

Sugar Weekly Report

December 2 - 6 2019



| Sugar Prices and Macros as of 6-Dec-19 | | | | | | | | | | | |
|--|----------|-----------|----------|-------------|--------------|-----------|----------|-----------|----------|-------------|--------------|
| | 6-Dec-19 | 29-Nov-19 | 5-Nov-19 | Weekly Var. | Monthly Var. | | 6-Dec-19 | 29-Nov-19 | 5-Nov-19 | Weekly Var. | Monthly Var. |
| NY #11 | 13.18 | 12.94 | 12.71 | ⬆️ 0.24 | ⬆️ | USD Index | 97.68 | 98.27 | 97.91 | ⬆️ -0.59 | ⬆️ -0.23 |
| London #5 | 347.5 | 344.9 | 347.8 | ⬆️ 2.6 | ⬆️ | USDBZL | 4.14 | 4.24 | 3.99 | ⬆️ -0.10 | ⬆️ 0.15 |
| NY#16 | 25.80 | 26.31 | 26.82 | ⬆️ -0.51 | ⬆️ | USDINR | 71.27 | 71.75 | 70.77 | ⬆️ -0.48 | ⬆️ 0.50 |
| Front White Premium | 56.9 | 59.6 | 67.6 | ⬆️ -2.7 | ⬆️ | EURUSD | 1.11 | 1.10 | 1.11 | ⬆️ 0.00 | ⬆️ -0.00 |

Market Situation at a Glance

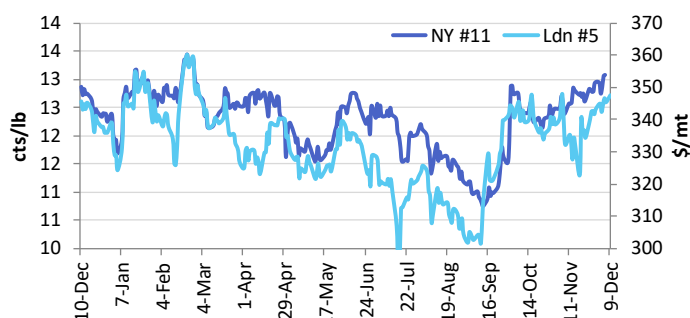
| International Prices | | | |
|--------------------------|----------|-----------|---------------------|
| | 6-Dec-19 | 29-Nov-19 | Weekly Var. |
| Sugar | | | |
| NY #11 | 13.18 | 12.94 | ↑ 0.24 cts/lb |
| Front Spread | -0.05 | -0.04 | ↓ -0.01 cts/lb |
| London #5 | 347.50 | 344.90 | ↑ 2.60 \$/mt |
| Front Spread | -5.10 | -2.90 | ↓ -2.20 \$/mt |
| White Premium | 56.93 | 59.62 | ↓ -2.69 \$/mt |
| USD Index | 97.68 | 98.27 | ↓ -0.59 |
| USDBZL | 4.14 | 4.24 | ↓ -0.10 R\$/ |
| USDINR | 71.27 | 71.75 | ↓ -0.48 RUP/\$ |
| RUBUSD | 63.65 | 64.42 | ↓ -0.76 RUB/\$ |
| EURUSD | 1.11 | 1.10 | ↑ 0.00 \$/EUR |
| S&P500 | 3,146 | 3,141 | ↑ 4.93 |
| DJ Industrial Avg | 27,678 | 28,164 | ↓ -486.21 |
| Light Crude Oil | 59.1 | 55.4 | ↑ 3.65 \$/Barrel |
| Corn | 366.5 | 370.5 | ↓ -4.00 cts/Bushel |
| Wheat | 532.5 | 547.3 | ↓ -14.75 cts/Bushel |
| Coffee (Arabic) | 123.0 | 118.6 | ↑ 4.45 cts/lb |

