

Sugar Weekly Report

April 6 - 9 2020



| | 9-Apr-20 | | | | | 9-Apr-20 | | | | | |
|---------------------|----------|----------|----------|-------------|--------------|-----------|----------|----------|-------------|--------------|---------|
| | 9-Apr-20 | 3-Apr-20 | 9-Mar-20 | Weekly Var. | Monthly Var. | 9-Apr-20 | 3-Apr-20 | 9-Mar-20 | Weekly Var. | Monthly Var. | |
| NY #11 | 10.43 | 10.31 | 12.61 | ↑ 0.12 | ↓ 0.12 | USD Index | 99.56 | 100.68 | 95.07 | ↓ -1.12 | ↑ 4.49 |
| London #5 | 348.5 | 336.5 | 357.6 | ↑ 12.0 | ↓ 12.0 | USDBZL | 5.11 | 5.35 | 4.72 | ↓ -0.24 | ↑ 0.38 |
| NY#16 | 26.01 | 26.35 | 27.49 | ↓ -0.34 | ↑ 0.34 | USDINR | 75.97 | 76.41 | 74.39 | ↓ -0.44 | ↑ 1.58 |
| Front White Premium | 118.6 | 109.2 | 79.6 | ↑ 9.4 | ↑ 9.4 | EURUSD | 1.09 | 1.08 | 1.14 | ↑ 0.01 | ↓ -0.05 |

Market Situation at a Glance

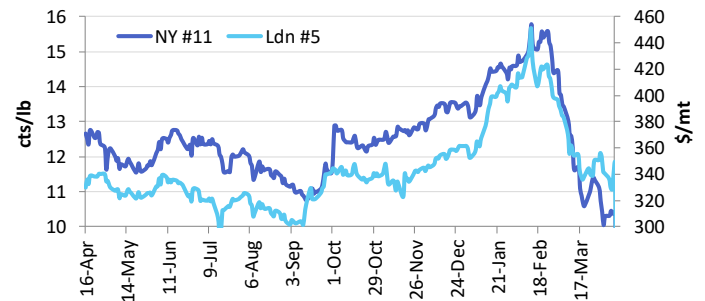
| International Prices | 9-Apr-20 | 3-Apr-20 | Weekly Var. | |
|----------------------|----------|----------|-------------|------------|
| Sugar | | | | |
| NY #11 | 10.43 | 10.31 | ↑ 0.12 | cts/lb |
| Front Spread | -0.06 | -0.02 | ↓ -0.04 | cts/lb |
| London #5 | 348.50 | 336.50 | ↑ 12.00 | \$/mt |
| Front Spread | 17.20 | 13.70 | ↑ 3.50 | \$/mt |
| White Premium | 118.56 | 109.20 | ↑ 9.35 | \$/mt |
| USD Index | 99.56 | 100.68 | ↓ -1.12 | |
| USDBZL | 5.11 | 5.35 | ↓ -0.24 | R\$/S |
| USDINR | 75.97 | 76.41 | ↓ -0.44 | RUP/\$ |
| RUBUSD | 74.29 | 76.40 | ↓ -2.12 | RUB/\$ |
| EURUSD | 1.09 | 1.08 | ↑ 0.01 | \$/EUR |
| S&P500 | 2,790 | 2,489 | ↑ 301.17 | |
| DJ Industrial Avg | 23,434 | 21,413 | ↑ 2,020.13 | |
| Light Crude Oil | 23.2 | 29.0 | ↓ -5.81 | \$/Barrel |
| Corn | 332.3 | 330.5 | ↑ 1.75 | cts/Bushel |
| Wheat | 558.3 | 551.5 | ↑ 6.75 | cts/Bushel |
| Coffee (Arabic) | 118.2 | 114.6 | ↑ 3.60 | cts/lb |

