

# Sugar Weekly Report

February 3 - 7 2020



7-Feb-20										
	7-Feb-20	31-Jan-20	7-Jan-20	Weekly Var.	Monthly Var.		7-Feb-20	31-Jan-20	7-Jan-20	Weekly Var.
NY #11	14.92	14.61	13.59	↑ 0.31	↑	USD Index	98.70	97.36	96.97	↑ 1.34
London #5	428.1	406.2	363.2	↑ 21.9	↑	USDBZL	4.32	4.28	4.07	↑ 0.04
NY#16	26.00	26.00	25.95	↑ 0.00	↑	USDINR	71.50	71.54	71.84	↓ -0.04
Front White Premium	99.2	84.1	63.6	↑ 15.1	↑	EURUSD	1.09	1.11	1.11	↓ -0.02

## Market Situation at a Glance

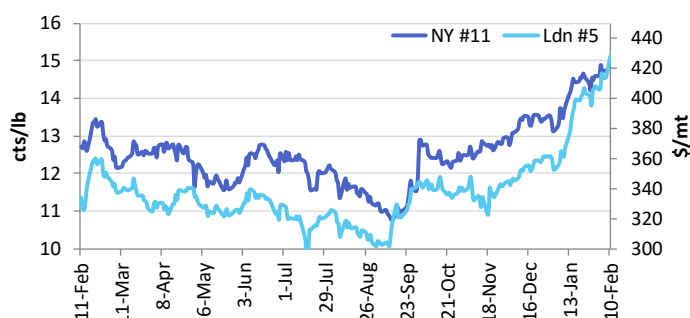
International Prices			
	7-Feb-20	31-Jan-20	Weekly Var.
<b>Sugar</b>			
NY #11	14.92	14.61	↑ 0.31 cts/lb
Front Spread	0.23	0.26	↓ -0.03 cts/lb
London #5	428.10	406.20	↑ 21.90 \$/mt
Front Spread	11.90	7.00	↑ 4.90 \$/mt
White Premium	99.17	84.11	↑ 15.07 \$/mt
<b>USD Index</b>	98.70	97.36	↑ 1.34
USDBZL	4.32	4.28	↑ 0.04 R\$/
USDINR	71.50	71.54	↓ -0.04 RUP/\$
RUBUSD	64.17	63.93	↑ 0.25 RUB/\$
EURUSD	1.09	1.11	↓ -0.02 \$/EUR
<b>S&amp;P500</b>	3,328	3,226	↑ 102.19
<b>DJ Industrial Avg</b>	29,380	28,859	↑ 520.33
<b>Light Crude Oil</b>	50.3	51.6	↓ -1.29 \$/Barrel
<b>Corn</b>	383.3	382.0	↑ 1.25 cts/Bushel
<b>Wheat</b>	559.3	553.5	↑ 5.75 cts/Bushel
<b>Coffee (Arabic)</b>	98.8	102.2	↓ -3.35 cts/lb

## Domestic Markets

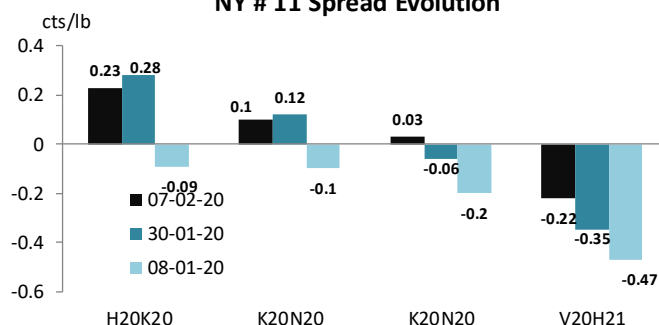
	7-Feb-20	31-Jan-20	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	64.46	62.56	↑ 1.90	R\$ cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	77.18	75.77	↑ 1.41	R\$/50kg
Esalq Sugar (US\$)	17.87	17.70	↑ 0.17	cts/lb
Hydrous Ethanol (NY#11 equiv.)	14.90	14.89	↑ 0.01	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	15.23	15.39	↓ -0.16	cts/lb
<b>Ethanol/Gasoline in S. Paolo</b>				
Ethanol	3,052	3,050	↑ 2	R\$/l
Gasoline	4,396	4,384	↑ 12	R\$/l
Ethanol/Gasoline Parity	69.4%	69.6%	↓ 0%	
Anhydrous from US Parity	63.92	79.55	↓ -15.63	USD/M3
Anhydrous to US Parity	-254.22	-270.33	↑ 16.11	USD/M3
<b>India</b>				
S-Grade (Kolhapur)*	31,500	31,317	↑ 184	RUP/mt
M-Grade (Kolkatta)*	34,762	34,762	0	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution



