

# Sugar Weekly Report

September 30 – October 4 2019



Sugar Prices and Macros as of 4-Oct-19											
	4-Oct-19	27-Sep-19	3-Sep-19	Weekly Var.	Monthly Var.		4-Oct-19	27-Sep-19	3-Sep-19	Weekly Var.	Monthly Var.
NY #11	12.76	11.53	11.19	⬆️ 1.23	⬆️	USD Index	98.84	99.13	98.96	⬇️ -0.29	⬇️ -0.12
London #5	345.5	340.5	304.4	⬆️ 5.0	⬆️	USDBZL	4.06	4.16	4.17	⬇️ -0.10	⬇️ -0.11
NY#16	25.84	25.80	25.76	⬆️ 0.04	⬆️	USDINR	70.82	70.49	72.16	⬆️ 0.33	⬇️ -1.34
Front White Premium	64.2	86.3	57.7	⬇️ -22.1	⬆️	EURUSD	1.10	1.09	1.10	⬆️ 0.00	⬆️ 0.00

## Market Situation at a Glance

International Prices			
	4-Oct-19	27-Sep-19	Weekly Var.
<b>Sugar</b>			
NY #11	12.76	11.53	↑ 1.23 cts/lb
Front Spread	-0.13	-0.09	↓ -0.04 cts/lb
London #5	345.50	340.50	↑ 5.00 \$/mt
Front Spread	1.00	-2.10	↑ 3.10 \$/mt
White Premium	64.19	86.31	↓ -22.12 \$/mt
<b>USD Index</b>	98.84	99.13	↓ -0.29
USDBZL	4.06	4.16	↓ -0.10 R\$/
USDINR	70.82	70.49	↑ 0.33 RUP/\$
RUBUSD	64.65	64.64	↑ 0.01 RUB/\$
EURUSD	1.10	1.09	↑ 0.00 \$/EUR
<b>S&amp;P500</b>	2952	2962	↓ -9.78
<b>DJ Industrial Avg</b>	26201	26891	↓ -690.08
<b>Light Crude Oil</b>	53.01	56.18	↓ -3.17 \$/Barrel
<b>Corn</b>	385.00	372.00	↑ 13.00 cts/Bushel
<b>Wheat</b>	490.75	487.00	↑ 3.75 cts/Bushel
<b>Coffee (Arabic)</b>	98.55	100.55	↓ -2.00 cts/lb

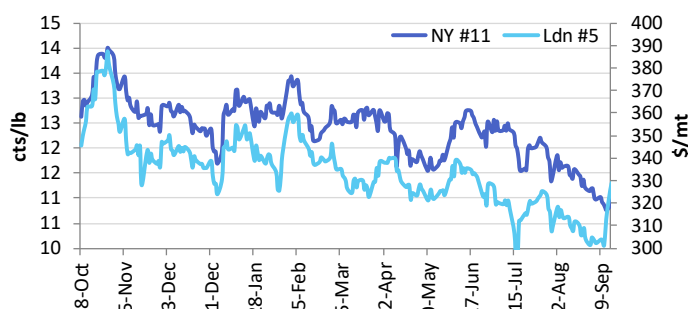
## Domestic Markets

	4-Oct-19	27-Sep-19	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	51.74	47.96	↑ 3.78	R\$ cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	64.64	62.68	↑ 1.96	R\$/50kg
Esalq Sugar (US\$)	15.94	15.07	↑ 0.87	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	13.57	13.10	↑ 0.47	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	14.17	13.69	↑ 0.48	cts/lb
<b>Ethanol/Gasoline in S. Paolo</b>	4-Oct-19	27-Sep-19	Weekly Var.	Unit
Ethanol	2,655	2,648	↑ 7	R\$/l
Gasoline	4,130	4,116	↑ 14	R\$/l
Ethanol/Gasoline Parity	64.3%	64.3%	0%	
Anhydrous from US Parity	-14.86	-8.99	↓ -5.86	USD/M3
Anhydrous to US Parity	-177.63	-181.66	↑ 4.02	USD/M3

