

Sugar Weekly Report

March 30 – April 3 2020



	3-Apr-20						3-Apr-20				
	3-Apr-20	27-Mar-20	3-Mar-20	Weekly Var.	Monthly Var.		3-Apr-20	27-Mar-20	3-Mar-20	Weekly Var.	Monthly Var.
NY #11	10.31	11.10	13.76	↓ -0.79	↓	USD Index	100.68	98.31	97.15	↑ 2.38	↑ 3.54
London #5	336.5	350.7	389.2	↓ -14.2	↓	USDBZL	5.35	5.10	4.51	↑ 0.25	↑ 0.83
NY#16	26.35	26.50	27.82	↓ -0.15	↓	USDINR	76.41	75.12	73.27	↑ 1.29	↑ 3.14
Front White Premium	109.2	106.0	85.8	↑ 3.2	↑	EURUSD	1.08	1.11	1.12	↓ -0.03	↓ -0.04

Market Situation at a Glance

International Prices			
	3-Apr-20	27-Mar-20	Weekly Var.
Sugar			
NY #11	10.31	11.10	↓ -0.79 cts/lb
Front Spread	-0.02	0.05	↓ -0.07 cts/lb
London #5	336.50	350.70	↓ -14.20 \$/mt
Front Spread	13.70	11.70	↑ 2.00 \$/mt
White Premium	109.20	105.99	↑ 3.22 \$/mt
USD Index	100.68	98.31	↑ 2.38
USDBZL	5.35	5.10	↑ 0.25 R\$/
USDINR	76.41	75.12	↑ 1.29 RUP/\$
RUBUSD	76.40	78.83	↓ -2.43 RUB/\$
EURUSD	1.08	1.11	↓ -0.03 \$/EUR
S&P500	2,489	2,541	↓ -52.82
DJ Industrial Avg	21,413	22,552	↓ -1,138.73
Light Crude Oil	29.0	21.8	↑ 7.16 \$/Barrel
Corn	330.5	346.0	↓ -15.50 cts/Bushel
Wheat	551.5	572.8	↓ -21.25 cts/Bushel
Coffee (Arabic)	114.6	115.9	↓ -1.30 cts/lb

Domestic Markets

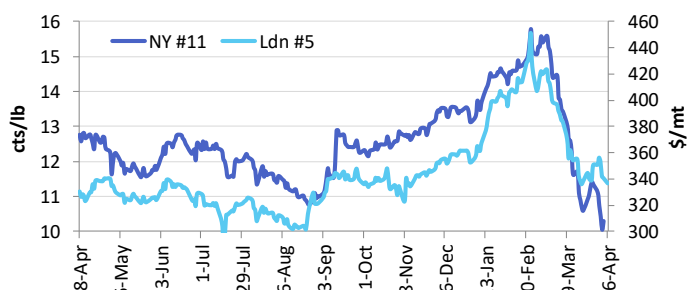
	3-Apr-20	27-Mar-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	55.15	56.61	↓ -1.46	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	77.75	76.35	↑ 1.40	R\$/50kg
Esalq Sugar (US\$)	14.53	14.97	↓ -0.44	cts/lb
Hydrous Ethanol (NY#11 equiv.)	8.06	9.54	↓ -1.48	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	9.14	11.05	↓ -1.91	cts/lb

Ethanol/Gasoline in S. Paolo				
	3-Apr-20	27-Mar-20	Weekly Var.	Unit
Ethanol	2,810	2,924	↓ -114	R\$/l
Gasoline	4,087	4,214	↓ -127	R\$/l
Ethanol/Gasoline Parity	68.8%	69.4%	↓ -1%	
Anhydrous from US Parity	-23.23	-16.32	↓ -6.91	USD/M3
Anhydrous to US Parity	-151.56	-162.56	↑ 11.00	USD/M3

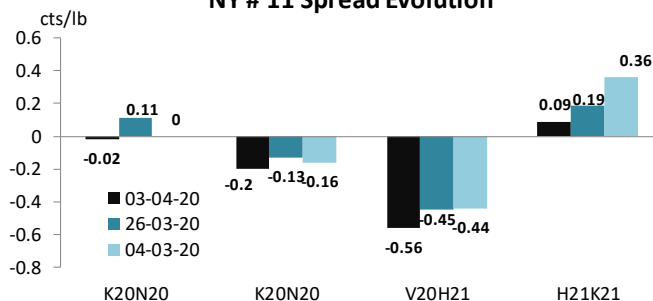
India				
	3-Apr-20	27-Mar-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,000	31,000	0	RUP/mt
M-Grade (Kolkatta)*	33,715	33,715	0	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China				
	3-Apr-20	27-Mar	Weekly Var.	Unit
ZCE Front Month	5,403	5,511	↓ -108	RMB/mt
ZCE Front Spread	-115	-47	↓ -68	RMB/mt
Northern Spot Cash	Rizhao 5,800	6,000	↓ -200	RMB/mt
Southern Spot Cash	Liuzhou 5,750	5,800	↓ -50	RMB/mt

