

Sugar Weekly Report

March 16 - 20 2020



	20-Mar-20					13-Mar-20				
	20-Mar-20	13-Mar-20	18-Feb-20	Weekly Var.	Monthly Var.	20-Mar-20	13-Mar-20	18-Feb-20	Weekly Var.	Monthly Var.
NY #11	10.91	11.70	15.28	↓ -0.79	↓	101.95	98.69	99.45	↑ 3.26	↑ 2.50
London #5	344.4	355.0	416.8	↓ -10.6	↓	5.06	4.86	4.36	↑ 0.20	↑ 0.71
NY#16	26.80	27.22	26.85	↓ -0.42	↓	75.39	73.84	71.57	↑ 1.56	↑ 3.83
Front White Premium	103.9	97.1	79.9	↑ 6.8	↑	1.07	1.11	1.08	↓ -0.04	↓ -0.01

Market Situation at a Glance

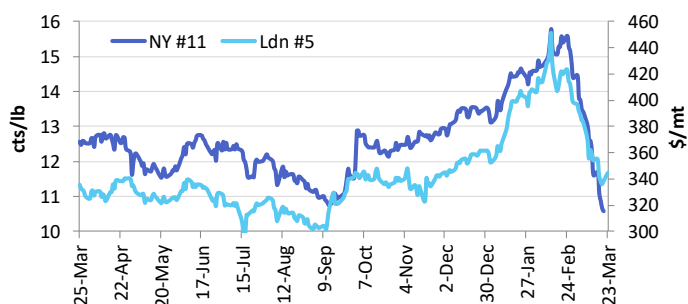
International Prices			
	20-Mar-20	13-Mar-20	Weekly Var.
Sugar			
NY #11	10.91	11.70	↓ -0.79 cts/lb
Front Spread	0.08	0.06	↑ 0.02 cts/lb
London #5	344.40	355.00	↓ -10.60 \$/mt
Front Spread	9.70	9.60	↑ 0.10 \$/mt
White Premium	103.88	97.06	↑ 6.82 \$/mt
USD Index	101.95	98.69	↑ 3.26
USDBZL	5.06	4.86	↑ 0.20 R\$/S
USDINR	75.39	73.84	↑ 1.56 RUP/\$
RUBUSD	80.01	72.43	↑ 7.58 RUB/\$
EURUSD	1.07	1.11	↓ -0.04 \$/EUR
S&P500	2,305	2,711	↓ -406.10
DJ Industrial Avg	20,087	21,201	↓ -1,113.43
Light Crude Oil	22.4	32.9	↓ -10.50 \$/Barrel
Corn	342.8	370.8	↓ -28.00 cts/Bushel
Wheat	540.0	514.8	↑ 25.25 cts/Bushel
Coffee (Arabic)	119.7	107.1	↑ 12.65 cts/lb

Domestic Markets

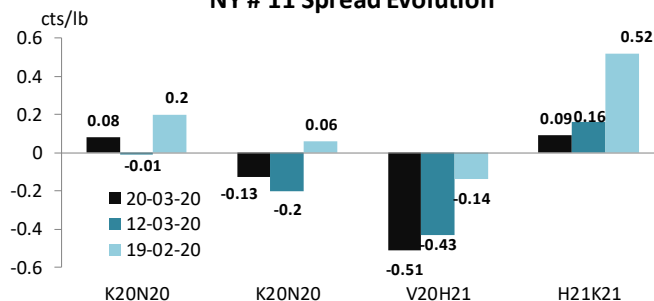
	20-Mar-20	13-Mar-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	55.23	56.84	↓ -1.60	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	77.45	80.20	↓ -2.75	R\$/50kg
Esalq Sugar (US\$)	15.30	16.51	↓ -1.21	cts/lb
Hydrous Ethanol (NY#11 equiv.)	10.46	12.40	↓ -1.94	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	11.88	13.08	↓ -1.19	cts/lb
Ethanol/Gasoline in S. Paolo				
Ethanol	3,035	3,062	↓ -27	R\$/l
Gasoline	4,326	4,361	↓ -35	R\$/l
Ethanol/Gasoline Parity	70.2%	70.2%	0%	
Anhydrous from US Parity	12.66	26.13	↓ -13.48	USD/M3
Anhydrous to US Parity	-192.64	-209.11	↑ 16.47	USD/M3
India				
S-Grade (Kolhapur)*	31,000	31,017	↓ -17	RUP/mt
M-Grade (Kolkatta)*	33,715	33,619	↑ 96	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution

