

Sugar Weekly Report

June 29 – July 3 2020



3-Jul-20										
	3-Jul-20	26-Jun-20	2-Jun-20	Weekly Var.	Monthly Var.	3-Jul-20	26-Jun-20	2-Jun-20	Weekly Var.	Monthly Var.
NY #11	12.24	11.55	11.22	↑ 0.69	↑	USD Index	97.15	97.50	97.68	↓ -0.35
London #5	351.0	351.2	370.0	↓ -0.2	↓	USDBZL	5.31	5.48	5.20	↓ -0.17
NY#16	26.03	26.00	25.95	↑ 0.03	↑	USDINR	74.63	75.61	75.05	↓ -0.98
Front White Premium	81.2	96.6	122.6	↓ -15.4	↓	EURUSD	1.12	1.12	1.12	↑ 0.00

Market Situation at a Glance

International Prices			
	3-Jul-20	26-Jun-20	Weekly Var.
Sugar			
NY #11	12.24	11.55	↑ 0.69 cts/lb
Front Spread	-0.65	-0.64	↓ -0.01 cts/lb
London #5	351.00	351.20	↓ -0.20 \$/mt
Front Spread	-4.90	2.70	↓ -7.60 \$/mt
White Premium	81.15	96.57	↓ -15.41 \$/mt
USD Index			
USD Index	97.15	97.50	↓ -0.35
USDBZL	5.31	5.48	↓ -0.17 R\$/
USDINR	74.63	75.61	↓ -0.98 RUP/\$
RUBUSD	71.34	69.78	↑ 1.56 RUB/\$
EURUSD	1.12	1.12	↑ 0.00 \$/EUR
S&P500			
S&P500	-	3,009	↓ -3,009.05
DJ Industrial Avg			
DJ Industrial Avg	25,827	25,746	↑ 81.76
Light Crude Oil			
Light Crude Oil	0.0	38.2	↓ -38.16 \$/Barrel
Corn			
Corn	0.0	316.3	↓ -316.25 cts/Bushel
Wheat			
Wheat	0.0	473.8	↓ -473.75 cts/Bushel
Coffee (Arabic)			
Coffee (Arabic)	0.0	95.7	↓ -95.65 cts/lb

Domestic Markets

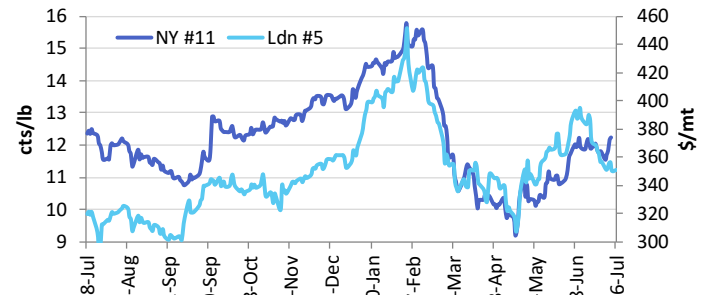
	3-Jul-20	26-Jun-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	65.05	63.34	↑ 1.71	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	76.00	76.03	↓ -0.03	R\$/50kg
Esalq Sugar (US\$)	14.30	13.86	↑ 0.44	cts/lb
Hydrous Ethanol (NY#11 equiv.)	9.62	9.42	↑ 0.19	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	10.39	10.30	↑ 0.09	cts/lb

Ethanol/Gasoline in S. Paolo				
	3-Jul-20	26-Jun-20	Weekly Var.	Unit
Ethanol	2,544	2,523	↑ 21	R\$/l
Gasoline	3,865	3,848	↑ 17	R\$/l
Ethanol/Gasoline Parity	65.8%	65.6%	↑ 0%	
Anhydrous from US Parity	-90.01	-91.75	↑ 1.74	USD/M3
Anhydrous to US Parity	-87.07	-84.11	↓ -2.96	USD/M3