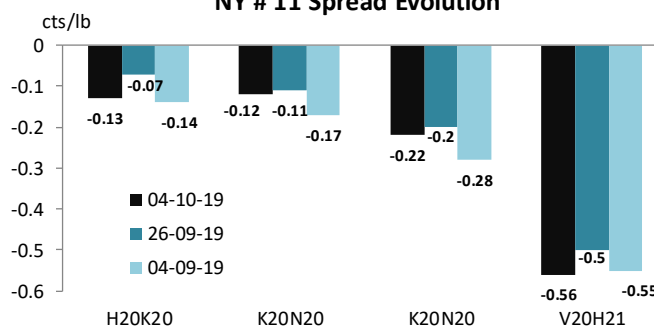
	4-Oct-19	27-Sep-19	Weekly Var.	Unit
<b>India</b>				
NCDEX	31,600	31,600	0	RUP/mt
S-Grade (Kolhapur)*	31,946	31,813	↑ 134	RUP/mt
M-Grade (Kolkatta)*	36,643	36,453	↑ 191	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution



	4-Oct-19	27-Sep	Weekly Var.	Unit
<b>China</b>				
ZCE Front Month	5,617	5,641	↓ -24	RMB/mt
ZCE Front Spread	-123	-52	↓ -71	RMB/mt
Northern Spot Cash	Rizhao 6,000	6,000	↑ 0	RMB/mt
Southern Spot Cash	Liuzhou 6,050	6,050	↑ 0	RMB/mt

	4-Oct-19	27-Sep-19	Weekly Var.	Unit
<b>USA</b>				
No #16	25.84	25.80	↑ 0.04	cts/lb
#16/11 Spread	13.08	14.27	↓ -1.19	cts/lb

	4-Oct-19	27-Sep-19	Weekly Var.	Unit
<b>EU</b>				
EU 45s containers	50	50	0.0	\$/mt ov Ldn

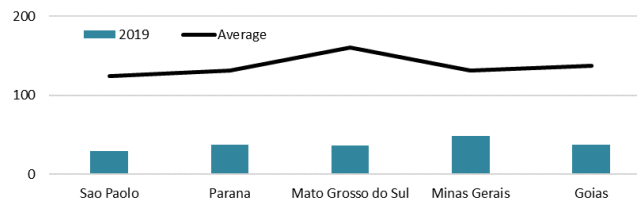
	4-Oct-19	27-Sep-19	Weekly Var.	Unit
<b>Russia</b>				
Price in Krasnodar	333	339	↓ -5.9	\$/m3

