

Sugar Weekly Report

December 30 2019 – January 3 2020



Sugar Prices and Macros as of 3-Jan-20											
	3-Jan-20	27-Dec-19	3-Dec-19	Weekly Var.	Monthly Var.		3-Jan-20	27-Dec-19	3-Dec-19	Weekly Var.	Monthly Var.
NY #11	13.31	13.54	12.86	↓ -0.23	↑	USD Index	96.90	97.01	97.73	↓ -0.12	↓ -0.83
London #5	357.2	361.4	344.6	↓ -4.2	↑	USDBZL	4.06	4.05	4.21	↑ 0.01	↓ -0.15
NY#16	25.88	25.88	26.12	↑ 0.00	↓	USDINR	71.76	71.44	71.73	↑ 0.32	0.03
Front White Premium	63.8	62.9	61.1	↑ 0.9	↑	EURUSD	1.12	1.12	1.11	↓ -0.00	↑ 0.01

Market Situation at a Glance

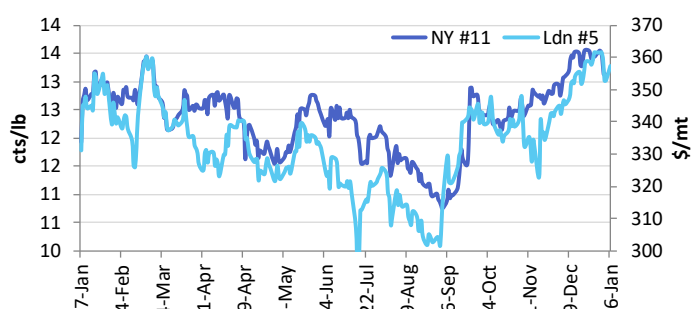
International Prices			
	3-Jan-20	27-Dec-19	Weekly Var.
Sugar			
NY #11	13.31	13.54	↓ -0.23 cts/lb
Front Spread	-0.08	-0.09	↑ 0.01 cts/lb
London #5	357.20	361.40	↓ -4.20 \$/mt
Front Spread	-5.50	-4.60	↓ -0.90 \$/mt
White Premium	63.77	62.89	↑ 0.87 \$/mt
USD Index	96.90	97.01	↓ -0.12
USDBZL	4.06	4.05	↑ 0.01 R\$/
USDINR	71.76	71.44	↑ 0.32 RUP/\$
RUBUSD	62.01	62.04	↓ -0.03 RUB/\$
EURUSD	1.12	1.12	↓ -0.00 \$/EUR
S&P500	3,235	3,240	↓ -5.17
DJ Industrial Avg	28,869	28,621	↑ 247.41
Light Crude Oil	63.0	61.7	↑ 1.32 \$/Barrel
Corn	385.8	390.0	↓ -4.25 cts/Bushel
Wheat	555.3	557.5	↓ -2.25 cts/Bushel
Coffee (Arabic)	126.9	132.6	↓ -5.65 cts/lb

Domestic Markets

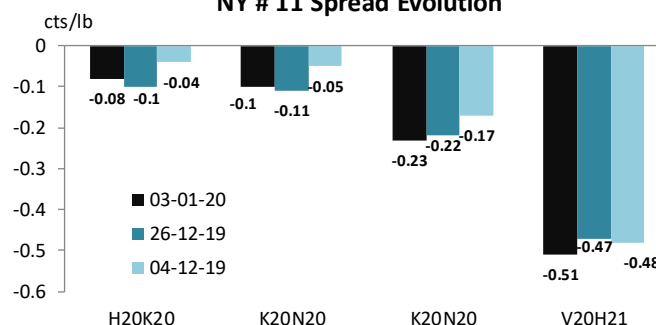
	3-Jan-20	27-Dec-19	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	54.00	54.77	↓ -0.78	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	73.54	74.28	↓ -0.74	R\$/50kg
Esalq Sugar (US\$)	18.13	18.36	↓ -0.23	cts/lb
Hydrous Ethanol (NY#11 equiv.)	15.41	15.26	↑ 0.16	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	15.97	15.89	↑ 0.08	cts/lb
Ethanol/Gasoline in S. Paolo	3-Jan-20	27-Dec-19	Weekly Var.	Unit
Ethanol	2,977	2,977	↑ 0	R\$/l
Gasoline	4,343	4,343	↑ 0	R\$/l
Ethanol/Gasoline Parity	68.5%	68.5%	0%	
Anhydrous from US Parity	69.87	65.60	↑ 4.26	USD/M3
Anhydrous to US Parity	-263.94	-259.75	↓ -4.20	USD/M3
India	3-Jan-20	27-Dec-19	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,025	31,330	↓ -305	RUP/mt
M-Grade (Kolkatta)*	35,191	34,381	↑ 810	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