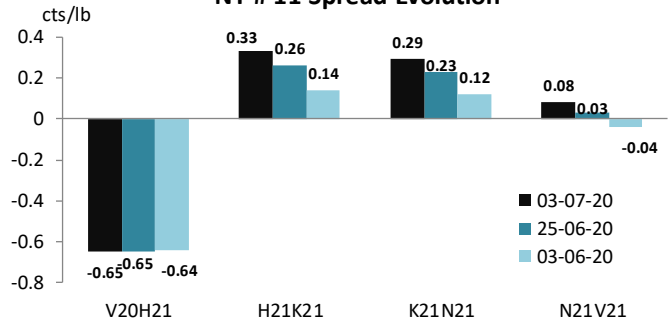
India				
	3-Jul-20	26-Jun-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	32,095	31,809	↑ 286	RUP/mt
M-Grade (Kolkatta)*	34,857	34,572	↑ 286	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China				
	3-Jul-20	26-Jun-20	Weekly Var.	Unit
ZCE Front Month	5,199	5,236	↓ -37	RMB/mt
ZCE Front Spread	-122	-94	↓ -28	RMB/mt
Northern Spot Cash	Rizhao 5,520	5,570	↓ -50	RMB/mt
Southern Spot Cash	Liuzhou 5,420	5,430	↓ -10	RMB/mt

USA				
	3-Jul-20	26-Jun-20	Weekly Var.	Unit
No #16	26.03	26.00	↑ 0.03	cts/lb
#16/11 Spread	13.79	14.45	↓ -0.66	cts/lb

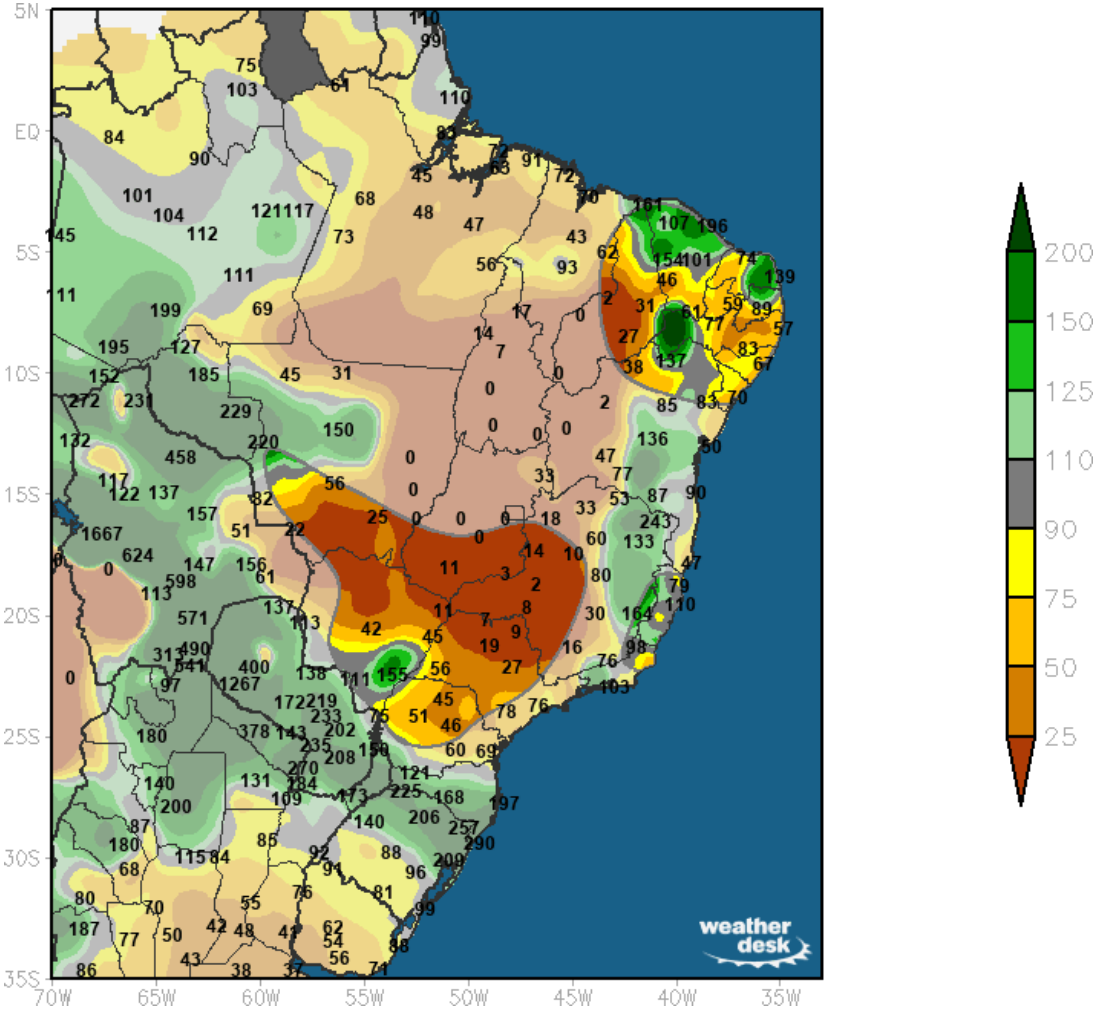
EU				
	3-Jul-20	26-Jun-20	Weekly Var.	Unit
EU 45s containers	45	45	↑ 0.0	\$/mt ov Ldn