# Sugar Weekly Report



## CS Brazil October Rainfall

October rains in CS Brazil

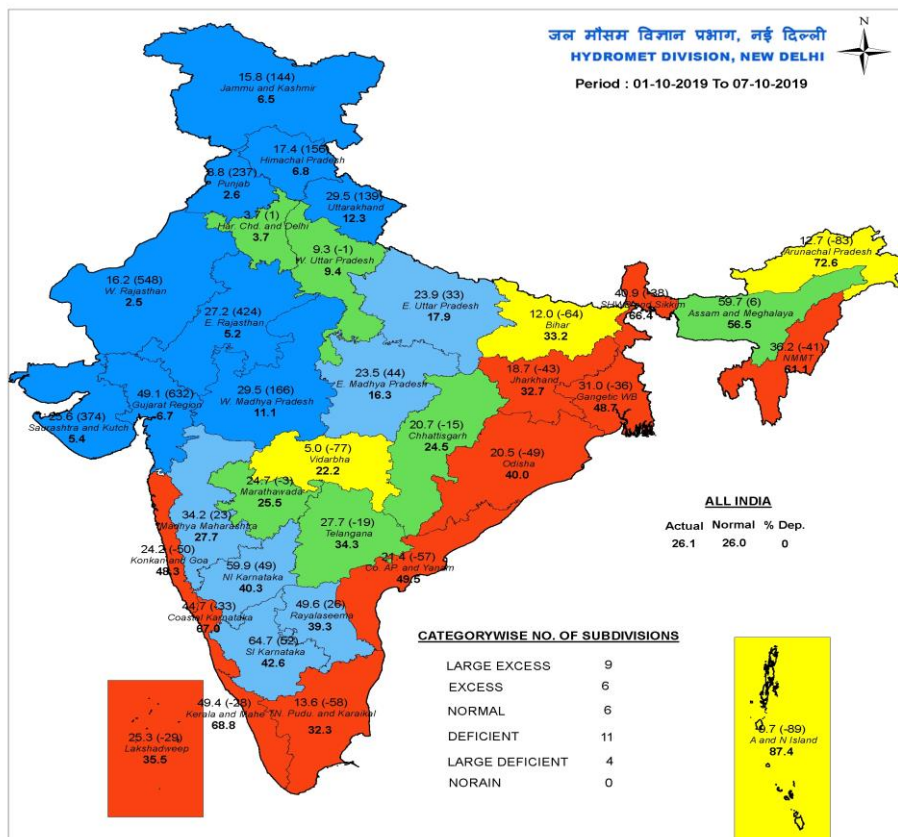


## Indian: Post-Monsoon Rains



भारत मौसम विज्ञान विभाग  
INDIA METEOROLOGICAL DEPARTMENT

### SUBDIVISION RAINFALL MAP



# Sugar Weekly Report



- **NY Flat price:** March contract closed at 12.69 cts/lb, up from 12.51 cts/lb.
- **NY Spreads:** March/May spread weakened last week to 13 points carry – down from 9 points carry a week earlier.
- **London market:** March/May spread has been trading at a slight inverse last week. March/March White Premium weakened slightly to \$63/mt from the highs of \$67/mt a week earlier.
- **COT report:** COT report as of October 1, specs were net-short positions of 147.2k lots, down massively 58.4k lots week on week. This was due to their short covering: they reduced gross shorts by 60k lots (and also added 1.2k lots of gross longs). Index funds positions dropped to 188.2k lots of net-longs, down 8.8k lots week on week. Commercials were pricing in the strength: they turned net-short of 41k lots of net-shorts.

**NY #11 Weekly continuation chart**



**BULL**

- ▶ Indian mills are looking to export raws for over 13 cts/lb and at that price, export opportunities are expected to be limited.
- ▶ Ukraine sugar production may drop significantly this year, which will reduce exports.
- ▶ Crop in EU may be lower than last season, and given the lower starting stocks exports are expected to be around 1 million mt.



**BEAR**

- ▶ Production in Russia is expected to reach 6.8 million mt, which would leave around 1 million mt for export.
- ▶ Smuggling demand remains slow and is likely continue this way in 2020
- ▶ In CS Brazil mills are expected to crush longer than last year, with drier weather expected to improve ATR.



# Sugar Weekly Report



## Russian: Production Update

02-10-17	2018/19	2019/20	Var
Beet stored up	14,540	15,950	↑ 1,410
Beet processed	12,747	14,142	↑ 1,395
Beet in stocks	1,656	1,677	↑ 22
Sugar produced	1,845	2,082	↑ 237
Extr. rate	14.5	14.7	↑ 0.2
Factories	73	74	↑ 1

► At the beginning of October Russian factories processed 14.1 million mt of sugar beets, which is 1.4 million mt higher than last season.

► Extraction rate was also better than last year at 14.7%.

► Sugar production stood at 2.1 million mt, up 240k mt year on year.

► Harvesting has been completed on 547.9k ha, 48% of the total area, with agricultural yields at 43.9 mt/ha, up from 35.5 mt/ha a year before.

► Due to much better yields and a better extraction rate, production could reach 6.8 million mt, which is a record; but this will depend on the weather from now until end of season.

## Ukraine: Production Update

► By October 4, 63k ha were harvested, which is 28% of total area.

► 2.7 million mt of beets were harvested with the agricultural yields of 43.1 mt/ha.

► Factories processes 2.1 million mt of beets, lower than 2.6 million mt a year earlier.

