

Sugar Weekly Report

August 3 - 7 2020



7-Aug-20											
	7-Aug-20	31-Jul-20	7-Jul-20	Weekly Var.	Monthly Var.	7-Aug-20	31-Jul-20	7-Jul-20	Weekly Var.	Monthly Var.	
NY #11	12.67	12.64	12.18	↑ 0.03	↑ 0.03	USD Index	93.39	93.46	96.97	↓ -0.06	↓ -3.58
London #5	371.4	381.6	350.5	↓ -10.2	↑ 10.2	USDBZL	5.44	5.22	5.38	↑ 0.22	↑ 0.06
NY#16	27.00	27.40	26.20	↓ -0.40	↑ 0.40	USDINR	74.97	74.91	74.80	↑ 0.06	↑ 0.17
Front White Premium	92.1	102.9	82.0	↓ -10.9	↑ 10.9	EURUSD	1.18	1.18	1.13	↑ 0.00	↑ 0.05

Market Situation at a Glance

International Prices			
	7-Aug-20	31-Jul-20	Weekly Var.
Sugar			
NY #11	12.67	12.64	↑ 0.03 cts/lb
Front Spread	-0.58	-0.56	↓ -0.02 cts/lb
London #5	371.40	381.60	↓ -10.20 \$/mt
Front Spread	0.30	4.60	↓ -4.30 \$/mt
White Premium	92.07	102.94	↓ -10.86 \$/mt
USD Index	93.39	93.46	↓ -0.06
USDBZL	5.44	5.22	↑ 0.22 R\$/
USDINR	74.97	74.91	↑ 0.06 RUP/\$
RUBUSD	73.71	74.40	↓ -0.69 RUB/\$
EURUSD	1.18	1.18	↑ 0.00 \$/EUR
S&P500	3,351	3,271	↑ 80.16
DJ Industrial Avg	27,387	26,314	↑ 1,073.33
Light Crude Oil	41.6	40.4	↑ 1.17 \$/Barrel
Corn	307.8	315.0	↓ -7.25 cts/Bushel
Wheat	496.0	530.8	↓ -34.75 cts/Bushel
Coffee (Arabic)	114.9	118.6	↓ -3.75 cts/lb

Domestic Markets

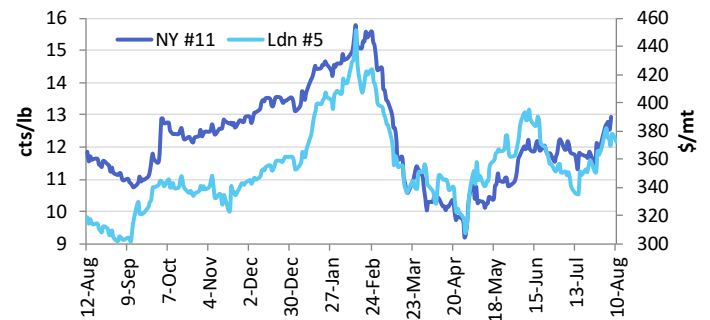
	7-Aug-20	31-Jul-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	68.90	66.00	↑ 2.90	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	79.18	78.46	↑ 0.72	R\$/50kg
Esalq Sugar (US\$)	14.56	15.03	↓ -0.47	cts/lb
Hydrous Ethanol (NY#11 equiv.)	9.78	10.26	↓ -0.48	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	10.56	10.95	↓ -0.39	cts/lb

Ethanol/Gasoline in S. Paolo	7-Aug-20	31-Jul-20	Weekly Var.	Unit
Ethanol	2,564	2,553	↑ 11	R\$/l
Gasoline	4,005	4,009	↓ -4	R\$/l
Ethanol/Gasoline Parity	64.0%	63.7%	↑ 0%	
Anhydrous from US Parity	-66.12	-99.38	↑ 33.26	USD/M3
Anhydrous to US Parity	-110.17	-79.12	↓ -31.06	USD/M3

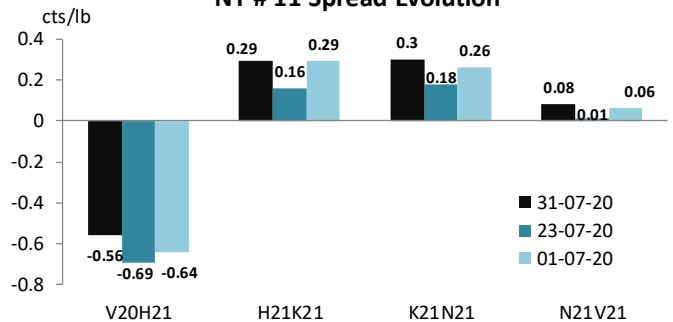
India	7-Aug-20	31-Jul-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,779	32,000	↓ -222	RUP/mt
M-Grade (Kolkatta)*	34,857	34,762	↑ 95	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China	7-Aug-20	31-Jul	Weekly Var.	Unit
ZCE Front Month	5,104	5,006	↑ 98	RMB/mt
ZCE Front Spread	-96	-156	↑ 60	RMB/mt
Northern Spot Cash Rizhao	5,420	5,420	↑ 0	RMB/mt
Southern Spot Cash Liuzhou	5,340	5,340	↑ 0	RMB/mt