Russia				
	3-Jul-20	26-Jun-20	Weekly Var.	Unit
Price in Krasnodar	376	380	↓ -4.0	\$/m3

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Brazil rains 15 days forecast - % of normal rains



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- **NY Flat price:** October contract closed last week at 12.02 cts/lb, up from 11.53 cts/lb a week earlier.
- **July contract expiry:** Last week July contract expired at 11.84 cts/lb, front month spread went off board at 12 points carry. A total of 253k mt were delivered in the ports of CS Brazil by Raizen and Sucden. Wilmar, Czarnikov and Louis Dreyfus were on the receiving side.
- **NY spreads:** October/March spread contract closed the week at 65 points carry, similar to a week earlier.
- **London market:** Oct/Oct spread weakened to \$86/mt, down from \$92/mt last week.
- **COT report:** New report is delayed due to a bank holiday in the US. Old COT: Specs increased net-longs to 58.3k lots, up 11.2k lots week on week. Commercials increased net-shorts to 292.4 lots, which is 15.4k lots higher week on week, finally index funds added 4.2k lots of net-longs and now hold 234.1k lots of net-longs.



BULL

- ▶ CS Brazilian line-up is still at 3 million mt, a record for this period of time.
- ▶ There are some rumours that China might ease their sugar import regulations.



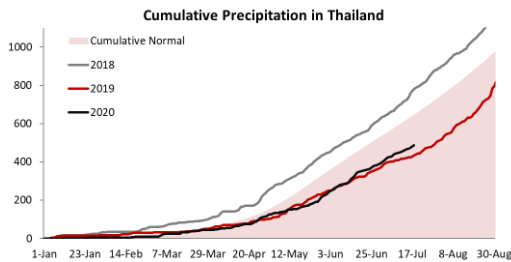
BEAR

- ▶ The weather forecast is dry for CS Brazil, which would allow for loading during July to improve.
- ▶ Monsoons in India are well above normal across all the cane producing states and production should be above 30 million mt next season.

Sugar Weekly Report



Thai: Weather Update



▶ During June Thai cane regions received good rains, but cumulative rains are still well below average due to drought from January to May.

India: Exports Update

Row Labels	2019/2020				2019/2020 Total
	01-04-20	01-05-20	01-06-20	01-07-20	
Crystal	193,849	252,188	149,255	48,391	643,683
BreakBulk	48,050	79,616	55,370	40,512	223,548
Indonesia	27,000	55,000	42,870		124,870
Nepal		3,366			3,366
Somalia	8,550	21,250	12,500	16,624	58,924
Sudan	8,500			15,500	24,000
USA				8,388	8,388
Yemen	4,000				4,000
Container	145,799	172,572	93,885	7,879	420,135
RAW	429,104	373,082	202,860	51,000	1,056,046
Bulk	429,104	373,082	202,860	51,000	1,056,046
China	52,000				52,000
Indonesia	172,377	121,500	14,070		307,947
Iran	204,727	251,582	188,790	51,000	696,099
RAW (DOMESTIC)	5,627	7,467			13,093
BreakBulk	5,627	7,467			13,093
India	5,627	7,467			13,093
INDIAN REFINED	14,466	26,712	39,935	598	81,711
BreakBulk		10,600	18,908		29,508
Jordan			808		808
Libya			18,100		18,100
Yemen		10,600			10,600
Container	14,466	16,112	21,027	598	52,203
Grand Total	643,045	659,449	392,050	99,989	1,794,532

▶ Domestic sugar exports from India totaled 392k mt in June, down from 660k mt in May.

▶ Crystals exports during Q2 2020 reached 600k mt; most of the exports went to Indonesia - 150k mt, Somalia – 100k mt, Afghanistan – 92k mt, and Sri Lanka – 75k mt; all destinations, except Indonesia, are the usual destinations of the Indian sugar.

