

Sugar Weekly Report

January 13 - 17 2020



17-Jan-20											
	17-Jan-20	10-Jan-20	17-Dec-19	Weekly Var.	Monthly Var.		17-Jan-20	10-Jan-20	17-Dec-19	Weekly Var.	Monthly Var.
NY #11	14.45	14.07	13.27	⬆️	0.38 ⬆️	USD Index	97.64	97.35	97.18	⬆️	0.29 ⬆️
London #5	399.8	377.2	352.7	⬆️	22.6 ⬆️	USDBZL	4.16	4.09	4.07	⬆️	0.07 ⬆️
NY#16	25.85	25.85	25.95	⬆️	0.00 ⬆️	USDINR	71.08	70.95	71.03	⬆️	0.13 ⬆️
Front White Premium	81.2	67.0	60.1	⬆️	14.2 ⬆️	EURUSD	1.11	1.11	1.11	⬆️	-0.00 ⬆️

Market Situation at a Glance

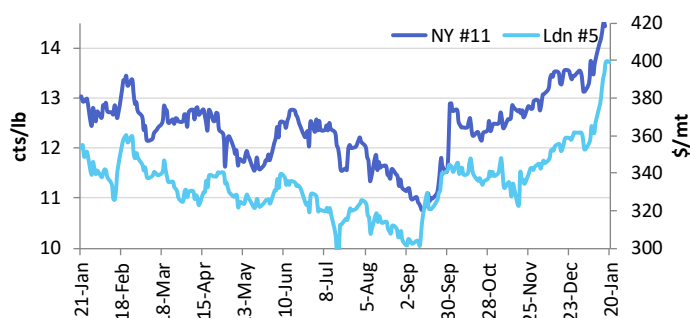
International Prices			
	17-Jan-20	10-Jan-20	Weekly Var.
Sugar			
NY #11	14.45	14.07	↑ 0.38 cts/lb
Front Spread	0.05	0.00	↑ 0.05 cts/lb
London #5	399.80	377.20	↑ 22.60 \$/mt
Front Spread	3.90	-2.90	↑ 6.80 \$/mt
White Premium	81.23	67.01	↑ 14.22 \$/mt
USD Index	97.64	97.35	↑ 0.29
USDBZL	4.16	4.09	↑ 0.07 R\$/
USDINR	71.08	70.95	↑ 0.13 RUP/\$
RUBUSD	61.54	61.00	↑ 0.54 RUB/\$
EURUSD	1.11	1.11	↓ -0.00 \$/EUR
S&P500	3,330	3,265	↑ 64.27
DJ Industrial Avg	29,298	28,957	↑ 340.74
Light Crude Oil	58.8	59.1	↓ -0.31 \$/Barrel
Corn	389.5	386.5	↑ 3.00 cts/Bushel
Wheat	571.0	564.0	↑ 7.00 cts/Bushel
Coffee (Arabic)	112.0	118.6	↓ -6.65 cts/lb

Domestic Markets

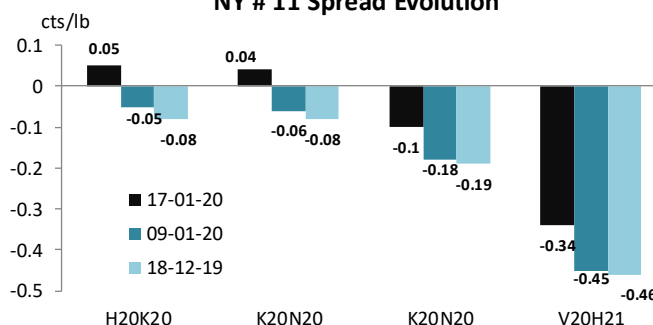
	17-Jan-20	10-Jan-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	60.13	57.58	↑ 2.55	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	73.48	72.17	↑ 1.31	R\$/50kg
Esalq Sugar (US\$)	17.66	17.63	↑ 0.02	cts/lb
Hydrous Ethanol (NY#11 equiv.)	15.19	15.43	↓ -0.24	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	15.87	16.06	↓ -0.19	cts/lb
Ethanol/Gasoline in S. Paolo	17-Jan-20	10-Jan-20	Weekly Var.	Unit
Ethanol	3,073	3,006	↑ 67	R\$/l
Gasoline	4,425	4,348	↑ 77	R\$/l
Ethanol/Gasoline Parity	69.4%	69.1%	↑ 0%	
Anhydrous from US Parity	93.46	98.11	↓ -4.65	USD/M3
Anhydrous to US Parity	-286.04	-291.67	↑ 5.63	USD/M3
India	17-Jan-20	10-Jan-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,759	31,025	↑ 734	RUP/mt
M-Grade (Kolkatta)*	34,762	35,191	↓ -429	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