Domestic Markets

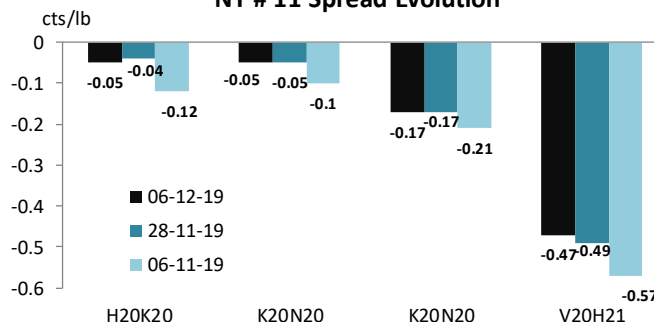
| | 6-Dec-19 | 29-Nov-19 | Weekly Var. | Unit |
|---|----------|-----------|-------------|------------|
| Brazil | | | | |
| NY Front Month in BZL | 54.58 | 54.82 | ↓ -0.24 | R\$ cts/lb |
| Domestic: | | | | |
| Esalq Sugar (R\$) | 68.10 | 65.56 | ↑ 2.54 | R\$/50kg |
| Esalq Sugar (US\$) | 16.45 | 15.48 | ↑ 0.97 | cts/lb |
| Anhydrous Ethanol (NY#11 equiv.) | 14.88 | 14.24 | ↑ 0.63 | cts/lb |
| Anhydrous Ethanol (NY#11 equiv.) | 15.35 | 14.86 | ↑ 0.49 | cts/lb |
| Ethanol/Gasoline in S. Paolo | 6-Dec-19 | 29-Nov-19 | Weekly Var. | Unit |
| Ethanol | 2,876 | 2,816 | ↑ 60 | R\$/l |
| Gasoline | 4,264 | 4,198 | ↑ 66 | R\$/l |
| Ethanol/Gasoline Parity | 67.4% | 67.1% | ↑ 0% | |
| Anhydrous from US Parity | 31.73 | -8.00 | ↑ 39.73 | USD/M3 |
| Anhydrous to US Parity | -224.35 | -183.27 | ↓ -41.08 | USD/M3 |
| India | 6-Dec-19 | 29-Nov-19 | Weekly Var. | Unit |
| NCDEX | 33,010 | 33,100 | ↓ -90 | RUP/mt |
| S-Grade (Kolhapur)* | 31,238 | 31,342 | ↓ -104 | RUP/mt |
| M-Grade (Kolkatta)* | 34,572 | 35,000 | ↓ -429 | RUP/mt |

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



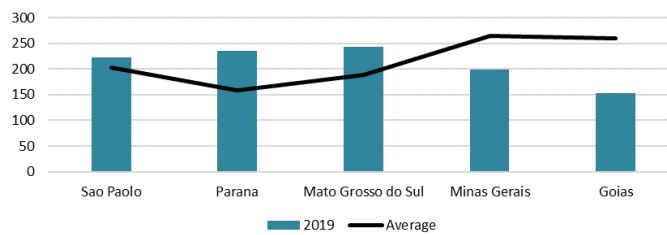
| | 6-Dec-19 | 29-Nov | Weekly Var. | Unit |
|-----------------------------------|----------|-----------|-------------|--------------|
| China | | | | |
| ZCE Front Month | 5,544 | 5,551 | ↓ -7 | RMB/mt |
| ZCE Front Spread | -65 | -77 | ↑ 12 | RMB/mt |
| Northern Spot Cash Rizhao | 6,030 | 6,150 | ↓ -6,150 | RMB/mt |
| Southern Spot Cash Liuzhou | 5,900 | 6,200 | ↓ -6,200 | RMB/mt |
| USA | 6-Dec-19 | 29-Nov-19 | | |
| No #16 | 25.80 | 26.31 | ↓ -0.51 | cts/lb |
| #16/11 Spread | 12.62 | 13.37 | ↓ -0.75 | cts/lb |
| EU | | | | |
| EU 45s containers | 50 | 50 | ↑ 0.0 | \$/mt ov Ldn |
| Russia | | | | |
| Price in Krasnodar | 329 | 296 | ↑ 32.6 | \$/m3 |