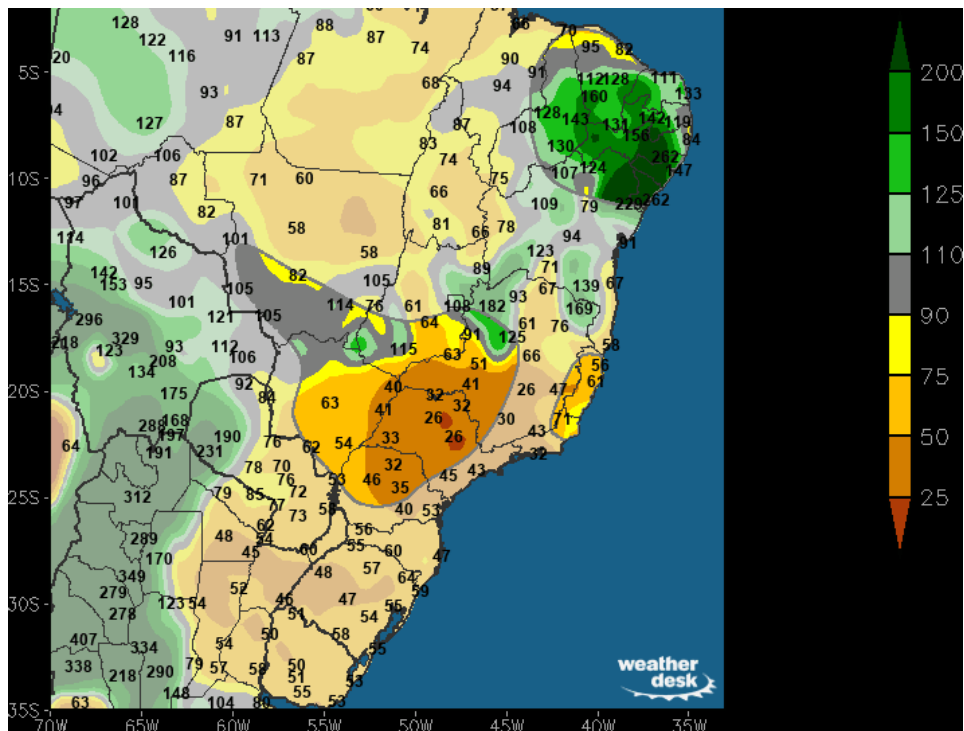


China				
	20-Mar-20	13-Mar	Weekly Var.	Unit
ZCE Front Month	5,514	5,474	↑ 40	RMB/mt
ZCE Front Spread	-55	-21	↓ -34	RMB/mt
Northern Spot Cash	Rizhao 5,900	5,950	↓ -50	RMB/mt
Southern Spot Cash	Luzhou 5,800	5,850	↓ -50	RMB/mt
USA				
	20-Mar-20	13-Mar-20		
No #16	26.80	27.22	↓ -0.42	cts/lb
#16/11 Spread	15.89	15.52	↑ 0.37	cts/lb
EU				
EU 45s containers	50	50	0.0	\$/mt ov Ldn
Russia				
Price in Krasnodar	331	347	↓ -16.6	\$/m3

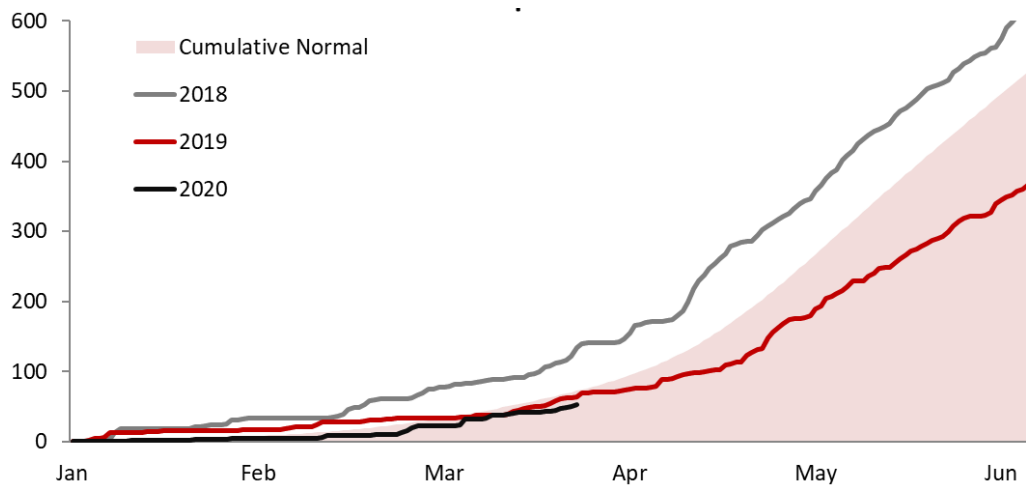
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Brazil Rain 15 day Forecast