Domestic Markets

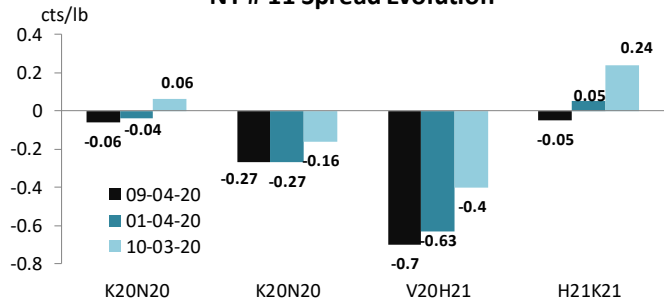
| | 9-Apr-20 | 3-Apr-20 | Weekly Var. | Unit |
|-------------------------------------|----------|----------|-------------|------------|
| Brazil | | | | |
| NY Front Month in BZL | 53.26 | 55.15 | ↓ -1.89 | R\$ cts/lb |
| Domestic: | | | | |
| Esalq Sugar (R\$) | 78.76 | 77.75 | ↑ 1.01 | R\$/50kg |
| Esalq Sugar (US\$) | 15.42 | 14.53 | ↑ 0.89 | cts/lb |
| Hydrous Ethanol (NY#11 equiv.) | 8.92 | 8.06 | ↑ 0.86 | cts/lb |
| Anhydrous Ethanol(NY#11 equiv.) | 9.57 | 9.14 | ↑ 0.43 | cts/lb |
| Ethanol/Gasoline in S. Paolo | | | | |
| Ethanol | 2,656 | 2,810 | ↓ -154 | R\$/l |
| Gasoline | 3,992 | 4,087 | ↓ -95 | R\$/l |
| Ethanol/Gasoline Parity | 66.5% | 68.8% | ↓ -2% | |
| Anhydrous from US Parity | -23.22 | -23.23 | ↑ 0.02 | USD/M3 |
| Anhydrous to US Parity | -153.82 | -151.56 | ↓ -2.27 | USD/M3 |
| India | | | | |
| 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

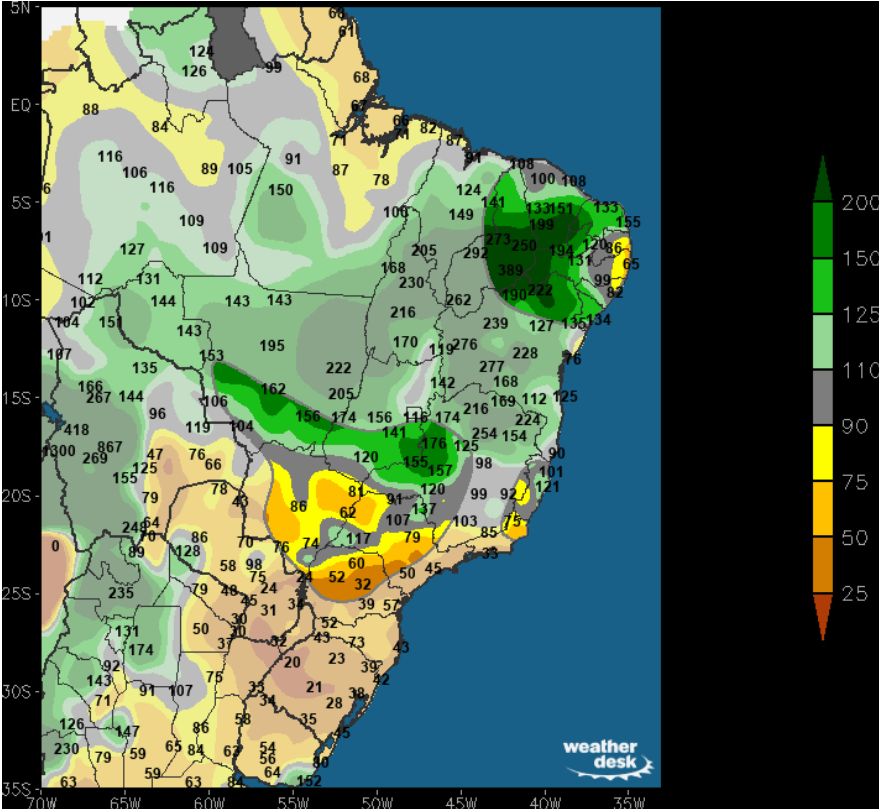


| China | 9-Apr-20 | 03-Apr | Weekly Var. | Unit |
|--------------------|---------------|--------|-------------|--------------|
| ZCE Front Month | 5,448 | 5,403 | ↑ 45 | RMB/mt |
| ZCE Front Spread | -53 | -115 | ↑ 62 | RMB/mt |
| Northern Spot Cash | Rizhao 5,800 | 5,800 | ↑ 0 | RMB/mt |
| Southern Spot Cash | Liuzhou 5,730 | 5,750 | ↓ -20 | RMB/mt |
| USA | | | | |
| No #16 | 26.01 | 26.35 | ↓ -0.34 | cts/lb |
| #16/11 Spread | 15.58 | 16.04 | ↓ -0.46 | cts/lb |
| EU | | | | |
| EU 45s containers | 50 | 50 | ↑ 0.0 | \$/mt ov Ldn |
| Russia | | | | |
| Price in Krasnodar | 342 | 328 | ↑ 14.3 | \$/m3 |