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CS Brazil Rainfall

December rains in CS Brazil

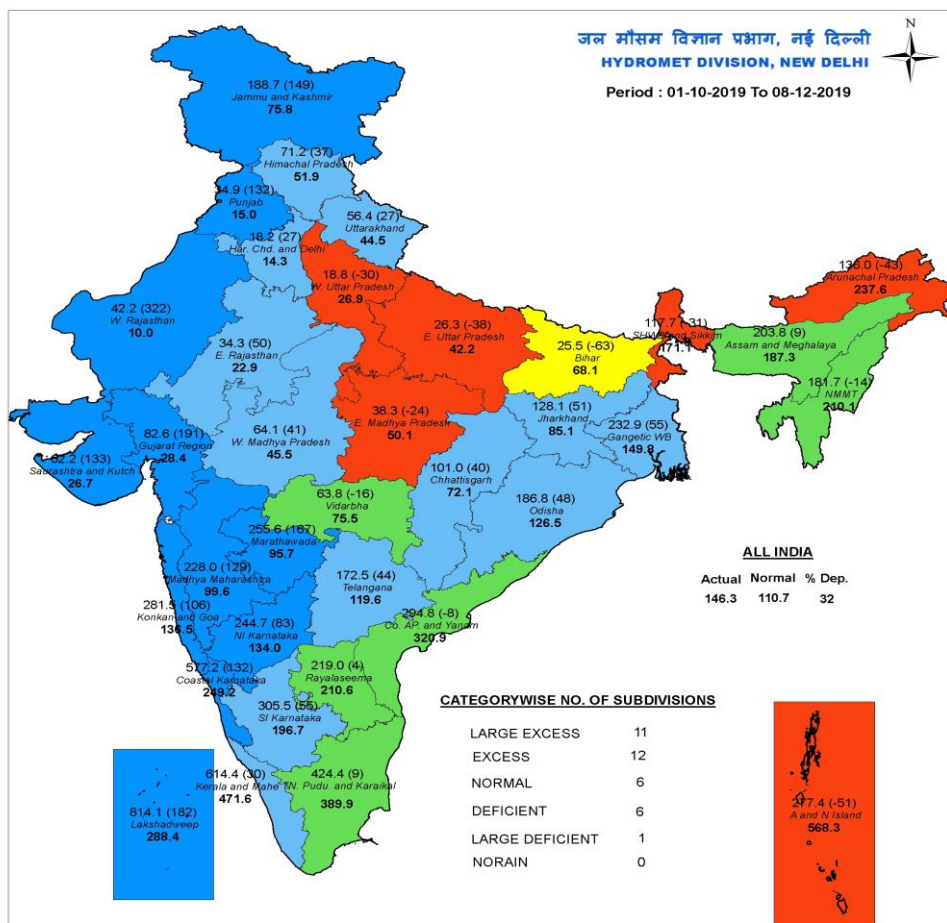


Indian: Post-Monsoon Rains



भारत मौसम विज्ञान विभाग
INDIA METEOROLOGICAL DEPARTMENT

SUBDIVISION RAINFALL MAP



Sugar Weekly Report



- **NY Flat price:** March contract managed to break 13 cts/lb psychological level, closing last Friday at 13.18 cts/lb, up from 12.94 cts/lb a week before.
- **NY Spreads:** March/May spread strengthened to 5 points carry from the lows of 7 points carry a week before.
- **London market:** March/March White Premium traded fell below \$60/mt during last week, trading at \$56.9/mt last week. Front spread weakened closed the week at \$5.1/mt carry, down from \$3.1/mt carry a week earlier.
- **COT report:** COT report from December 3 showed that specs were net-short 76.2k lots, down 20k lots week on week. They added 16k lots of gross longs and covered 3.8k lots of gross shorts. Commercials were net sellers as producers were pricing on the way up: they increased their net-shorts to 142.7k lots, up 21.2k lots week on week.



BULL

- ▶ The bids for the Thai Quota B tender held last week were higher than during the previous tender (won at 87 points premium).
- ▶ CS Brazil sugar mix remains low and 2020/21 crop is expected to be with similar or even lower sugar mix.
- ▶ Cane quality in NNE Brazil is lower than last year.



BEAR

- ▶ Russian production reached 5.6 million mt and there are 64 factories still operating, meaning total production could hit 7 million mt.
- ▶ Exports to China in November fell, with only 70k from Brazil and 60k from Thailand.
- ▶ CS Brazil exported 1.3 million mt in November, down 200k mt lower year on year.