USA				
	3-Apr-20	27-Mar-20	Weekly Var.	Unit
No #16	26.35	26.50	↓ -0.15	cts/lb
#16/11 Spread	16.04	15.40	↑ 0.64	cts/lb

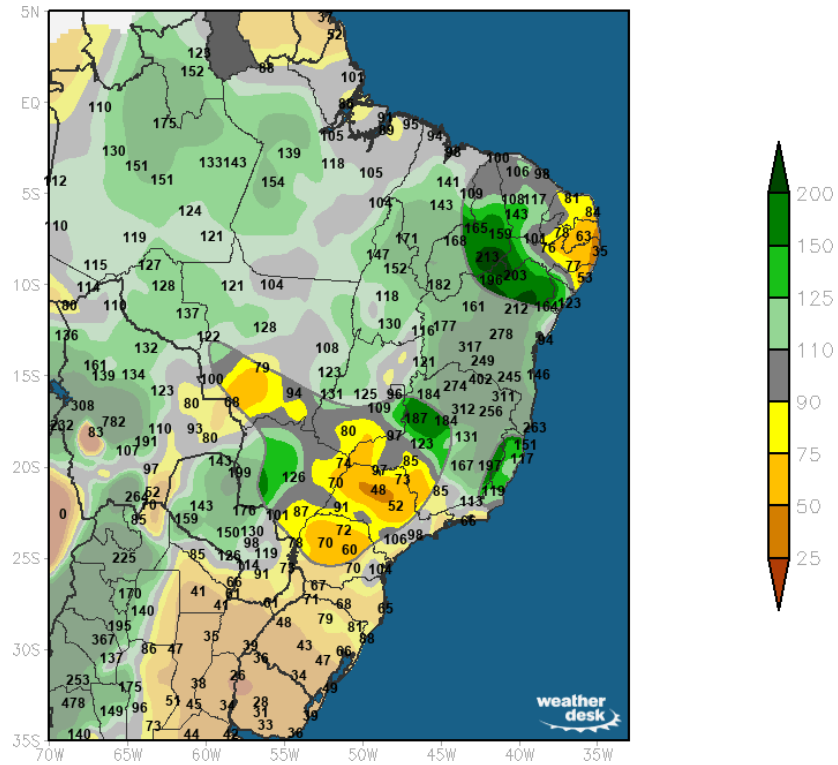
EU				
EU 45s containers	50	50	0.0	\$/mt ov Ldn

Russia				
Price in Krasnodar	328	328	0.0	\$/m3

Sugar Weekly Report



Brazil rains 15 day Forecast



Sugar Weekly Report



- **NY Flat price:** Sugar prices slid down again during last week, making new recent lows. May contract dropped to the lows of 10.02 cts/lb. July contract reached the lows of 10.05 cts/lb, closing Friday at 10.32 cts/lb
- **NY Spreads:** May/July spread traded to the lows of 8 points carry, closing the week at 2 points carry, down from 5 points inverse a week ago.
- **London market:** May/May White Premium rallied to \$125/mt last week, closing the week at \$109.2/mt. May/Aug spread reached the highs of \$22.2/mt, closing the week at \$13.7/mt.
- **COT report:** Specs increased their net-shorts to 4.8k lots, adding 3.7k lots of gross shorts and adding 1k lots of gross longs. Index funds reduced net-longs by 3k lots to 223.6k lots. Finally, commercials reduced net-shorts by 5.7k lots and now they hold 218.8k lots of net-shorts (or 11.1 million mt of sugar equivalent).



BULL

- ▶ Ethiopia put out a tender last week for 200k mt of refined sugar, the results should be announced by April 8.
- ▶ Philippines and Vietnam production could fall to around 200k mt down from last season and this would mean imports should increase.
- ▶ Mexican production is still lagging behind last season and could finish more than 1 million mt lower than last season.

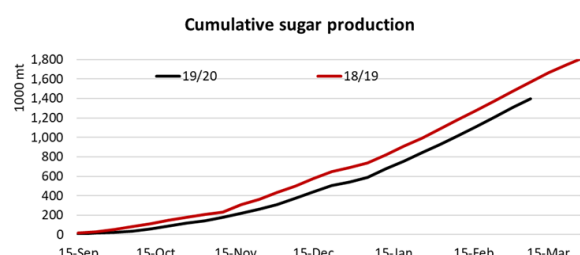


BEAR

- ▶ The weather in Brazil has been dry and the crush is expected to start early with mills maximising sugar mix.
- ▶ Domestic ethanol prices in Brazil dropped to 1.3 Rs/lit, which is equivalent of 8 cts/lb.
- ▶ Brazilian real weakened further last week – to 5.35 vs USD.