► Sugar production reached 287.4k mt of sugar, which is below 320k mt last season.

► Extraction rate was higher at 13.7% vs 12.2% last season.

► Total production this season should reach around 1.4 million mt (down from 1.8 million mt last year) if cumulative agricultural yields reach 45 mt/ha and around 220k ha would be harvested.



## Australian: Crushing Update

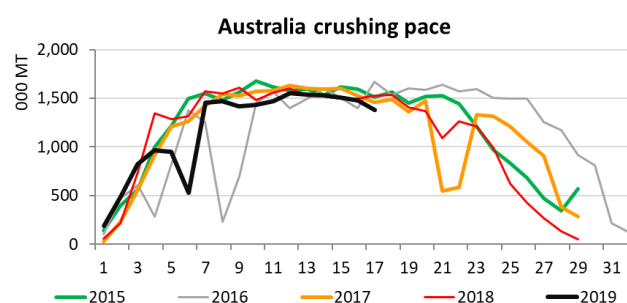
Australian crushing update			
Week 17	2018	2019	Δ
Cane crushed (000 Mt)	22,114	20,232	↓ -1,883
CCS(%)	13.4%	13.2%	↓ - 0.0
Sugar (000 Mt)	2,974	2,668	↓ - 306

Full crop	2018/19	2019/20 F	
Cane crushed (000 Mt)	32,482	30,600	↓ -1,882
CCS(%)	13.8%	13.5%	↓ -0.3%
Sugar (000 Mt)	4,480	4,131	↓ - 349

► Australian mills crushed 20.2 million mt of cane by September 29, 1.9 million mt down year on year.

► Sugar extraction rate stood at 13.2%, down from 13.4% a year before.

► Sugar production reached 2.7 million mt, 300k mt down year on year.

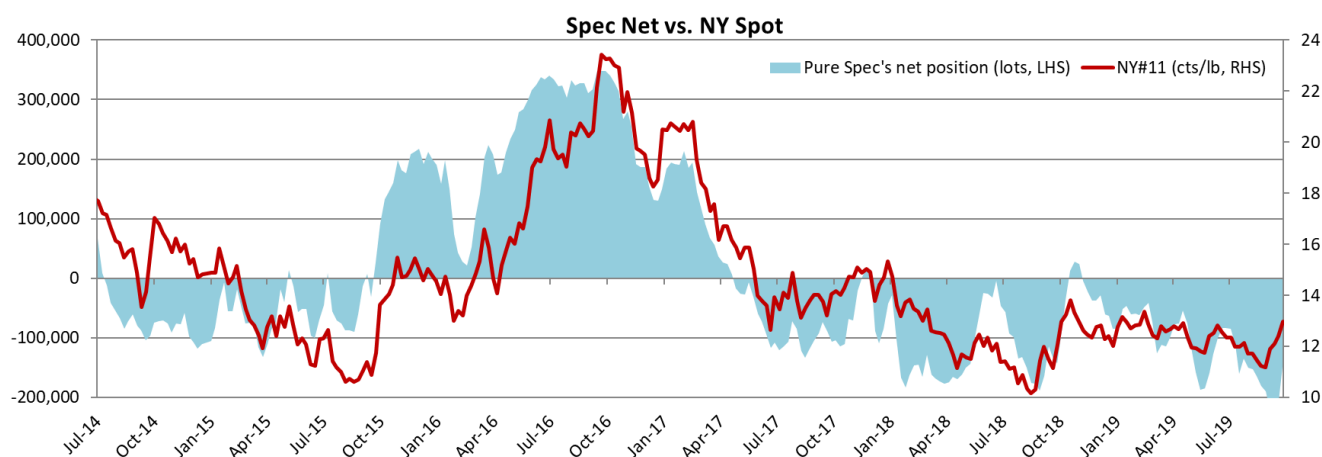


# Sugar Weekly Report



## 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
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	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
Lastet Change	0.57	58,427	-1,201	-59,628	-8,769	-49,658	-53,689	-4,031	-82,798



## Wilmar Grower Marketing Team

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