

Sugar Weekly Report

October 7-11 2019



Sugar Prices and Macros as of		11-Oct-19					11-Oct-19						
	11-Oct-19	4-Oct-19	10-Sep-19	Weekly Var.	Monthly Var.	11-Oct-19	4-Oct-19	10-Sep-19	Weekly Var.	Monthly Var.			
NY #11	12.41	12.76	10.88	↓ -0.35	↑	USD Index	98.33	98.84	98.32	↓ -0.51	↑	0.01	
London #5	339.9	345.5	301.5	↓ -5.6	↑	USDBZL	4.11	4.06	4.08	↑	0.05	↑	0.03
NY#16	25.88	25.84	25.65	↑	0.04	USDINR	70.91	70.82	71.87	↑	0.09	↓	-0.96
Front White Premium	66.3	64.2	61.6	↑	2.1	EURUSD	1.10	1.10	1.10	↑	0.01	↓	-0.00

Market Situation at a Glance

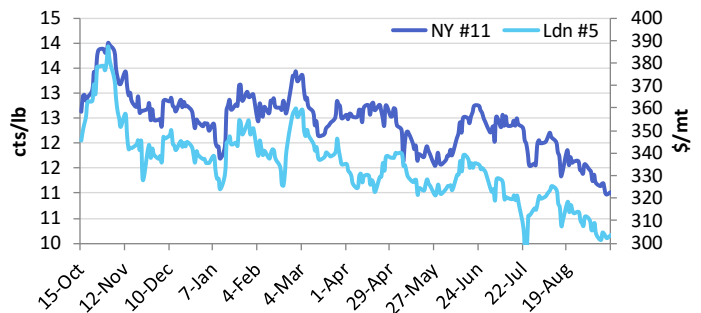
International Prices			
	11-Oct-19	4-Oct-19	Weekly Var.
Sugar			
NY #11	12.41	12.76	↓ -0.35 cts/lb
Front Spread	-0.10	-0.13	↑ 0.03 cts/lb
London #5	339.90	345.50	↓ -5.60 \$/mt
Front Spread	2.10	1.00	↑ 1.10 \$/mt
White Premium	66.31	64.19	↑ 2.12 \$/mt
USD Index	98.33	98.84	↓ -0.51
USDBZL	4.11	4.06	↑ 0.05 R\$/
USDINR	70.91	70.82	↑ 0.09 RUP/\$
RUBUSD	64.21	64.65	↓ -0.44 RUB/\$
EURUSD	1.10	1.10	↑ 0.01 \$/EUR
S&P500	2970	2952	↑ 18.26
DJ Industrial Avg	26497	26201	↑ 295.63
Light Crude Oil	54.91	53.01	↑ 1.90 \$/Barrel
Corn	398.25	385.00	↑ 13.25 cts/Bushel
Wheat	509.50	490.75	↑ 18.75 cts/Bushel
Coffee (Arabic)	93.35	98.55	↓ -5.20 cts/lb

Domestic Markets

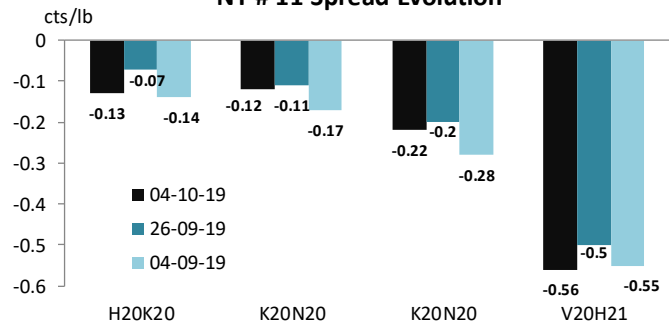
	11-Oct-19	4-Oct-19	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	51.00	51.74	↓ -0.75	R\$/cts/lb
Domestic:				
Esalq Sugar (R\$)	64.67	64.64	↑ 0.03	R\$/50kg
Esalq Sugar (US\$)	15.74	15.94	↓ -0.20	cts/lb
Hydrous Ethanol (NY#11 equiv.)	13.60	13.57	↑ 0.04	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	14.15	14.17	↓ -0.02	cts/lb
Ethanol/Gasoline in S. Paolo	11-Oct-19	4-Oct-19	Weekly Var.	Unit
Ethanol	2,669	2,655	↑ 14	R\$/l
Gasoline	4,124	4,130	↓ -6	R\$/l
Ethanol/Gasoline Parity	64.7%	64.3%	↑ 0%	
Anhydrous from US Parity	-50.05	-14.86	↓ -35.19	USD/M3
Anhydrous to US Parity	-142.05	-177.63	↑ 35.58	USD/M3
India	11-Oct-19	4-Oct-19	Weekly Var.	Unit
NCDEX	31,600	31,600	0	RUP/mt
S-Grade (Kolhapur)*	31,691	31,946	↓ -255	RUP/mt
M-Grade (Kolkatta)*	35,953	36,643	↓ -691	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution