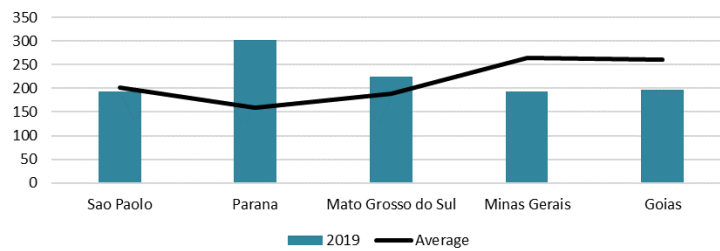
	3-Jan-20	27-Dec-19	Weekly Var.	Unit
China				
ZCE Front Month	5,577	5,519	↑ 58	RMB/mt
ZCE Front Spread	3	-24	↑ 27	RMB/mt
Northern Spot Cash	Rizhao 5,980	5,980	↑ 0	RMB/mt
Southern Spot Cash	Liuzhou 5,800	5,800	↑ 0	RMB/mt
USA	3-Jan-20	27-Dec-19		
No #16	25.88	25.88	↑ 0.00	cts/lb
#16/11 Spread	12.57	12.34	↑ 0.23	cts/lb
EU				
EU 45s containers	50	50	↑ 0.0	\$/mt ov Ldn
Russia				
Price in Krasnodar	332	328	↑ 4.0	\$/m3

