

Sugar Weekly Report

July 20 – 24 2020



24-Jul-20											
	24-Jul-20	17-Jul-20	23-Jun-20	Weekly Var.	Monthly Var.		24-Jul-20	17-Jul-20	23-Jun-20	Weekly Var.	Monthly Var.
NY #11	11.49	11.73	11.79	📉 -0.24	📉	USD Index	94.35	96.01	96.68	📉 -1.67	📉 -2.34
London #5	350.3	352.4	362.6	📉 -2.1	📉	USDBZL	5.23	5.38	5.15	📉 -0.15	📈 0.08
NY#16	27.05	26.61	26.00	📈 0.44	📈	USDINR	74.75	74.88	75.64	📉 -0.13	📉 -0.89
Front White Premium	97.0	93.8	102.7	📈 3.2	📉	EURUSD	1.17	1.14	1.13	📈 0.02	📈 0.03

Market Situation at a Glance

International Prices			
	24-Jul-20	17-Jul-20	Weekly Var.
Sugar			
NY #11	11.49	11.73 ↓	-0.24 cts/lb
Front Spread	-0.69	-0.70 ↑	0.01 cts/lb
London #5	350.30	352.40 ↓	-2.10 \$/mt
Front Spread	2.90	2.70 ↑	0.20 \$/mt
White Premium	96.99	93.80 ↑	3.19 \$/mt
USD Index	94.35	96.01 ↓	-1.67
USDBZL	5.23	5.38 ↓	-0.15 R\$/
USDINR	74.75	74.88 ↓	-0.13 RUP/\$
RUBUSD	71.67	71.89 ↓	-0.21 RUB/\$
EURUSD	1.17	1.14 ↑	0.02 \$/EUR
S&P500	3,216	3,225 ↓	-9.10
DJ Industrial Avg	26,652	26,735 ↓	-82.38
Light Crude Oil	41.3	40.6 ↑	0.77 \$/Barrel
Corn	327.0	333.5 ↓	-6.50 cts/Bushel
Wheat	540.3	535.0 ↑	5.25 cts/Bushel
Coffee (Arabic)	108.2	101.1 ↑	7.15 cts/lb

Domestic Markets

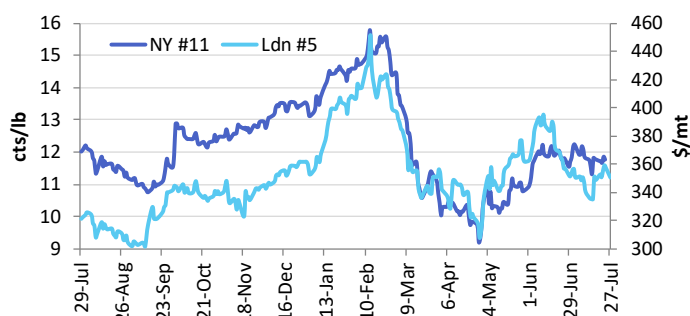
	24-Jul-20	17-Jul-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	60.13	63.16 ↓	-3.03	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	78.49	77.23 ↑	1.26	R\$/50kg
Esalq Sugar (US\$)	15.00	14.34 ↑	0.66	cts/lb
Hydrous Ethanol (NY#11 equiv.)	10.08	9.61 ↑	0.48	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	10.79	10.38 ↑	0.41	cts/lb

Ethanol/Gasoline in S. Paolo				
	24-Jul-20	17-Jul-20	Weekly Var.	Unit
Ethanol	2,551	2,533 ↑	18	R\$/l
Gasoline	3,967	3,911 ↑	56	R\$/l
Ethanol/Gasoline Parity	64.3%	64.8% ↓	0%	
Anhydrous from US Parity	-108.69	-117.65 ↑	8.96	USD/M3
Anhydrous to US Parity	-69.60	-59.15 ↓	-10.44	USD/M3