USA	7-Aug-20	31-Jul-20	Weekly Var.	Unit
No #16	27.00	27.40	↓ -0.40	cts/lb
#16/11 Spread	14.33	14.76	↓ -0.43	cts/lb

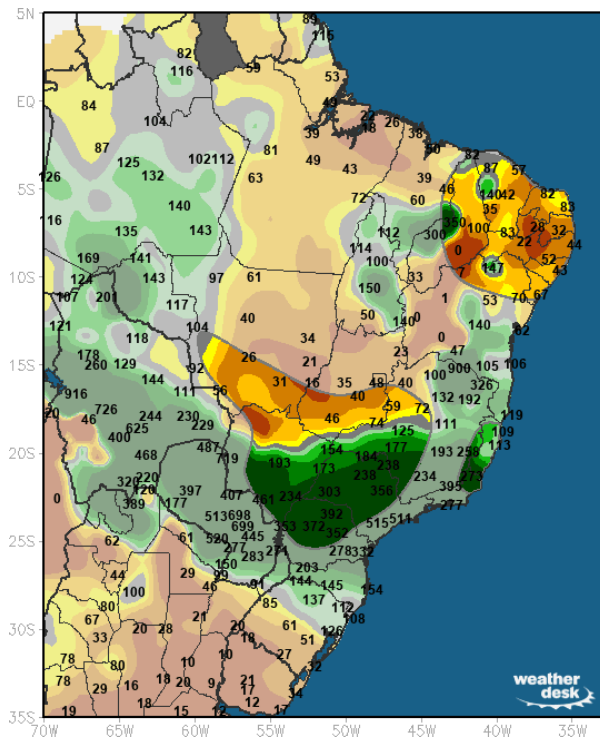
EU			Weekly Var.	Unit
EU 45s containers	20	20	↑ 0.0	\$/mt ov Ldn

Russia			Weekly Var.	Unit
Price in Krasnodar	397	402	↓ -5.0	\$/m3

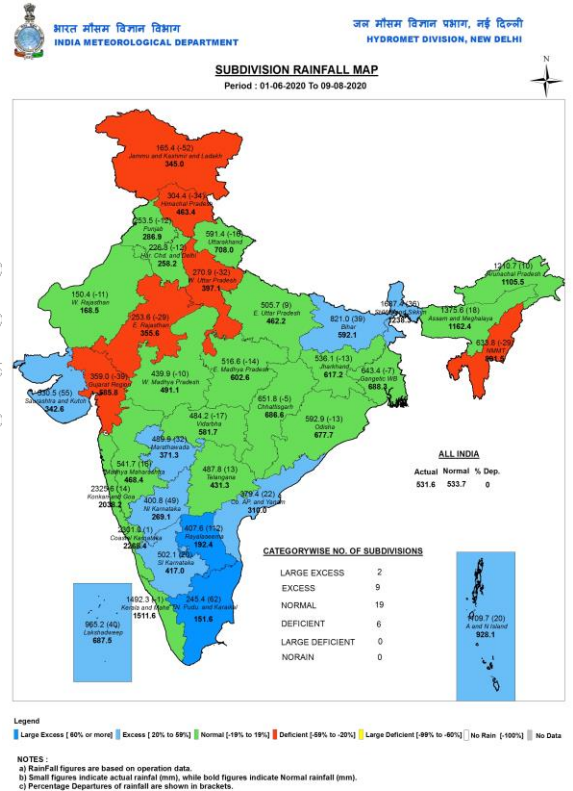
Sugar Weekly Report



Brazil rains 15 day forecast - % of normal rains



Indian monsoon rains



Sugar Weekly Report



- **NY Flat price:** October contract closed Friday at 12.67 cts/lb last week, slightly up from 12.63 cts/lb a week earlier.
- **NY spreads:** October/March spread closed at 58 points carry, slightly weaker than a week earlier of 56 points carry.
- **London market:** October White Premium weakened closer to \$90/mt from the highs of \$98.3/mt a week earlier. Oct/Dec spread weakened to \$0.1/mt, down from \$4.6/mt last Friday.
- **COT report:** Specs increased massively net-long positions to 148.3k lots, up 54k lots week on week. Index funds traders were on the sale side and sold net 6k lots and now hold 236.7k lots of net-longs. Commercials positions increased by 48k lots week on week to 385k lots of net-shorts.