Sugar Weekly Report



Brazil rains 15 day Forecast



Sugar Weekly Report

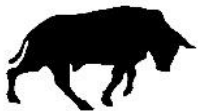


- **NY Flat price:** During last week prices traded around 10.5 cts/lb. The most active July contract closed at 10.49 cts/lb, up from 10.33 cts/lb a week earlier.

- **NY Spreads:** May/July spread weakened to 5 points carry last week, down from 9 points inverse a week earlier.

- **London market:** May/May White Premium closed the week at \$118.6/mt, up \$10 on the week. July-August traded to almost \$100/mt, similar to a week earlier.

- **COT report:** Specs increased their net-shorts to 21k lots, adding 16.2k lots of net-shorts. Index funds reduced net-longs by 12.2k lots to 211.5k lots. Finally, commercials reduced net-shorts by 28.3k lots and now they hold 190.5k lots of net-shorts.



BULL

- ▶ Ethiopia bought 200k mt of refined sugar, from an Indian refinery for supply sometime between May and September.
- ▶ White Premium demand is strong, despite with the coronavirus lockdowns across the globe.
- ▶ The Indonesian tender for 100k mt of white sugar is likely going to be supplied with low quality white from India due to quality restrictions.



BEAR

- ▶ Hydrous prices in CS Brazil have sugar equivalent below 9 cts/lb, with fuel demand weak in Brazil due to the coronavirus.
- ▶ Brazilian Real is trading at above 5 against the US dollar.
- ▶ Lineup in CS Brazil for raws is not strong and demand could be lower than expected.



India: Exports Update

| 2019/2020 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | Total |
|--------------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| Raws | 65 | 75 | 166 | 290 | 492 | 273 | 213 | 1,574 |
| Bangladesh | - | - | - | - | 126 | - | - | 126 |
| India | 63 | 42 | 84 | 67 | 77 | 22 | - | 355 |
| Indonesia | - | - | - | - | - | - | 68 | 68 |
| Iran | 2 | 33 | 82 | 130 | 57 | 65 | 145 | 514 |
| Malaysia | - | - | - | 93 | 139 | 91 | - | 324 |
| Saudi Arabia | - | - | - | - | 47 | - | - | 47 |
| Yemen | - | - | - | - | 46 | 95 | - | 140 |
| Crystal | 112 | 186 | 273 | 387 | 189 | 206 | 28 | 1,381 |
| Refined | 137 | 122 | 168 | 141 | 157 | 139 | 24 | 888 |
| Grand Total | 314 | 383 | 608 | 818 | 837 | 619 | 264 | 3,843 |

▶ India exported 1.6 million mt of raws and 1.4 million mt of LQWs since the start of the 19/20 crop, bringing total domestic exports to 3 million mt.

▶ Main destinations were Iran, India and Malaysia.

▶ For Crystals the main export destinations were Afghanistan and Sri Lanka.

Mexico: Sugar Production Update

| Mexican crush update | | | |
|----------------------|---------|---------|----------|
| | 2018/19 | 2019/20 | y-o-y |
| Harvest (Ha) | 542 | 559 | ↑ 17 |
| Cane yield (Mt/Ha) | 76.4 | 65.7 | ↓ -11 |
| Crushing cane (Mt) | 41,425 | 36,764 | ↓ -4,662 |
| Sugar (Mt) | 4,559 | 3,834 | ↓ -725 |
| Sugar extraction (%) | 11.00% | 10.43% | ↓ -0.6% |

▶ Mills in Mexico harvested 559k ha by April 4, up from 542k ha last season.

▶ Weekly harvesting pace is much higher than previous years – around 35-38k ha/week still.

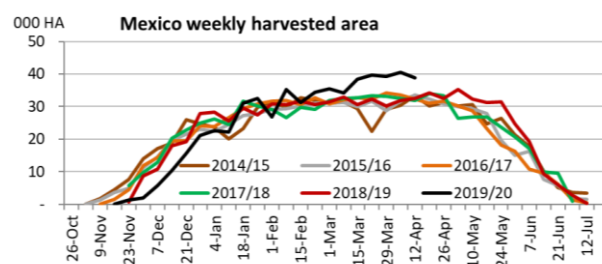
▶ Agricultural yields on a cumulative basis dropped to 65.7 mt/ha, 10 mt/ha lower year on year.