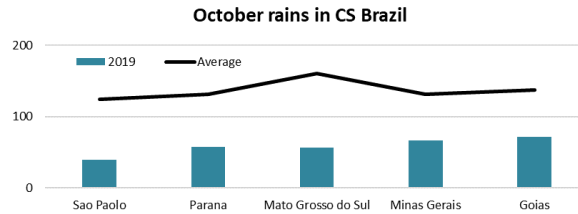


	11-Oct-19	04-Oct	Weekly Var.	Unit
China				
ZCE Front Month	5,650	5,617	↑ 33	RMB/mt
ZCE Front Spread	-94	-102	↑ 8	RMB/mt
Northern Spot Cash	Rizhao 6,050	6,000	↑ 50	RMB/mt
Southern Spot Cash	Liuzhou 6,080	6,050	↑ 30	RMB/mt
USA	11-Oct-19	4-Oct-19		
No #16	25.88	25.84	↑ 0.04	cts/lb
#16/11 Spread	13.47	13.08	↑ 0.39	cts/lb
EU				
EU 45s containers	50	50	↑ 0.0	\$/mt ov Ldn
Russia				
Price in Krasnodar	324	333	↓ -8.8	\$/m3

Sugar Weekly Report



CS Brazil October Rainfall

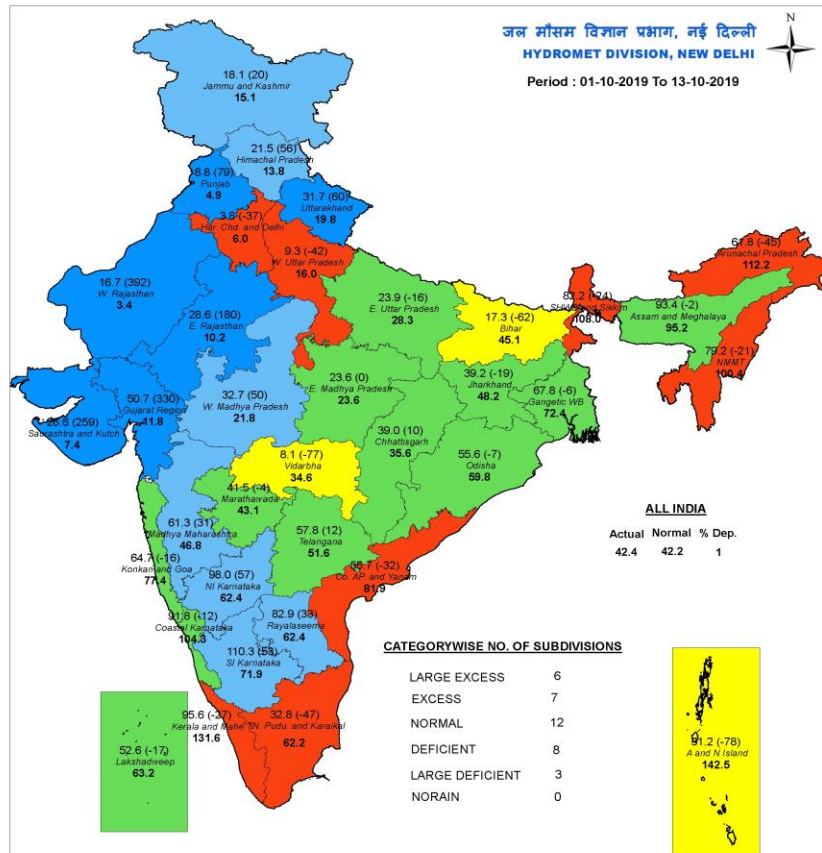


Indian: Post-Monsoon Rains



भारत मौसम विज्ञान विभाग
INDIA METEOROLOGICAL DEPARTMENT

SUBDIVISION RAINFALL MAP



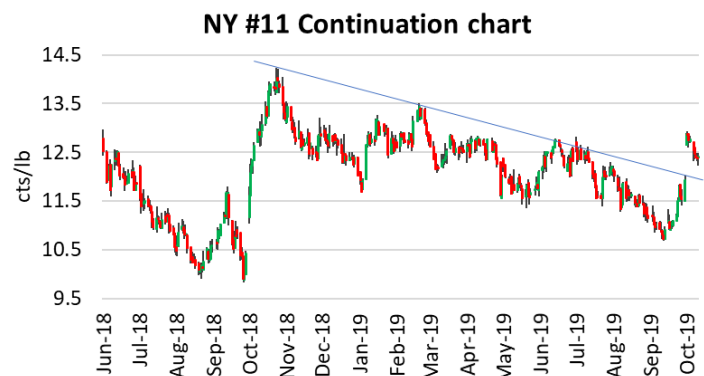
Legend
■ Large Excess [60% or more] ■ Excess [20% to 59%] ■ Normal [-19% to 19%] ■ Deficient [-59% to -20%] ■ Large Deficient [-99% to -60%] ■ No Data [-100%] ■ No Rain

NOTES :
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:** March contract traded to the lows of 12.22 cts/lb last week, closing off at 12.41 cts/lb, down from 12.76 cts/lb a week earlier.
- **NY Spreads:** March/May spread traded in a narrow range from 12 points carry to 10 points carry last week, similar to previous weeks.
- **London market:** March/March White Premium traded to the highs of \$65.2/mt, slightly stronger than a week earlier. Dec/March spread strengthened to \$4/mt inverse, while last week it was trading between a small carry to a \$1/mt inverse.