Philippines: Production Update



- Philippines production reached 1.4 million mt by March 8, down from 1.6 million mt same time last season.
- Total production is likely to finish around 1.9 million mt, down from 2.08 million mt last year.
- We forecast around 400k mt imports into the country to maintain the ending stocks at a good level.
- Some of the imports are likely to come in as raws due to such a high White Powder and lower availability of Thai refined sugar.
- Domestic consumption so far (from September to March 8) stood at 1.13 million mt, slightly lower than 1.19 million mt last season.

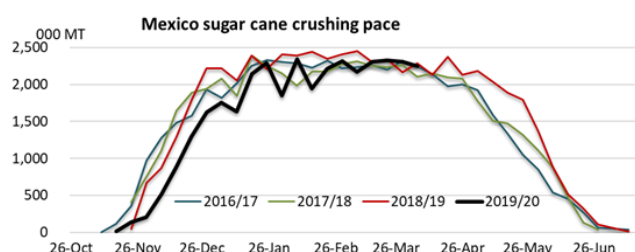
Mexico: Sugar Production Update

Mexican crush update

	2018/19	2019/20	y-o-y
Harvest (Ha)	510	521	↑ 11
Cane yield (Mt/Ha)	77.1	66.3	↓ -11
Crushing cane (Mt)	39,293	34,532	↓ -4,761
Sugar (Mt)	4,296	3,579	↓ -716
Sugar extraction (%)	10.93%	10.37%	↓ -0.6%

- In Mexico, the harvested area stood at 521k mt by the end of March, up from 510k mt last season.
- Agricultural yields were at 66.3 mt/ha vs 77.1 mt/ha last season.
- Cane crushed was at 34.5 down from 39.3 million mt last year.

- Sugar production reached 3.6 million mt, down from 6.3 last year. Total production is expected to reach around 5.3 million mt, down 1.1 million mt year on year.



India: Production Update

SH Mar	2017/18	2018/19	2019/20	Var
MH	10,127	10,516	5,870	↓ -4,646
UP	9,540	9,567	9,720	↑ 153
Ktaka	3,556	4,318	3,350	↓ -968
Gujarati	1,000	1,064	850	↓ -214
Tamil Nadu	500	633	450	↓ -183
AP & Telangana	680	725	410	↓ -315
REST of INDIA	2,875	2,859	2,624	↓ -235
Total India	28,278	29,682	23,274	↓ -6,408
#mills	331	240	186	

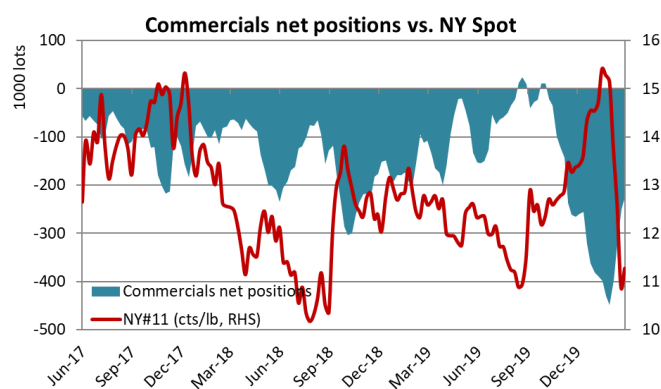
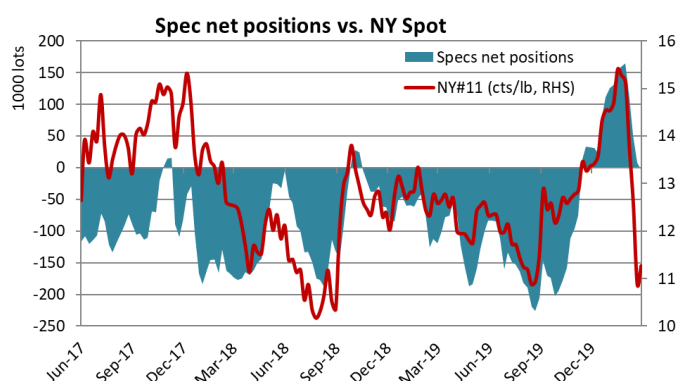
- Indian production reached 23.3 million mt by end of March, down 6.4 million mt year on year.
- Crushing in Andhra Pradesh and TN is almost over (1 and 4 mills are running in these regions respectively), so the production by now is more or less the final production for the season in these states.
- UP so far production 9.7 million mt, up 150k mt year on year, there were 114 mills still operating
- In Maharashtra there was only 28 mills still operating and production so far reached 5.9 million mt, down 4.6 million mt year on year.

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)	Commercial gross shorts (iiii)	OI
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
24-03-20	11.27	-2,168	152,995	155,163	226,657	-224,490	547,987	772,477	1,255,442
31-03-20	10.42	-4,795	154,052	158,847	223,634	-218,838	554,693	773,531	1,272,170
Lastet Change	-0.85	-2,627	1,057	3,684	-3,023	5,652	6,706	1,054	16,728



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