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CS Brazil Rainfall

December rains in CS Brazil



Indian: Post-Monsoon Rains

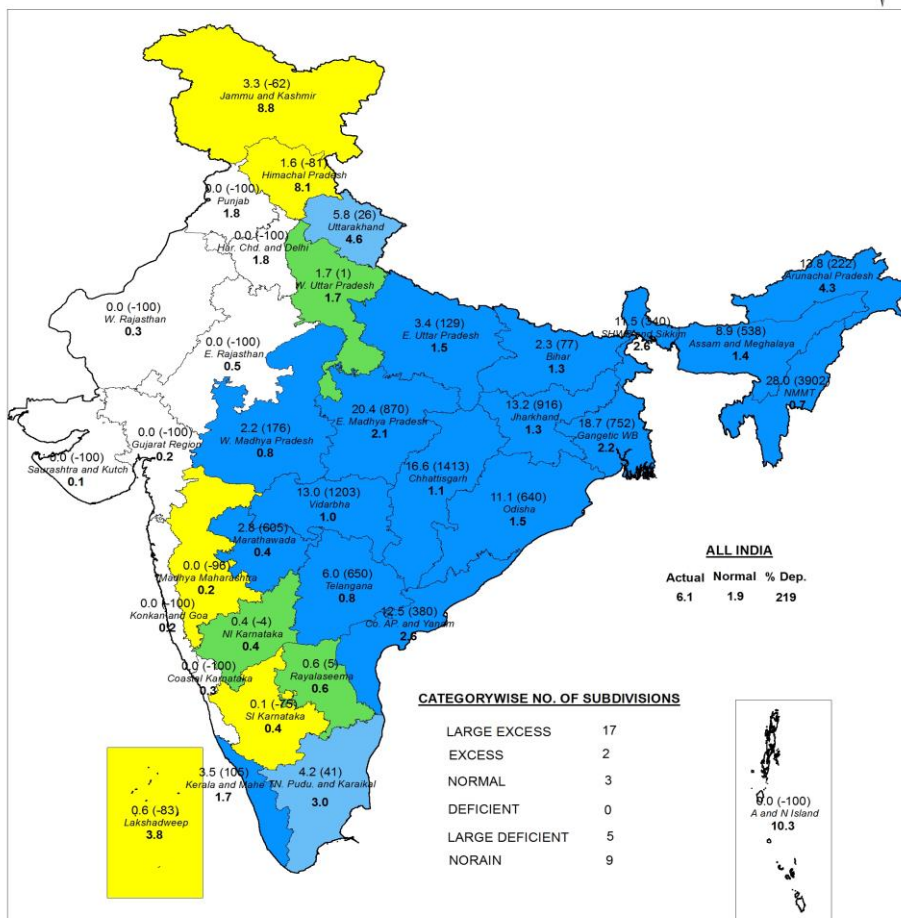


भारत मौसम विज्ञान विभाग
INDIA METEOROLOGICAL DEPARTMENT

जन मौसम विज्ञान प्रभाग, नई दिल्ली
HYDROMET DIVISION, NEW DELHI

SUBDIVISION RAINFALL MAP

Period : 01-01-2020 To 05-01-2020



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- **NY Flat price:** Last week market the was weaker, reaching the lows of 13.1 cts/lb, closing Friday at 13.31 cts/lb, down from 13.54 cts/lb a week earlier.
- **NY Spreads:** March/May spread closed the week at 8 points carry, compared to 9 points carry a week earlier.
- **London market:** March/March White Premium increased to \$64/mt, and May/May White Premium reached \$68/mt.
- **COT report:** COT report from December 24 showed that specs were net-long 32.6k lots; unchanged week on week. Commercials were net short 266.6k lots, up 5.8k lots week on week. Index funds were net-long 234k lots, up 6.1k lots from a week earlier.

NY #11 March contract



BULL

- ▶ The crop in Thailand may be lower than the predicted 11.4 million mt due to lower than expected yields.
- ▶ Crystals container exports from CS Brazil in Q3 were higher than a quarter earlier – 550k mt, vs 400k mt.
- ▶ Indian production is still largely lagging behind last season.



BEAR

- ▶ CS Brazil demand in December ended at 1.2 million mt, which was below expectations; although raws stocks remain higher year on year.
- ▶ Russian production has already reached 6.6 million mt, with most of the factories are still operating.

Sugar Weekly Report



India: Production Update

SH Dec	2017/18	2018/19	2019/20	Var
MH	3,824	4,457	1,650	↓ -63%
UP	3,380	3,107	3,316	↑ 7%
Ktaka	1,683	2,103	1,633	↓ -22%
Gujarati	377	429	265	↓ -38%
Tamil Nadu	96	151	95	
AP & Telangana	190	215	96	
REST of INDIA	776	710	740	↑ 4%
Total India	10,326	11,172	7,795	↓ -30%
#mills	505	507	437	

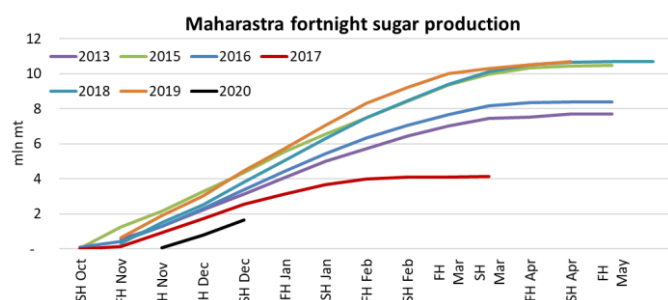
► Indian production reached 7.8 million mt by end of December, down 30% year on year, mainly due to the slow start in the state of Maharashtra.

► Uttar Pradesh production is ahead of last year at 3.3 million mt so far, with 119 mills working vs 117 last season.

► Maharashtra production so far reached 1.7 million mt vs 4.5 million mt last season. The number of mills operating is now 137 vs 187 same time last season; there were 2 mills that closed at the end of December for the season due to the lack of cane.

► Karnataka production reached 1.6 million mt, down from 2.1 last year.

► Overall production is expected to reach around 26.5 million mt during 2019/20 season, down from 323.1 million mt last year.