- **COT report:** COT report as of October 8, specs were net-short of 170.5k lots, up 23.3k lots week on week. They liquidated 39.5k lots of gross longs and covered 16.2k lots of gross shorts. Index funds were net-long 197.4k lots, up 9.2k lots w-o-w. Commercials were net-short 26.9k lots, down 14.1k lots week on week.



BULL



BEAR

- ▶ Production in Maharashtra could fall below 6 million mt due to the drought, which was followed by floods.
- ▶ Consumption in Brazil is lower than last year with cumulative sales dropping by 5% year on year.
- ▶ Thai Quota B tender was held last week and showed an increase in the winning bid compared to the previous tender.
- ▶ In CS Brazil there are better agricultural yields and a recovery in ATR that could add additional sugar to the market.

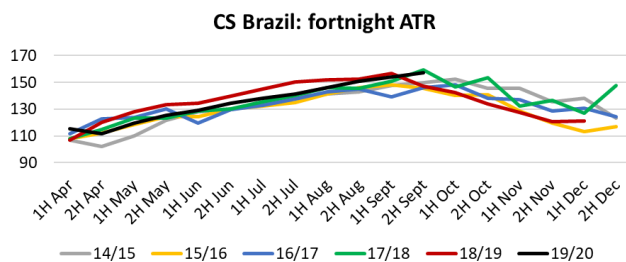


CS Brazil: UNICA Production Update

Cane (1000 mt) Fortnight	2018/19 2H Sept	2019/20 2H Sept	Variation Y-o-Y
Cane (1000 mt)	27,824	35,087	↑ 7,263
Sugar (1000 mt)	1,289	1,794	↑ 505
Ethanol (1000 M3)	1,642	2,184	↑ 542
ATR (kg/mt)	147.3	157.3	↑ 10.1
Sugar mix (%)	33.02%	34.12%	↑ 1.1%

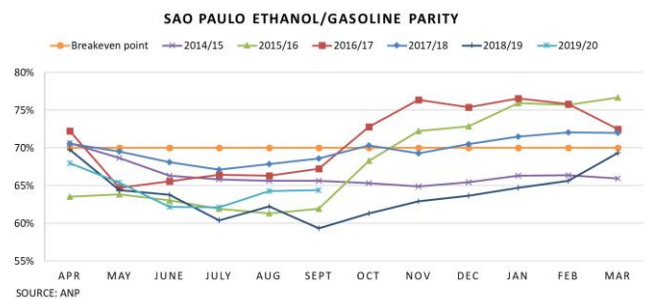
Cumulative	2018/19 2H Sept	2019/20 2H Sept	Variation Y-o-Y
Cane (1000 mt)	460,334	472,802	↑ 12,468
Sugar (1000 mt)	22,334	21,800	↓ 534
Ethanol (1000 M3)	24,498	25,162	↑ 664
ATR (kg/mt)	140.2	136.8	↓ 3
Sugar mix (%)	36.33%	35.36%	↓ -1.0%