▶ On the raws side, 13k mt in Q2 went to domestic refinery and 1 million mt went to the world market: mostly Iran – 650k mt followed by Indonesia 310k mt and China – 52k mt.

▶ Since the start of the 2019/20 crop India exported total of 4.9 million mt of raws, crystals and refined sugar produced from local cane; this month there should be more export licenses for redistribution.

▶ On the refineries business, total exports during Q2 reached 400k mt and there is 200k in July lineup.

Australia: Production Update

Australian crushing update				
Week 23	2019	2020	Δ	
Cane crushed (000 Mt)	2,452	1,461	↓	- 991
CCS(%)	12.1%	11.4%	↓	- 0.0
Sugar (000 Mt)	296	167	↓	- 129

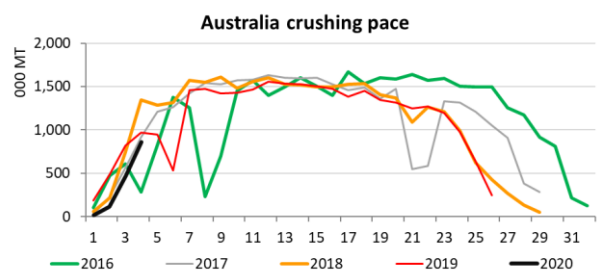
Full crop				
	2019/20	2020/21 F		
Cane crushed (000 Mt)	30,140	31,000	↑	860
CCS(%)	13.5%	13.4%	↓	-0.2%
Sugar (000 Mt)	4,069	4,139	↑	70

▶ Australian crushing season started slowly at the end of May and by June 28 total cane crushed reached 1.5 million mt, down 1 million mt year on year.

▶ Sugar production stood at 170k mt, down from 300k mt last season.

▶ Extraction rate has been so far lower than last season at 11.4%.

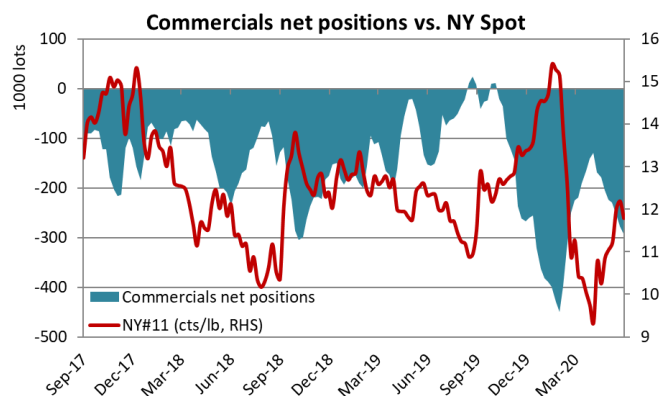
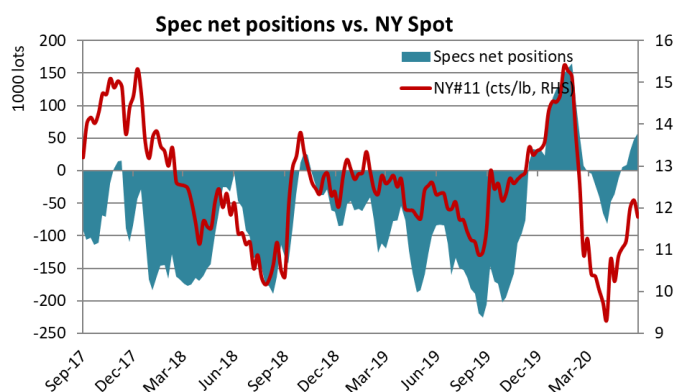
▶ Total cane crushed this season should be around 31 million mt, with sugar production slightly higher than last season at 4.14 million mt.





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)	
05-05-20	10.78	-47,844	148,024	195,868	216,218	-168,373	503,019	671,392	1,128,325
12-05-20	10.25	-36,860	153,219	190,079	215,127	-178,269	510,216	688,485	1,161,585
19-05-20	10.85	-10,506	174,448	184,954	215,247	-204,740	514,177	718,917	1,170,536
26-05-20	11.05	5,612	185,332	179,720	217,554	-223,166	516,723	739,889	1,182,708
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
Lastet Change	-0.40	11,154	4,337	-6,817	4,219	-15,373	-6,161	9,212	-4,765



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