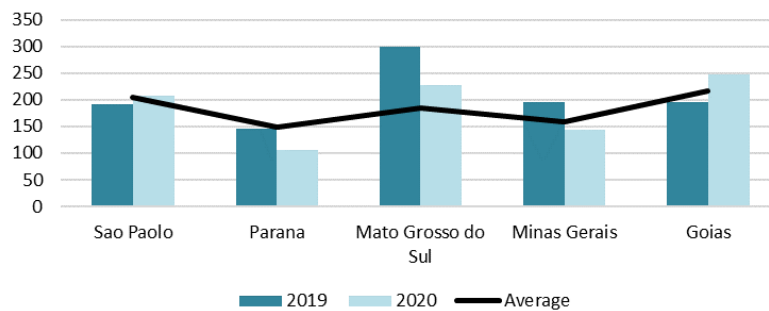
	7-Feb-20	31-Jan	Weekly Var.	Unit
<b>China</b>				
ZCE Front Month	5,749	-	↑ 5,749	RMB/mt
ZCE Front Spread	5	0	↑ 5	RMB/mt
Northern Spot Cash	Rizhao 6,280	6,280	↑ 0	RMB/mt
Southern Spot Cash	Liuzhou 5,950	5,950	↑ 0	RMB/mt
<b>USA</b>				
No #16	26.00	26.00	↑ 0.00	cts/lb
#16/11 Spread	11.08	11.39	↓ -0.31	cts/lb
<b>EU</b>				
EU 45s containers	50	50	↑ 0.0	\$/mt ov Ldn
<b>Russia</b>				
Price in Krasnodar	311	314	↓ -3.6	\$/m3