▶ Cane crush is at 36.8 million mt, down 4.7 million mt year on year.

▶ Sugar production reached 3.8 million mt, down 725k mt year on year.

▶ Total production could reach 5.3 million mt, down 1.1 million mt year on 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.

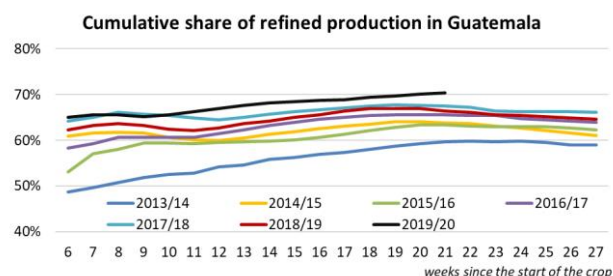


Guatemala: Production Update

| | 2018/19 | 2019/20 | Var. |
|-------------------|-------------------|-------------------|-------------|
| Cane(mt) | 22,146,621 | 21,709,850 | ↓ - 436,771 |
| Sugar(mt) | 2,293,637 | 2,182,682 | ↓ - 110,955 |
| Raw | 769,484 | 647,993 | ↓ - 121,491 |
| White | 1,524,153 | 1,534,689 | ↑ 10,536 |
| Extraction rate | 10.36% | 10.05% | ↓ -0.3% |
| Raws share | 34% | 30% | |

▶ Guatemalan mills crushed 21.7 million mt of cane by end of March, down 440k mt year on year.

▶ Sugar production was 111k mt down year on year at 2.2 million mt. While white sugar production was slightly higher year on year, raws production dropped 120k mt to 650k mt.

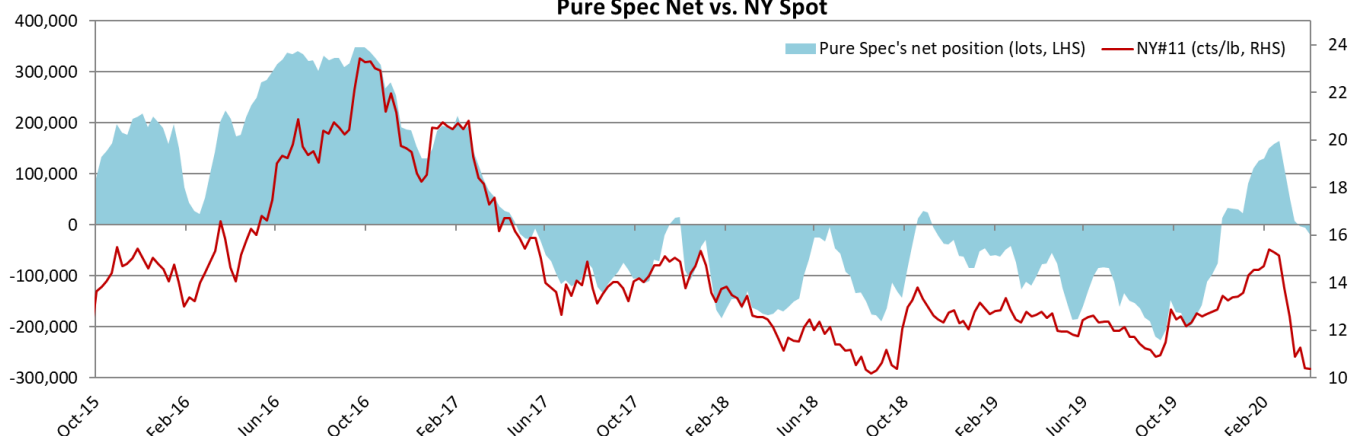




COT RECAP

| 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 |
|----------------------|--------------|---------------------------------|--------------------------|----------------------------|-----------------------------|---|----------------------------------|------------------------------------|---------------|
| 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 |
| 07-04-20 | 10.38 | -20,968 | 150,618 | 171,586 | 211,487 | -190,518 | 575,444 | 765,962 | 1,284,480 |
| Lastet Change | -0.04 | -16,173 | -3,434 | 12,739 | -12,147 | 28,320 | 20,751 | -7,569 | 12,310 |

Pure Spec Net vs. NY Spot



Wilmar Grower Marketing Team

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