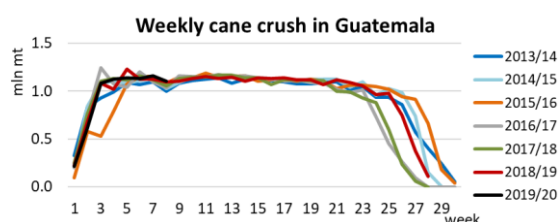


Guatemala: Production Update

	2018/19	2019/20	Var.
Cane(mt)	7,566,052	7,568,247	↑ 2,195
Sugar(mt)	761,183	738,565	↓ -22,618
Raw	276,816	253,979	↓ -22,837
White	484,367	484,586	↑ 219
Extraction rate	10.06%	9.76%	↓ -0.3%
Raws share	36%	34%	

► By end-December mills in Guatemala crushed 7.6 million mt of cane, unchanged year on year.

► Sugar production stood at 740k mt, down 20k mt year on year due to lower extraction rate: 9.8% vs 10% last season.



Mexico: Production Update

Mexican crush update	2017/18	2018/19	y-o-y
Harvest (Ha)	113,638	79,364	↓ -34,274
Cane yield (Mt/Ha)	80.1	81.0	↑ 1
Crushing cane (Mt)	9,105,759	6,428,951	↓ -2,676,808
Sugar (Mt)	851,714	582,809	↓ -268,905
Sugar extraction (%)	9.35%	9.07%	↓ 0.00

► By end of December mills harvested 79.4k ha, down 34.3k ha year on year due to rainy start of the season.

► Agricultural yields are higher than last year for the moment at 81 mt/ha.

► Cane crush was 2.7 million mt below last year at 6.4 million mt.

► Sugar production reached 580k mt, 270k down year on year.

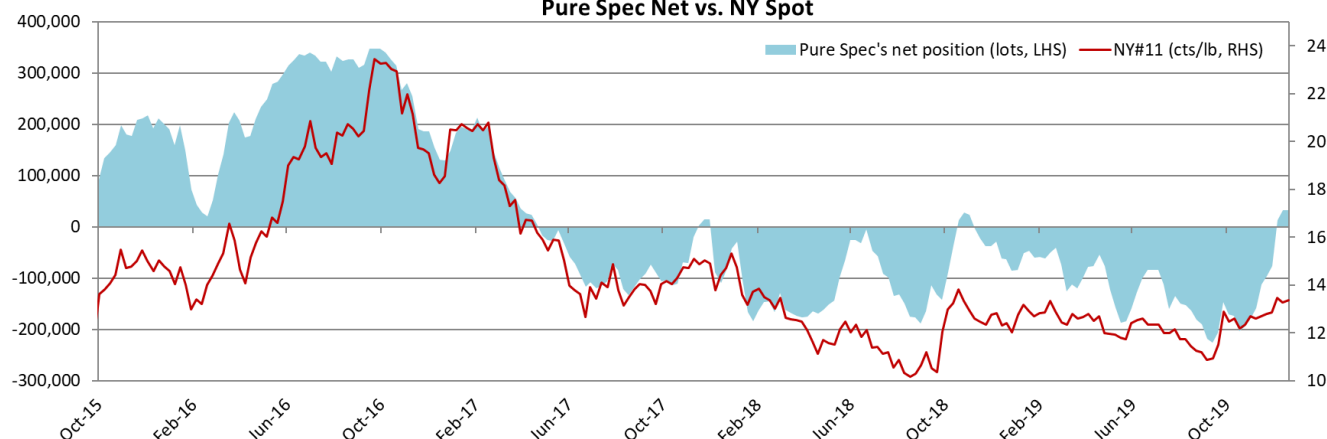
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COT RECAP

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)	Commercials gross shorts (iiii)	OI
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
10-12-19	13.46	13,556	252,084	238,528	223,599	-237,156	381,080	618,236	1,207,617
17-12-19	13.27	33,079	249,985	216,906	227,906	-260,986	356,750	617,736	1,169,175
24-12-19	13.37	32,553	245,041	212,488	234,030	-266,583	363,803	630,386	1,170,963
Lastet Change	0.10	-526	-4,944	-4,418	6,124	-5,597	7,053	12,650	1,788

Pure Spec Net vs. NY Spot



Wilmar Grower Marketing Team

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