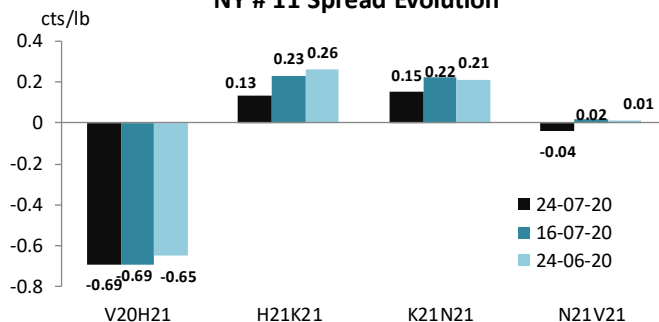
India				
	24-Jul-20	17-Jul-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	32,400	32,335 ↑	65	RUP/mt
M-Grade (Kolkatta)*	35,048	35,143 ↓	-96	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution

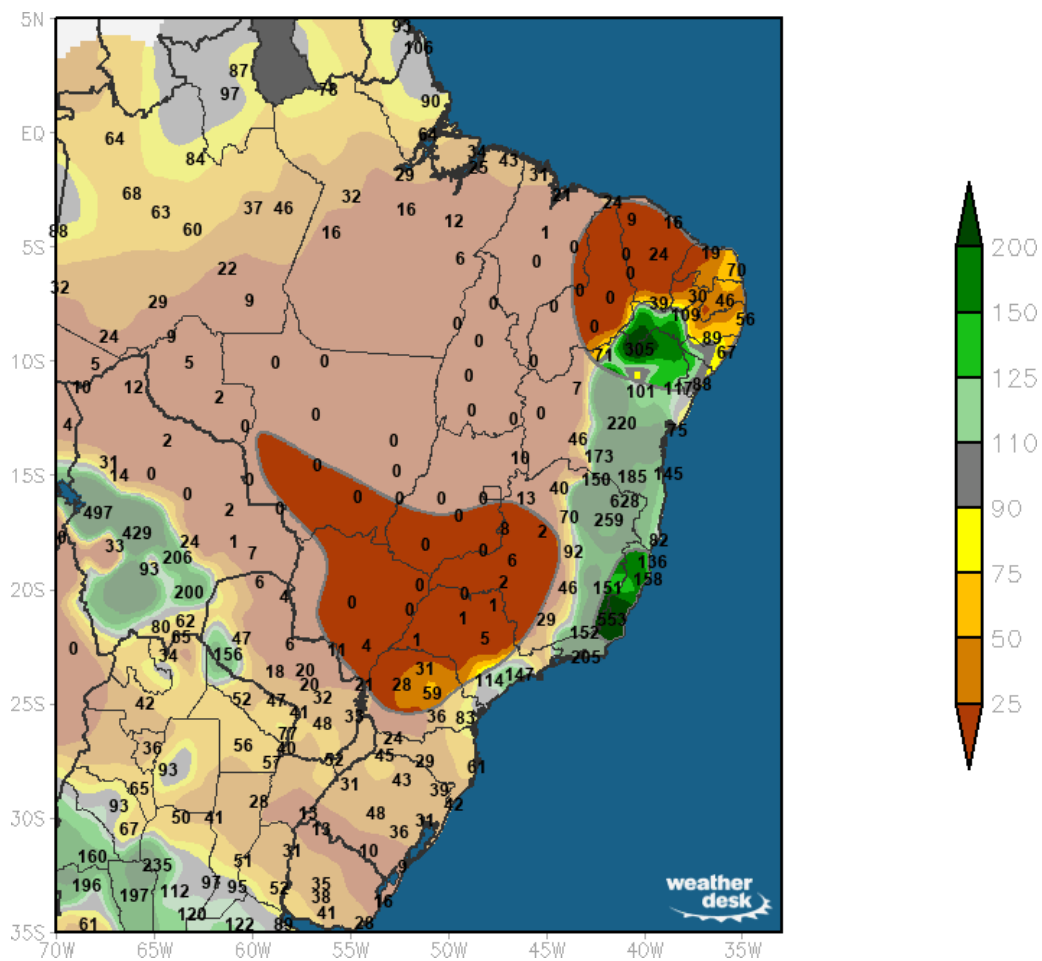


China				
	24-Jul-20	17-Jul	Weekly Var.	Unit
ZCE Front Month	5,101	5,143 ↓	-42	RMB/mt
ZCE Front Spread	-160	-117 ↓	-43	RMB/mt
Northern Spot Cash	5,520	5,550 ↓	-30	RMB/mt
Southern Spot Cash	5,380	5,400 ↓	-20	RMB/mt