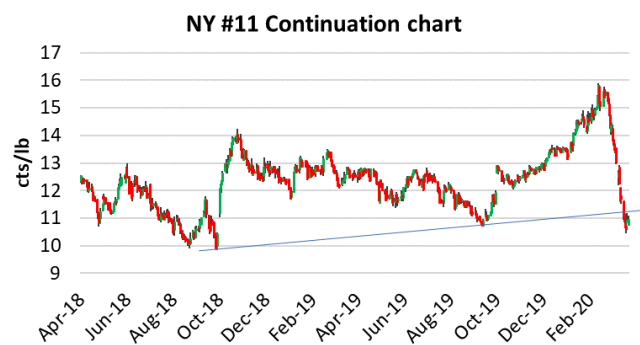
Thailand Cumulative Rain



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- **NY Flat price:** Sugar prices collapsed following other commodity and financial markets. March contract closed the week at 11.7 cts/lb, down from 13 cts/lb a week earlier.
- **NY Spreads:** May/July spread closed the week at 8 points inverse, up from 6 points inverse last week.
- **London market:** May/May White Premium rallied above \$100/mt, closing the week at \$104/mt. Front month spread traded to the highs of \$11/mt inverse.
- **COT report:** Specs net-longes reduced massively for the third week in a row – they now hold a net-longes of 7.6k lots, down from 165k lots on February 25. Commercials positions net-shorts reduced to 250k lots from 450k net-shorts 3 weeks ago. Index funds were net sellers as well, reducing their net-long to 241k lots from 285k lots 3 weeks earlier.



BULL

- ▶ The slowdown in logistics (containers availability) could limit the supply of sugar.
- ▶ China demand picked up last week due to low international prices.
- ▶ Indonesia is discussing whether to issue around 600k mt to the wet market which would need to be imported until June.



BEAR

- ▶ Spot ethanol prices in CS Brazil have dropped and are now equivalent of 10.5 cts/lb of sugar.
- ▶ Production in NNE Brazil would reach 2.8 million mt, up from 2.5 last season.
- ▶ Weather has been drier than normal across most of CS states and the crushing should start without disruptions.

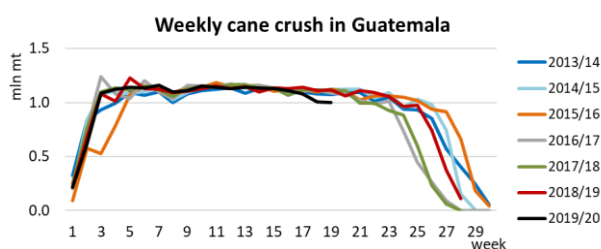
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Guatemala: Production Update

	2018/19	2019/20		Var.
Cane(mt)	19,969,189	19,705,904	↓	-263,285
Sugar(mt)	2,065,708	1,982,792	↓	-82,916
Raw	681,376	600,296	↓	-81,080
White	1,384,332	1,382,496	↓	-1,836
Extraction rate	10.34%	10.06%	↓	-0.3%
Raws share	33%	30%		

- ▶ Guatemalan mills crushed 19.7 million mt of cane, similar to a year earlier.
- ▶ Sugar production stood at 2 million mt, down 80k mt year on year.
- ▶ Drop in production is on raws side: 600k mt was produced vs 680k mt last season.
- ▶ Extraction rate is slightly lower year on year at 10 million mt.
- ▶ We expect total production to be around 80-100k mt down year on year due to lower industrial and agricultural yields.



Mexico: Production Update

Mexican crush update

	2018/19	2019/20		y-o-y
Harvest (Ha)	448	441	↓	-7
Cane yield (Mt/Ha)	77.8	68.0	↓	-10
Crushing cane (Mt)	34,845	29,972	↓	-4,873
Sugar (Mt)	3,748	3,061	↓	-688
Sugar extraction (%)	10.76%	10.21%	↓	-0.5%

- ▶ Mexico harvested 441k ha so far this season, down 7k ha year on year.