# Sugar Weekly Report



## CS Brazil Rainfall

### February rains in CS Brazil



## Indian: Post-Monsoon Rains

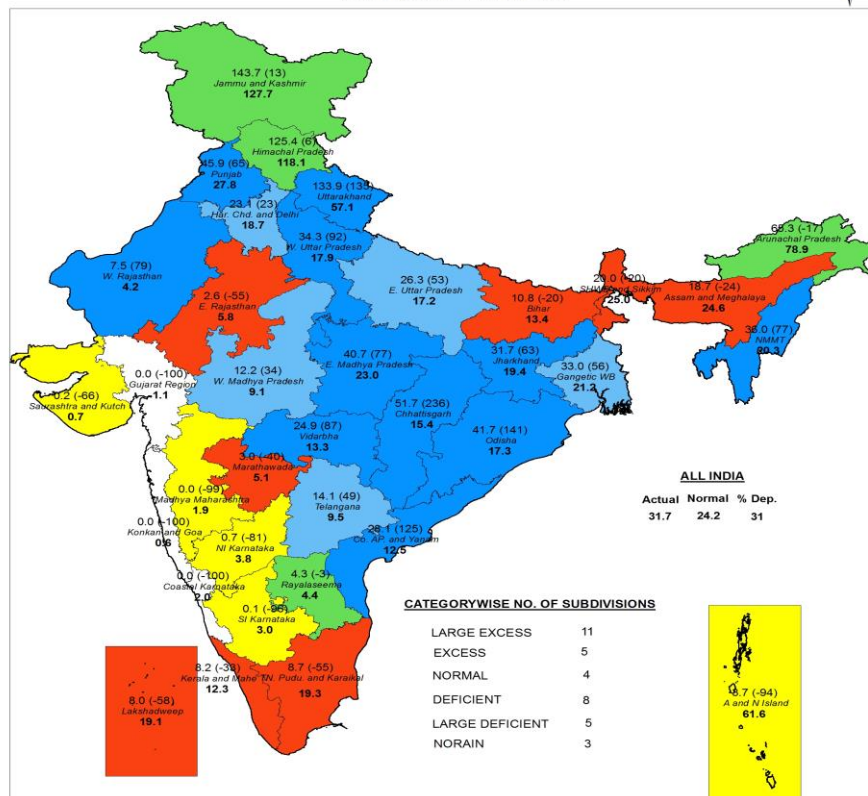


भारत मौसम विज्ञान विभाग  
INDIA METEOROLOGICAL DEPARTMENT

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

### SUBDIVISION RAINFALL MAP

Period : 01-01-2020 To 10-02-2020



#### 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

#### NOTES :

- Rainfall figures are based on operation data.
- Small figures indicate actual rainfall (mm), while bold figures indicate Normal rainfall (mm).
- Percentage Departures of rainfall are shown in brackets.

# Sugar Weekly Report



- **NY Flat price:** March contract traded to the highs of 15.13 cts/lb last week, closing at 14.92 cts/lb Friday, up from 14.61 cts/lb a week earlier.
- **NY Spreads:** March/May spread started the week at 29 points inverse, closing lower Friday at 23 points inverse.
- **London market:** March/March White Premium continued to rally, reaching the highs of almost \$100/mt Friday. May/May White Premium climbed above \$90/mt.
- **COT report:** COT report from February 4 showed that Specs increased their net-longs by 4.4k lots to 130k lots. Index funds also added more net-longs and now are 258.8k lots net-long. Commercials increased their net-shorts by 7.6k lots to 388.8k lots.



**BULL**

- ▶ Thai cane crushed could fall below 80 million mt this season, the lowest since 2009/10.
- ▶ Mexican production is still lagging behind last season, with the production estimate reduced by 100k mt to 5.67 million mt.
- ▶ There are concerns a plague of locusts around India/Pakistan and East Africa, could affect the sugarcane crops in the region.



**BEAR**

- ▶ In Brazil Petrobras reduced oil prices last week, which does not support ethanol price at the pump.
- ▶ Oil prices are still under pressure, the economy slowdown in China due to the virus is affecting the markets.
- ▶ Dubai refinery is running at full capacity, adding refined supply to the market.



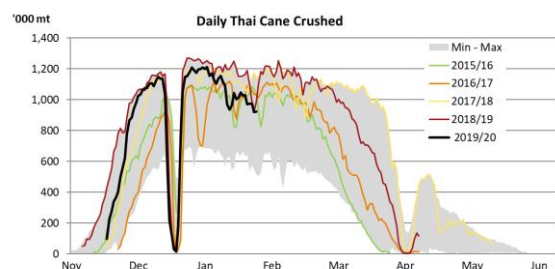
# Sugar Weekly Report



## Thailand: Production Update

	06.02.20	2018/19	2019/20	VAR
Cane crush	70,715,495	60,917,006	↓ -	9,798,489
Total sugar	7,378,527	6,484,304	↓ -	894,224
Whites	486,828	732,282	↑	245,454
Refined	1,048,126	797,834	↓ -	250,291
Raws	5,745,446	4,808,401	↓ -	937,045
Extraction rate	10.43%	10.64%	↑	0.21%
Mills operating	57	57		
Raws %	77.87%	74.15%		

- ▶ Thailand crushed 60.1 million mt of cane by February 6, down 9.8 million mt year on year.
- ▶ Daily crushing rate dropped to 920 mt/day.
- ▶ Sugar production reached 6.5 million mt, down 894k mt year on year.



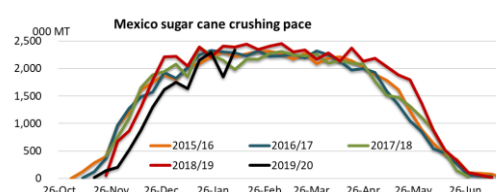
## Mexico: Production Update

### Mexican crush update

	2017/18	2018/19	y-o-y
Harvest (Ha)	258	227	↓ -31
Cane yield (Mt/Ha)	79.7	73.4	↓ -6
Crushing cane (Mt)	20,552	16,694	↓ -3,858
Sugar (Mt)	2,084	1,617	↓ -468
Sugar extraction (%)	10.14%	9.68%	↓ -0.5%

- ▶ By February 1 mills in Mexico harvested 227k ha, 31k ha lower than last season.
- ▶ Agricultural yields were at 73.4 mt/ha vs 79.7 mt/ha last season.
- ▶ Cane crushing reached 16.7 million mt, down from 20.6 million mt year on year.