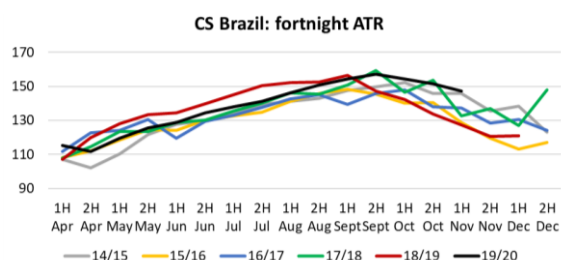
Sugar Weekly Report



CS Brazil: Production Update

| Cane (1000 mt) Fortnight | 2018/19 1H Nov | 2019/20 1H Nov | Variation Y-o-Y |
|-----------------------------|-------------------|-------------------|-----------------|
| Cane (1000 mt) | 21,462 | 19,829 | ↓ -1,633 |
| Sugar (1000 mt) | 886 | 776 | ↓ -110 |
| Ethanol (1000 M3) | 1,091 | 1,305 | ↑ 215 |
| ATR (kg/mt) | 127.2 | 147.1 | ↑ 20.0 |
| Sugar mix (%) | 34.08% | 28.27% | ↓ -5.8% |
| Cumulative | 2018/19 1H Nov | 2019/20 1H Nov | Variation Y-o-Y |
| Cane (1000 mt) | 532,412 | 562,744 | ↑ 30,332 |
| Sugar (1000 mt) | 25,303 | 26,009 | ↑ 706 |
| Ethanol (1000 M3) | 28,474 | 30,867 | ↑ 2,393 |
| ATR (kg/mt) | 139.4 | 139.2 | ↓ -0 |
| Sugar mix (%) | 35.77% | 34.84% | ↓ -0.9% |

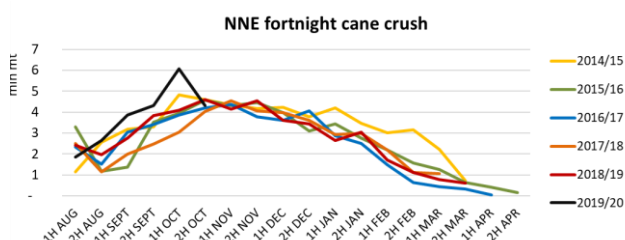
- CS Brazilian mills crushed 19.8 million mt of cane by mid-November, down 1.6 million mt year on year.
- Sugar mix was at 28.3%, down from 34% last season as ethanol-sugar spread remains high.
- ATR was high during 1H of November: 147.1 kg/mt, up from 127.2 kg/mt last year.
- Sugar production reached 1.3 million mt, up 200k mt year on year.
- Cumulative cane crushing is now at 562.7 million mt, up 30 million mt higher year on year.
- ATR is now at the same level cumulatively as last year at 139.2 kg/mt, while sugar mix is down by 1 percentage point at 34.8%.
- Sugar production reached 26 million mt, 700k mt higher year on year.



NNE Brazil: Production Update

| | 1H NOV | 2018/19 | 2019/20 | Var. |
|--------------------|--------|---------|---------|---------|
| Cane(kmt) | | 26,227 | 28,419 | ↑ 2,193 |
| Sugar (kmt) | | 1,217 | 1,260 | ↑ 43 |
| Total Ethanol | | 1,268 | 1,314 | ↑ 46 |
| ATR (kg/t of cane) | | 131.09 | 125.44 | ↓ -6 |
| Sugar mix (%) | | 37.15% | 37.10% | ↓ -0.1% |

- NNE Brazilian mills crushed 28.4 million mt of cane by mid-November, up 2.2 million mt year on year.
- Sugar mix stood at 37.1%, lower similar to a previous season. ATR was at 125.4 kg/mt, down 6 kg/mt from last season.
- Sugar production reached 1.3 million mt, slightly up year on year.



