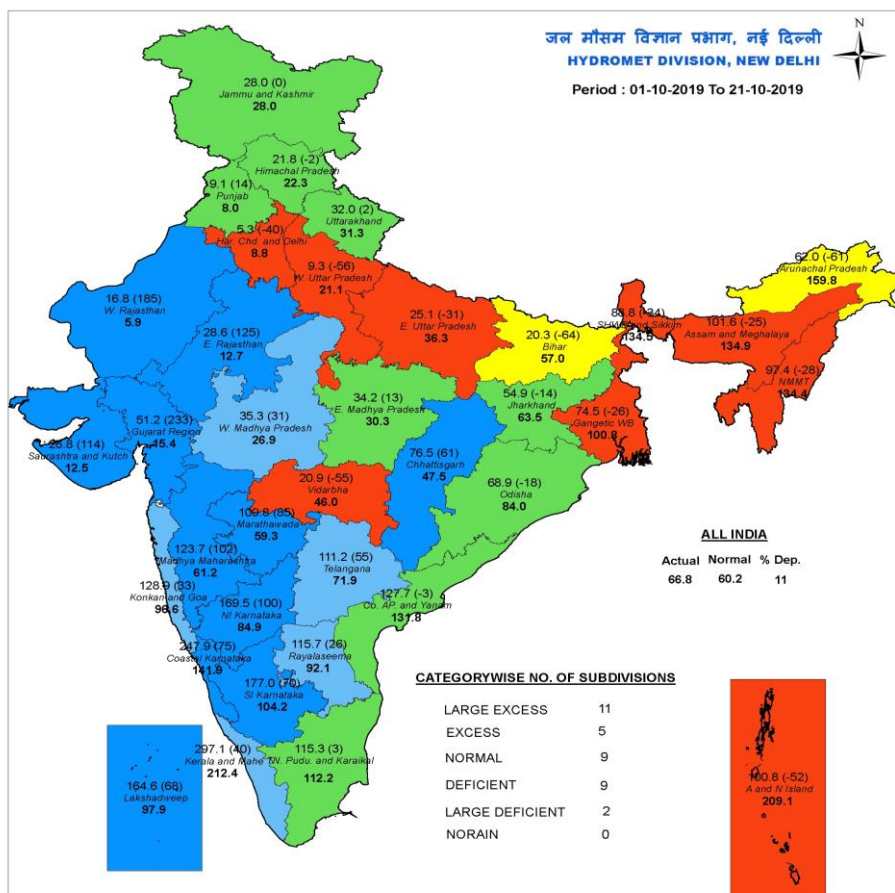


## Indian: Post-Monsoon Rains



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 :

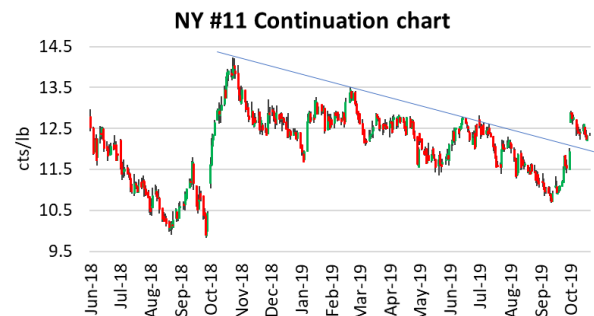
- Rainfall figures are based on operation data.
- Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).
- Percentage Departures of rainfall are shown in brackets.



# Sugar Weekly Report



- **NY Flat price:** Prices continue to slide down, filling the gap on the continuation chart after Oct contract expiry. March reached the lows of 12.2 cts/lb last week, before closing at 12.32 cts/lb, down 9 points week on week.
- **NY Spreads:** March/May spread traded in a narrow range from of 9-10 points carry.
- **London market:** March/March White Premium traded at \$65/mt, dropping Friday to \$61/mt.
- **COT report:** COT report as of October 15 showed that specs were net-shot of 176.5k lots, up 6k lots week on week. They added 16.7k lots of gross longs and added 22.7k lots of gross shorts. Index funds were net-long 196.8k lots, unchanged week on week. Commercials were net-short 20.2k lots, down 6.7k lots week on week.



**BULL**

- ▶ According to reports, India has sold approximately 350k mt of raws to Iran, meaning there is less sugar available for other destinations.
- ▶ NNE Brazil production may not be higher than last season despite increased cane availability.
- ▶ The drought in Thailand could reduce the size of the next crop.



**BEAR**

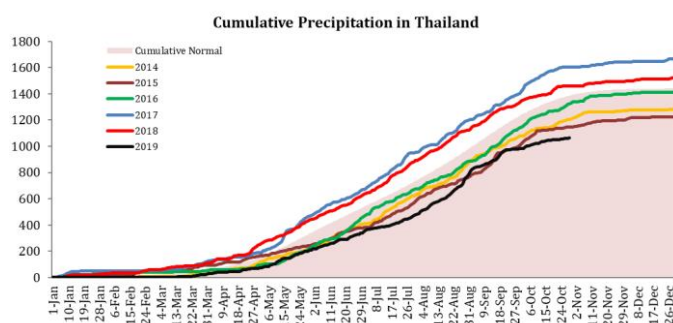
- ▶ Russia has around 1 million mt of sugar to export, which could be exported to regions other than the CIS region
- ▶ Stocks in CS Brazil are above last season, despite weak demand and a drier than normal October.



# Sugar Weekly Report



## Thailand: Weather Update



► Cumulative rains in Thailand were well below average for the intercrop season and lower than in 2015 El-Nino year; the agricultural yields should be lower than last season, but it is hard to say to which extent.