USA				
	24-Jul-20	17-Jul-20	Weekly Var.	Unit
No #16	27.05	26.61 ↑	0.44	cts/lb
#16/11 Spread	15.56	14.88 ↑	0.68	cts/lb

EU				
	24-Jul-20	17-Jul-20	Weekly Var.	Unit
EU 45s containers	20	20 ↑	0.0	\$/mt ov Ldn

Russia				
	24-Jul-20	17-Jul-20	Weekly Var.	Unit
Price in Krasnodar	423	445 ↓	-22.3	\$/m3



Sugar Weekly Report



- **NY Flat price:** October contract closed the week at 11.49 cts/lb, down from 11.73 cts/lb last week.
- **NY spreads:** October/March spread traded similar to a week earlier – around 73-69 points inverse, closing Friday at 69 points inverse.
- **London market:** Oct/Oct spread strengthened to \$92/mt. Flat price at 350 USD/mt
- **COT report:** Specs increased net-long positions to 81.3k ha, up 9.7k lots week on week. Index funds traders kept positions unchanged week on week at 242.3k lots of net-longs. Commercials positions increased slightly by 8.8k lots week on week to 323.6k lots of net-shorts.



BULL

- ▶ Indonesia has issued import licenses up until December, which is supportive of the current prices.
- ▶ Indian domestic prices were increased to 33 Rs/kg from October 1, however, the increase is already impacting the market.
- ▶ The Thai crop is expected to fall below 8 million mt and raws availability could be a record low.
- ▶ China will allow an additional 2 million mt of raws imports this season.



BEAR

- ▶ Agricultural and industrial yields in CS Brazil so far have been higher year on year.
- ▶ Hydrous ethanol sales did not pick up in CS Brazil during 1H of July, putting pressure on ethanol stocks.
- ▶ Sugar production during 1H of July in Brazil hit 3 million mt, close to the record of the 2017/18 season; cumulative production is 5.4 million mt higher year on year.

Sugar Weekly Report



CS Brazil: UNCIA Production Update

Cane (1000 mt) Fortnight	2018/19 1H Jul	2019/20	2020/21 *	Variation Y-o-Y
Cane (1000 mt)	45,214	40,971	46,546	↑ 5,575
Sugar (1000 mt)	2,396	1,942	3,022	↑ 1,080
Ethanol (1000 M3)	2,405	2,191	2,126	↓ -65
ATR (kg/mt)	145.1	138.1	142.1	↑ 4.0
Sugar mix (%)	38.31%	35.99%	47.94%	↑ 12.0%

Cumulative	2018/19 1H Jul	2019/20	2020/21	Variation Y-o-Y
Cane (1000 mt)	268,862	258,852	275,951	↑ 17,099
Sugar (1000 mt)	12,171	10,882	16,315	↑ 5,434
Ethanol (1000 M3)	13,519	12,828	12,127	↓ -701
ATR (kg/mt)	131.7	126.4	132.9	↑ 7
Sugar mix (%)	36.07%	34.89%	46.69%	↑ 11.8%

- ▶ During 1H of mills in CS Brazil crushed 46.6 million mt of cane, up 5.6 million mt year on year.
- ▶ ATR was at 142.1 kg/mt, up from 138.1 kg/mt last season, even the rains during end of June did not lower the ATR.
- ▶ Sugar mix was similar to previous fortnights this season at 47.96%, up from 35.99% last season.
- ▶ Cumulative cane crushed since the start of the season is now at 276 million mt, up 17 million mt year on year.
- ▶ Sugar production is 5.4 million mt higher year on year at 16.3 million mt.
- ▶ UNICA mentioned that cumulative yields up to 1H of July were at 85.9 mt/ha, up 1.6% year on year.
- ▶ On the ethanol side, hydrous ethanol sales during 1H of July were similar to the previous fortnights in this season – 741k m³, down from 918k m³ last season.
- ▶ Anhydrous sales stood at 369k m³, similar to 361k m³ last season.