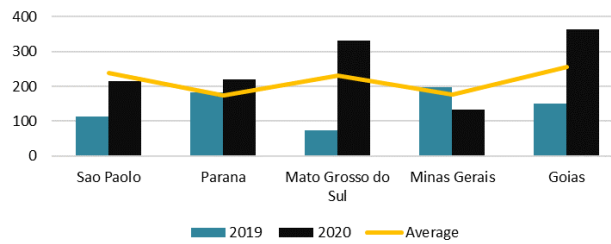
	17-Jan-20	10-Jan	Weekly Var.	Unit
China				
ZCE Front Month	5,847	5,783	↑ 64	RMB/mt
ZCE Front Spread	0	-22	↑ 22	RMB/mt
Northern Spot Cash	Rizhao 6,280	6,130	↑ 150	RMB/mt
Southern Spot Cash	Liuzhou 5,950	6,000	↓ -50	RMB/mt
USA	17-Jan-20	10-Jan-20		
No #16	25.85	25.85	↑ 0.00	cts/lb
#16/11 Spread	11.40	11.78	↓ -0.38	cts/lb
EU				
EU 45s containers	50	50	↑ 0.0	\$/mt ov Ldn
Russia				
Price in Krasnodar	330	334	↓ -4.3	\$/m3

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CS Brazil Rainfall

January rains in CS Brazil



Indian: Post-Monsoon Rains

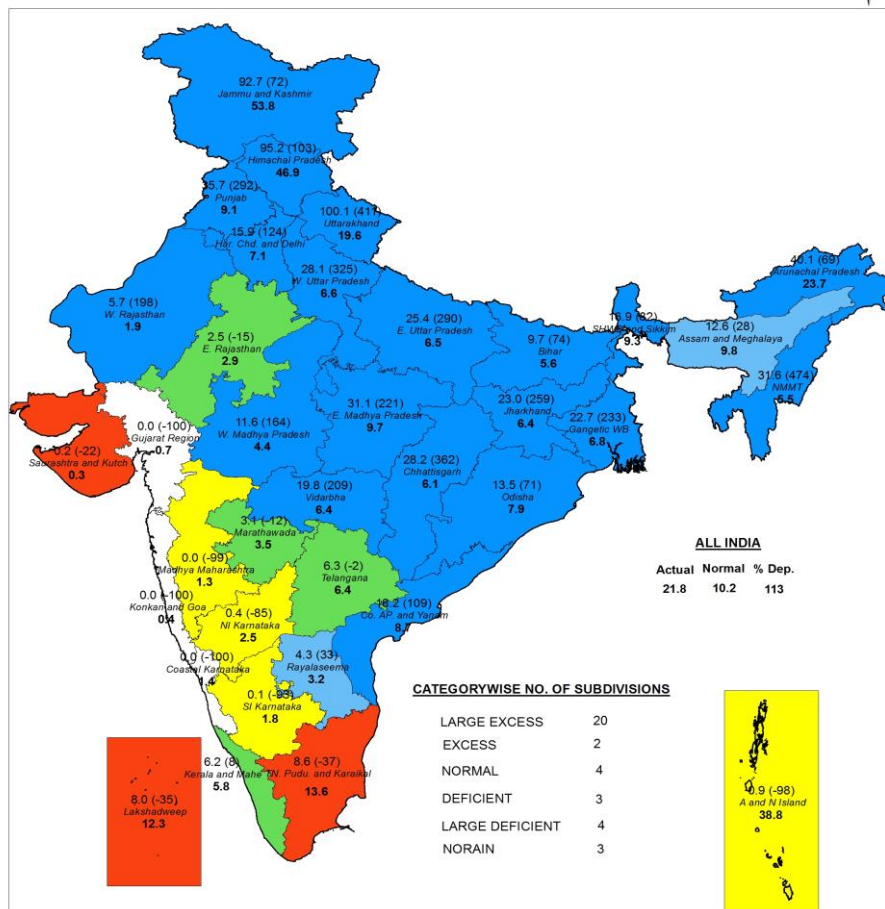


भारत मौसम विज्ञान विभाग
INDIA METEOROLOGICAL DEPARTMENT

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

SUBDIVISION RAINFALL MAP

Period : 01-01-2020 To 20-01-2020



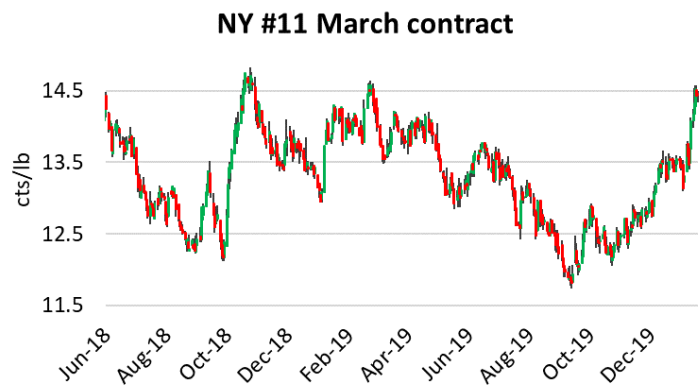
Legend

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

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- **NY Flat price:** prices continues to rally, March contract reached the highs of 14.58 cts/lb. On Friday March closed at 14.45, up from 14.07 last week.
- **NY Spreads:** March/May spread continued to strengthen, closing the week at 5 points inverse, up from flat a week earlier.
- **London market:** March/March White Premium rallied to \$80/mt, up \$10/mt week on week. May/May White Premium gained \$10/mt as well, reaching \$78/mt highs last week. Front month spread turned into an inverse, trading to the highs of \$4.4/mt.