- ▶ During 2H of September mills crushed 35 million mt of cane, up 7.3 million mt year on year.
- ▶ Sugar mix was at 34.1% vs 33% last season; with the higher cane crush mills were able to maximize the ethanol mix.
- ▶ ATR reached 157.3 kg/mt up 10 kg/mt year on year and higher than 154.2 kg/mt during 1H of September.
- ▶ Sugar production reached 2.2 million mt, up 500k mt year on year.
- ▶ Cumulative production is now 534k mt lower year on year at 21.8 million mt.



- ▶ Ethanol sales were strong with total internal sales of 2.7 million mt, up from 2.6 million mt last season.

- ▶ Mills sold 1.8 million m3 of hydrous and 740k m3 of anhydrous.
- ▶ Ethanol/Gasoline parity during September was on average at 64% in the state of Sao Paulo.



Russia: Production Update

	09-10-17	2018/19	2019/20	Var
Beet stored up		17,639	19,306	↑ 1,667
Beet processed		15,293	16,779	↑ 1,486
Beet in stocks		2,161	2,362	↑ 201
Sugar produced		2,232	2,496	↑ 264
Extr. rate		14.6	14.9	↑ 0.3
Factories		74	74	→ -

- ▶ By October 9, beet factories in Russia processed 16.8 million mt of beets, 1.5 million mt higher year on year.
- ▶ Sugar production reached 2.5 million mt, up 260k mt year on year, with extraction rate of 14.9%, which is slightly higher than last year.
- ▶ Agricultural yields remain good – 44.3 mt/ha vs 35.51 mt/ha last season.
- ▶ Increased production estimate is now 6.7 million mt, which is a new record for the country.

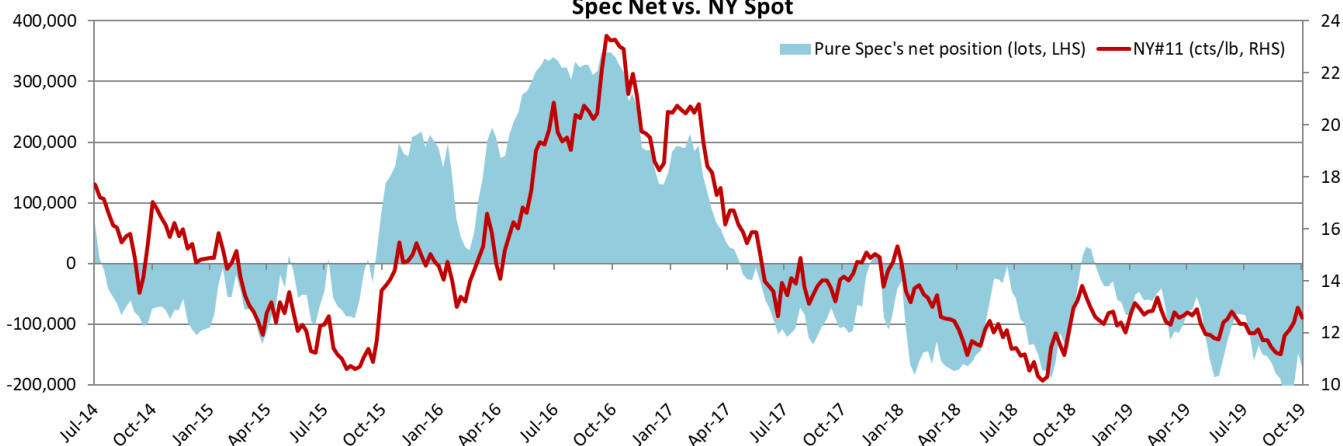




COT RECAP

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
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
08-10-19	12.58	-170,538	162,615	333,153	197,434	-26,894	378,890	405,784	1,020,546
Lastet Change	-0.40	-23,339	-39,532	-16,193	9,229	14,112	18,898	4,786	-16,381

Spec Net vs. NY Spot



Wilmar Grower Marketing Team

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Franco Zaini (07) 4722 1954 | 0419 476 770

Chris Winship (07) 4722 1986 | 0437 669 118
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