Guatemala: Production Update

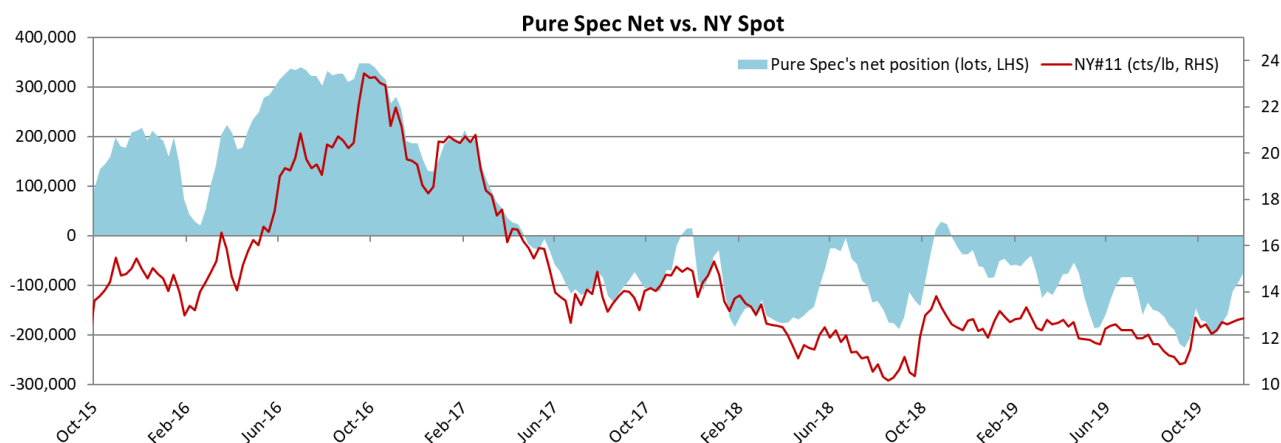
| | 2018/19 | 2019/20 | Var. |
|-------------------|------------------|------------------|-----------------|
| Cane(mt) | 2,994,451 | 3,038,500 | ↑ 44,049 |
| Sugar(mt) | 283,219 | 282,016 | ↓ -1,203 |
| Raw | 98,458 | 116,929 | ↑ 18,471 |
| White | 184,761 | 165,087 | ↓ -19,674 |
| Extraction rate | 9.46% | 9.28% | ↓ -0.2% |
| Raws share | 35% | 41% | |

- By end-November mills in Guatemala crushed 3 million mt of cane, similar to last season.
- Sugar production was at 282k mt, same as last year; Raws share was higher than last year at 41% vs 35% last year.
- Total production is expected to reach 2.85 million mt, same as last season.



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 |
|---------------|------------|---------------------------------|--------------------------|----------------------------|-----------------------------|---|----------------------------------|------------------------------------|-----------|
| 15-10-19 | 12.59 | -173,190 | 173,874 | 347,064 | 196,779 | -23,590 | 385,780 | 409,370 | 1,033,815 |
| 22-10-19 | 12.18 | -202,949 | 171,332 | 374,281 | 192,867 | 10,082 | 406,211 | 396,129 | 1,060,255 |
| 29-10-19 | 12.34 | -195,086 | 179,808 | 374,894 | 184,396 | 10,690 | 413,894 | 403,204 | 1,100,352 |
| 05-11-19 | 12.71 | -177,846 | 190,555 | 368,401 | 198,732 | -20,887 | 403,329 | 424,216 | 1,118,280 |
| 12-11-19 | 12.59 | -157,947 | 193,249 | 351,196 | 192,457 | -34,509 | 396,847 | 431,356 | 1,112,747 |
| 19-11-19 | 12.69 | -111,570 | 205,777 | 317,347 | 211,395 | -99,825 | 379,431 | 479,256 | 1,094,211 |
| 26-11-19 | 12.78 | -95,880 | 205,179 | 301,059 | 217,377 | -121,498 | 396,968 | 518,466 | 1,130,610 |
| 03-12-19 | 12.86 | -76,158 | 221,129 | 297,287 | 218,887 | -142,729 | 392,204 | 534,933 | 1,160,086 |
| Lastet Change | 0.08 | 19,722 | 15,950 | -3,772 | 1,510 | -21,231 | -4,764 | 16,467 | 29,476 |



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