- **COT report:** COT report from January 14 showed that specs increased their net-long positions to 81.2k lots, up 58k lots week on week. Index funds were buying as well– they increase their net-long positions by 6.8k lots to 239.5k lots. Finally, commercials were selling in the strength, adding 64.8k lots of net-shorts and now they are net-shot 320.7k lots, a record since February 2017.



BULL

- ▶ Market participants have been lowering estimates for Thai production and export availability as current yields are below expectations.
- ▶ Ethanol parity in CS Brazil is around 15.5/16 cts/lb, meaning there is still room for sugar prices to increase.
- ▶ Chinese domestic prices are strong despite higher production on a year on year comparison.



BEAR

- ▶ Russian white production has already reached more than 7 million mt.
- ▶ China is yet to issue any out of quota import licenses.
- ▶ Parity at the pump in Brazil is now close to 70%, which could weaken ethanol demand.

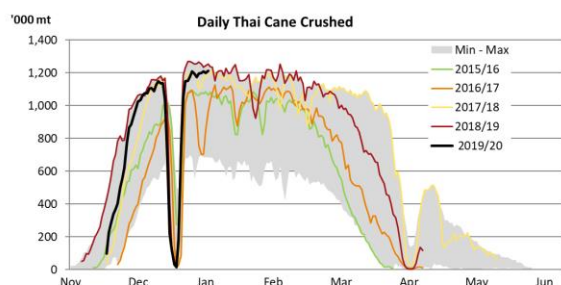
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Thailand: Production Update

	15.01.20	2018/19	2019/20	VAR
Cane crush	45,171,578	38,061,258	↓ -	7,110,320
Total sugar	4,440,657	3,851,595	↓ -	589,061
Whites	279,212	337,665	↑	58,453
Refined	598,323	452,735	↓ -	145,588
Raws	3,500,705	2,907,056	↓ -	593,650
Extraction rate	9.83%	10.12%	↑	0.29%
Mills operating	57	57		

- ▶ Thailand crushed 38 million mt of cane by mid-January 7.1 million mt lower than last season.
- ▶ Daily crushing rate is slightly below the record of last season, as millers are fighting for cane due to lower agricultural yields.
- ▶ Sugar production stood at 3.9 million mt, down from 4.44 million mt last season.
- ▶ The drop in production is mainly on raw sugar: 2.9 million mt produced vs 3.5 million mt last season.
- ▶ Whites production is 90k mt down year on year at 900k mt.