▶ The harvesting picked up during March and the difference in harvested area year on year decreased.

▶ Sugar production so far reached 3.1 million mt, down from 3.75 million mt last season.

▶ The industrial yields are 5 percentage points down year on year at 10.2%.

▶ As harvested area caught up with last season, there is a possibility of production finishing around 5.4 million mt this season, which is still 1 million mt lower than last crop.

NNE Brazil: Production Update

	2H FEB	2018/19	2019/20		Var.
Cane(kmt)		46,332	50,782	↑	4,450
Sugar (kmt)		2,456	2,767	↑	312
Total Ethanol		2,097	2,268	↑	171
ATR (kg/t of cane)		132.68	133.36	↑	1
Sugar mix (%)		41.93%	42.89%	↑	1.0%

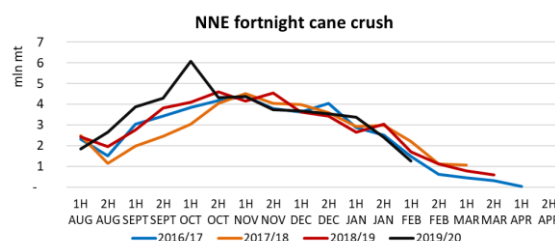
▶ Cane crushed in NNE Brazil reached 50.8 million mt, up 4.5 million mt year on year.

▶ Sugar production is at 2.77 million mt, up 300k mt year on year.

▶ Sugar mix reached 42.9%, up from 41.9% last season.

▶ ATR improved and is now at 133.4 kg/mt, up from 132.7 kg/mt last season.

▶ Total production would finish around 2.82 million mt, up from 2.5 last season.

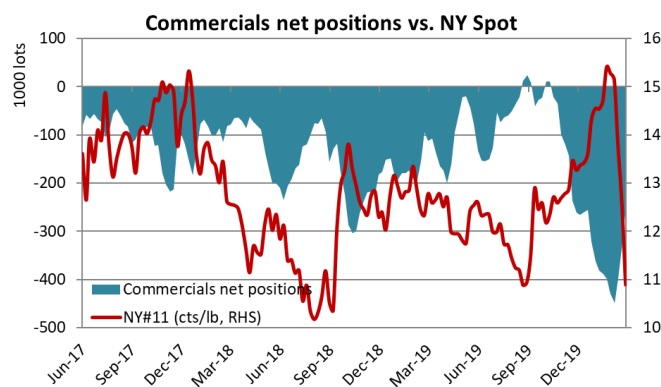
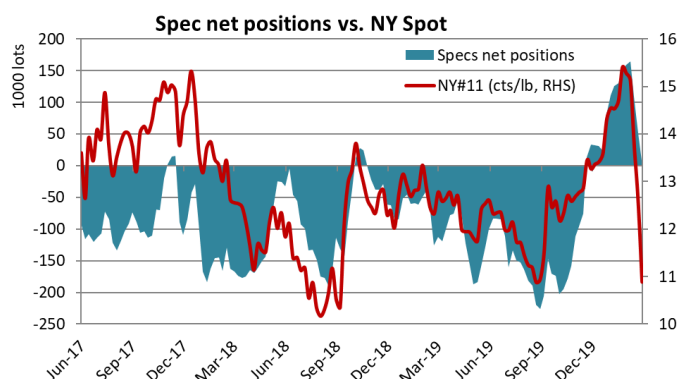


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COT RECAP

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)	Commercial gross shorts (iiii)	OI
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
11-02-20	15.41	149,089	305,970	156,881	249,990	-399,078	527,712	926,790	1,551,567
18-02-20	15.28	158,765	316,815	158,050	270,924	-429,689	463,863	893,552	1,418,058
25-02-20	15.15	165,132	318,525	153,393	284,125	-449,257	418,006	867,263	1,383,663
03-03-20	13.76	108,607	277,791	169,184	288,517	-397,126	419,495	816,621	1,311,716
10-03-20	12.59	51,153	222,882	171,729	272,388	-323,540	483,248	806,788	1,316,288
17-03-20	10.89	7,558	162,936	155,378	241,541	-249,099	528,537	777,636	1,272,515
Lastet Change	-1.70	-43,595	-59,946	-16,351	-30,847	74,441	45,289	-29,152	-43,773



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