- ▶ Sugar production stood at 1.6 million mt, down 470k mt year on year; extraction rate is down at 9.7% vs 10.1% last year.

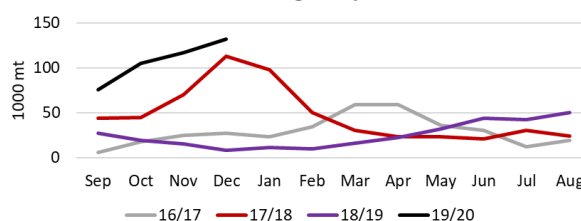


## Russia: Production Update

	5-Feb	2018/19	2019/20	Var
Beet stored up	39,324	50,969	↑	11,645
Beet processed	38,466	49,670	↑	11,204
Beet in stocks	-	269	↑	269
Sugar produced	5,859	7,457	↑	1,598
Extr. rate	15.2	15.0	↓	-0.2
Factories	9	17	↑	8

- ▶ Beet processing factories in Russia processed 49.7 million mt of beets, up 11.2 million mt year on year.
- ▶ Sugar production reached 7.45 million mt, up 1.6 million mt year on year. Extraction rate was at 15%, slightly down year on year.
- ▶ Final production including the sugar produced from molasses would be around 7.6 million mt, 1 million mt more than previous record in 2017/18 season.
- ▶ Exports since the start of the season surged: above 100k mt exported each month, most of the sugar going to Uzbekistan, Kazakhstan, Azerbaijan and Tajikistan.

### Russian sugar exports



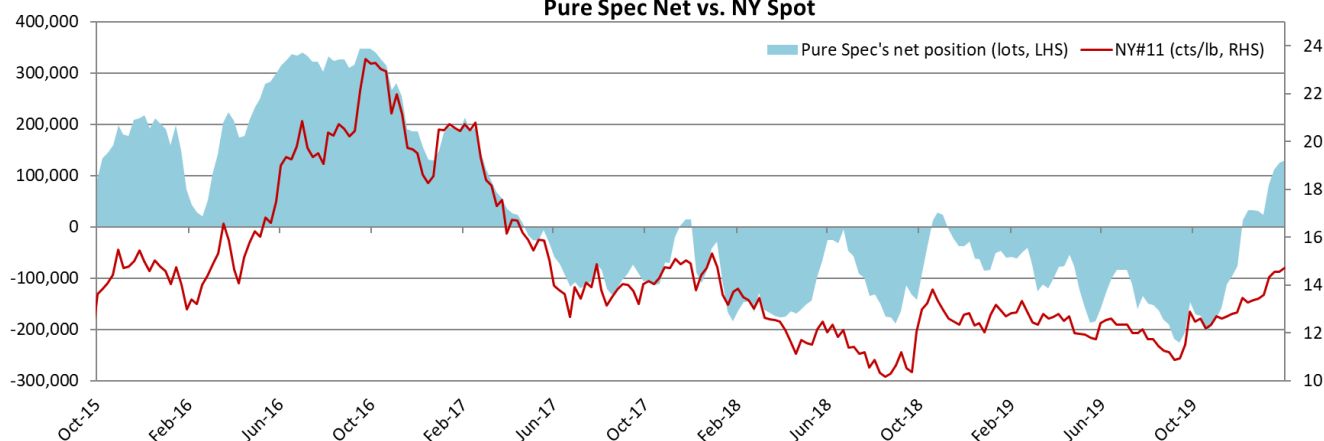
# Sugar Weekly Report



## 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
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
21-01-20	14.55	111,584	285,596	174,012	251,482	-363,065	421,981	785,046	1,356,234
28-01-20	14.54	125,550	291,191	165,641	255,597	-381,147	462,052	843,199	1,419,532
04-02-20	14.71	129,984	292,781	162,797	258,788	-388,770	479,284	868,054	1,462,484
Lastet Change	0.17	4,434	1,590	-2,844	3,191	-7,623	17,232	24,855	42,952

## Pure Spec Net vs. NY Spot



## Wilmar Grower Marketing Team

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