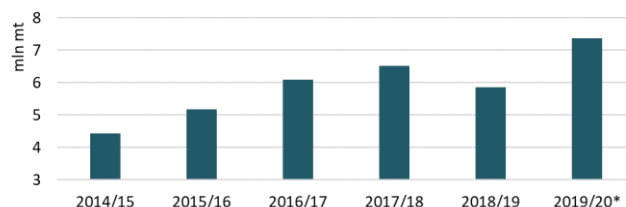
Russia: Production Update

- ▶ By January 8 Russian factories processed 46.9 million mt of beets, 9 million mt higher than last season.
- ▶ There were still 40 factories running, compared with 13 at the same time last season.
- ▶ Sugar production reached 7.1 million mt, up from 5.8 million mt last season.

- ▶ Extraction rate was similar to last season at 15.1%.
- ▶ The total harvested beets stood at 50.8 million mt, so there is around 4 million mt more beets to process.
- ▶ This would result in sugar production of 7.4 million mt this season, a new record.

	8-Jan	2018/19	2019/20	Var
Beet stored up	39,487	49,142	↑	9,655
Beet processed	37,782	46,868	↑	9,085
Beet in stocks	-	1,485	↑	1,485
Sugar produced	5,757	7,093	↑	1,336
Extr. rate	15.2	15.1	↓	-0.1
Factories	13	40	↑	27

Sugar production in Russia



Guatemala: Production Update

	2018/19	2019/20	Var.
Cane(mt)	8,668,374	8,676,021	↑ 7,647
Sugar(mt)	878,381	849,994	↓ - 28,387
Raw	322,655	296,303	↓ - 26,352
White	555,726	553,691	↓ - 2,035
Extraction rate	10.13%	9.80%	↓ -0.3%
Raws share	37%	35%	

- ▶ Guatemalan cane crush reached 8.7 million mt by the beginning of January, similar to last season.
- ▶ Sugar production is slightly lagging behind last year due to lower industrial yields: 850k mt produced vs 880k mt last year.
- ▶ Agricultural yields in Guatemala are lagging behind last season: 113.2 mt/ha vs 114.6 mt/ha last season.

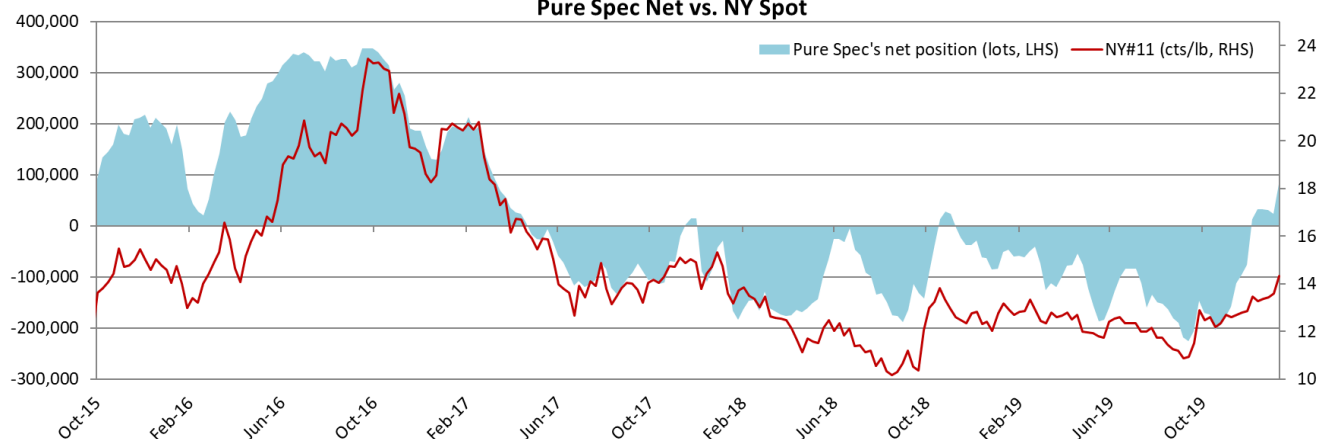
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COT RECAP

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
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
31-12-19	13.42	30,673	245,621	214,948	229,433	-260,106	369,153	629,259	1,167,028
07-01-20	13.59	23,241	241,393	218,152	232,729	-255,969	380,881	636,850	1,182,058
14-01-20	14.32	81,205	267,169	185,964	239,514	-320,719	423,683	744,402	1,324,060
Lastet Change	0.73	57,964	25,776	-32,188	6,785	-64,750	42,802	107,552	142,002

Pure Spec Net vs. NY Spot



Wilmar Grower Marketing Team

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