Australia: Production Update

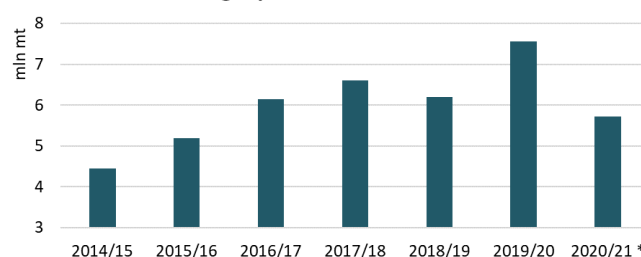
Australian crushing update			
19-Jul	2019	2020	Δ
Cane crushed (000 Mt)	5,390	5,296	↓ - 93
CCS(%)	12.2%	11.8%	↓ -0.3%
Sugar (000 Mt)	657	627	↓ - 30

- ▶ Mills crushed 5.3 million mt of cane by mid-July, similar to last season.
- ▶ Sugar production reached 627k mt, down 30k mt year on year due to lower extraction rate – 11.8% vs 12.2% last season.
- ▶ Since last week it has rained a lot across Queensland which could impact negatively the extraction rate resulting in production being below 4.1 million mt.

Russia: Sowing and Beet Tests

- ▶ Final acreage in Russia stands at almost 940k ha. Down from 1.15 million ha last season (18% down).
- ▶ Beet tests show the differing results: in Central region the beet root weight was 23% down year on year, in Volga region 5% up year on year, in the South 7% up year on year. By mid-July on average the beet root weight is 7% down year on year.
- ▶ With agricultural yields 10% down year on year and slightly lower industrial yields production could reach 5.6 million mt.

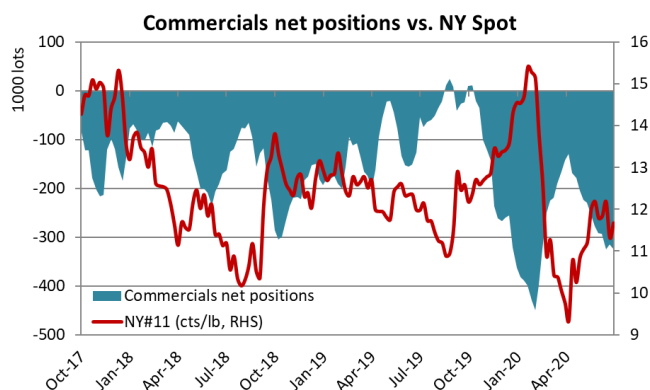
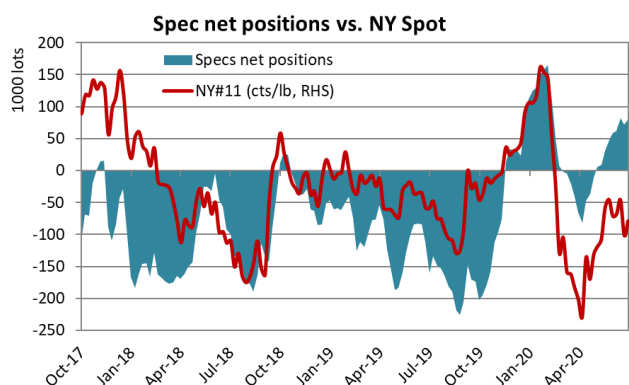
Sugar production in Russia





COT RECAP

Date	Spot Price	Specs net positions	Specs gross longs	Specs gross shorts	Index traders net positions	Commercials net positions	Commercials gross longs	Commercial gross shorts	OI
		(i)-(ii)	(i)	(ii)		(iii)-(iiii)	(iii)	(iiii)	
02-06-20	11.22	8,682	185,423	176,741	220,375	-229,056	519,579	748,635	1,197,601
09-06-20	12	31,019	185,837	154,818	223,778	-254,797	516,253	771,050	1,194,992
16-06-20	12.19	47,118	184,781	137,663	229,872	-276,990	485,886	762,876	1,119,741
23-06-20	11.79	58,272	189,118	130,846	234,091	-292,363	479,725	772,088	1,114,976
30-06-20	11.84	61,446	181,804	120,358	231,176	-292,623	446,788	739,411	1,076,778
07-07-20	12.18	82,059	188,207	106,148	242,751	-324,810	434,744	759,554	1,085,330
14-07-20	11.32	71,627	191,092	119,465	243,184	-314,812	432,813	747,625	1,099,047
21-07-20	11.67	81,322	192,047	110,725	242,266	-323,588	430,233	753,821	1,099,448
Lastet Change	0.35	9,695	955	-8,740	-918	-8,776	-2,580	6,196	401



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