► The crop estimate varies from 110-115 million mt of cane, down from 131 million mt last year.

► This would result in sugar production of 11.9-12.4 million mt, down from 14.5 million mt last season.

## NNE Brazil: Production Update

2H SEPT	2018/19	2019/20	Var.	
Cane(kmt)	13,372	13,734	↑	362
Sugar (kmt)	503	419	↓	84
Total Ethanol	676	699	↑	23
Androus(000 m3)	282	283	↑	2
Hydrous (000 m3)	394	416	↑	21
ATR (kg/t of cane)	125.74	118.84	↓	7
Sugar mix (%)	31.40%	26.96%	↓	-4.4%

► During 2H of September mills in NNE Brazil crushed 13.7 million mt of cane, similar to a year earlier.

► Sugar content was at 118.8 kg/mt, down from 125.7 kg/mt last season.

► Sugar mix was at 27%, down from 31.4% last season.

► Sugar production reached 420k mt, 84k mt down year on year.

► This season the mills are expected to crush around 50-52 million mt of cane and produce 2.5 million mt of sugar (similar to last year).

## Russia: Production Update

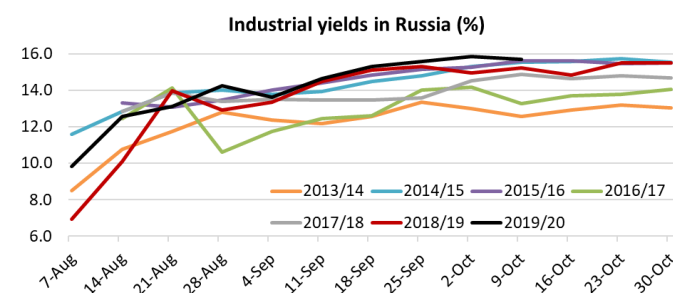
16-10-17	2018/19	2019/20	Var
Beet stored up	21,330	22,220	↑ 890
Beet processed	17,920	19,379	↑ 1,459
Beet in stocks	3,240	2,627	↓ 614
Sugar produced	2,621	2,904	↑ 283
Extr. rate	14.6	15.0	↑ 0.4
Factories	74	73	↓ 1

► By October 16, beet factories in Russia processed 19.4 million mt of beets, 1.5 million mt higher year on year.

► Sugar production reached 2.9 million mt, up 280k mt year on year, with extraction rate of 15%, which is slightly higher than last year.

► Some market participants expect production of 7 million mt this season, which would mean Russia could export 1 million mt.

► Domestic price according to IKAR are around \$312/mt, which is below the London market and the sugar could compete into various destination.



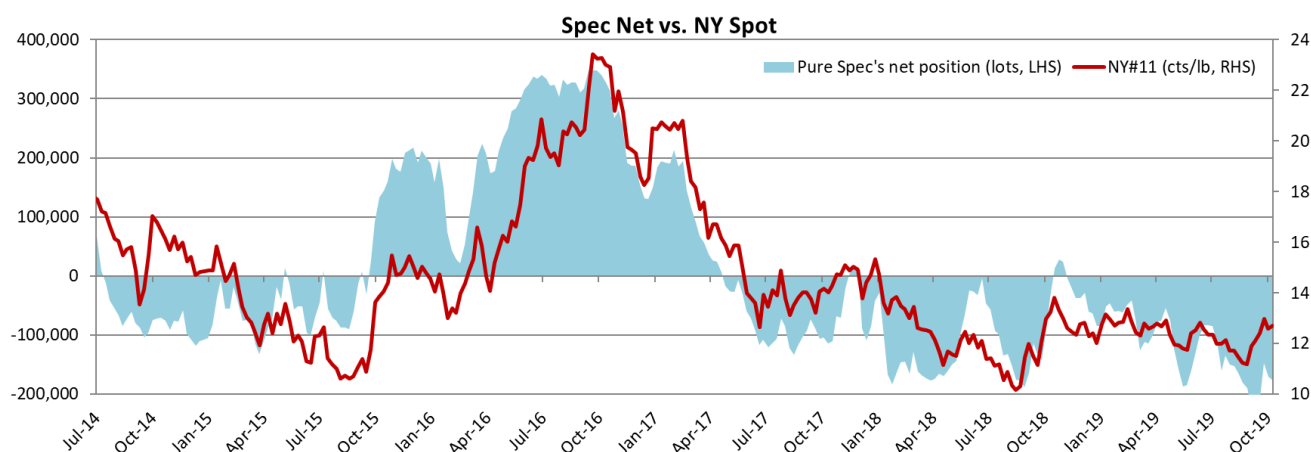


# Sugar Weekly Report



## 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
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	11.89	-218,896	197,088	415,984	207,525	11,371	469,657	458,286	1,235,045
17-09-19	12.1	-225,812	192,810	418,622	201,623	24,188	421,931	397,743	1,099,719
24-09-19	12.41	-205,626	203,348	408,974	196,974	8,652	413,681	405,029	1,119,725
01-10-19	12.98	-147,199	202,147	349,346	188,205	-41,006	359,992	400,998	1,036,927
08-10-19	12.58	-170,538	162,615	333,153	197,434	-26,894	378,890	405,784	1,020,546
15-10-19	12.69	-176,545	179,328	355,873	196,779	-20,235	380,326	400,561	1,033,815
Lastet Change	0.11	-6,007	16,713	22,720	-655	6,659	1,436	-5,223	13,269



## 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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