BULL

- ▶ Pakistan issued the import tender for 100k mt of white sugar.
- ▶ The Australian harvest has been disrupted by heavy rainfall.
- ▶ In Europe the dryness across France, Germany and other countries would likely bring the crop below 17 million mt for the 20/21 season.
- ▶ The line-up in Brazil is still strong.



BEAR

- ▶ Ethanol continues to pay less than sugar in CS Brazil.
- ▶ Sugar production during 2H of July in CS Brazil would likely hit almost 3.5 million mt.
- ▶ Sucrose content in Russia is higher than expected and production should be around 5.6-5.7 million mt for the 20/21 season.



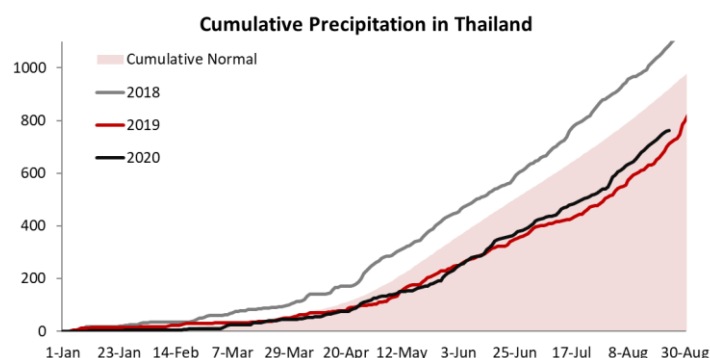
Indian: Exports Update

Row Labels	2019/2020			2019/2020 Total
	Jun	Jul	Aug	
Crystal	310,642	113,496	22,850	446,988
Afghanistan	79,779	32,143	9,400	121,322
Sri Lanka	73,606	15,883	780	90,269
Somalia	34,375	18,674	9,700	62,748
Indonesia	45,790			45,790
China	14,004	8,142	2,970	25,116
RAW	202,860	72,500	121,000	396,360
Iran	188,790	72,500	51,000	312,290
Indonesia	14,070		70,000	84,070
INDIAN REFINED	50,921	18,213	1,404	70,538
Grand Total	564,423	204,209	145,254	913,886

- ▶ In Q3 2020 (August is in the lineup) Indian mills exported 913k mt of sugar – 450k mt of crystals, 400k raws and 70k mt of refined sugar.
- ▶ The main destinations for crystals was Afghanistan and Sri Lanka, importing almost 50% of the crystals.
- ▶ Raws were still flowing to Iran and there is a lineup for Indonesia.
- ▶ This brought total exports from October to date at 5.3 million mt – 2.6 million mt crystals, 2.5 million mt raws and 160k mt of refined sugar.
- ▶ In 2020/21 season due to the huge crop (monsoon rains were great so far) we should expect similar export numbers.
- ▶ Refineries exports in Q3 (August is in the lineup) is at 664k mt, with biggest destination as Sudan – most of the August expiry sugar is going there.

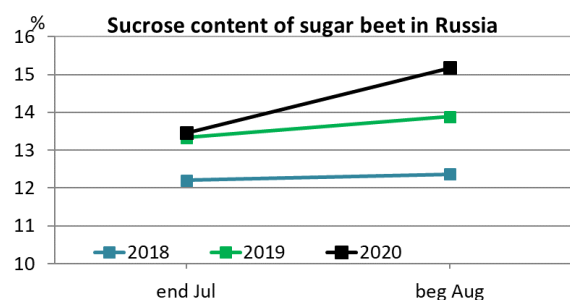
Row Labels	2019/2020			2019/2020 Total
	Jun	Jul	Aug	
REFINED	147,848	156,985	359,208	664,041
Sudan	56,000	72,500	254,450	382,950
Ethiopia		45,550	25,000	70,550
Bangladesh	2,538	4,259	20,408	27,205
Somalia		6,000	17,000	23,000
Indonesia			23,000	23,000
Jordan	20,400			20,400
Syria	20,000			20,000
Lebanon			19,350	19,350
Grand Total	147,848	156,985	359,208	664,041

Thailand: Weather Update



- ▶ So far in August Thai regions received good rains and the 15 day forecast shows above average rains almost everywhere.
- ▶ In August this would mean that the Northern regions would receive average rains, while other regions would receive 80% of normal.

Russia: Beets Harvesting started

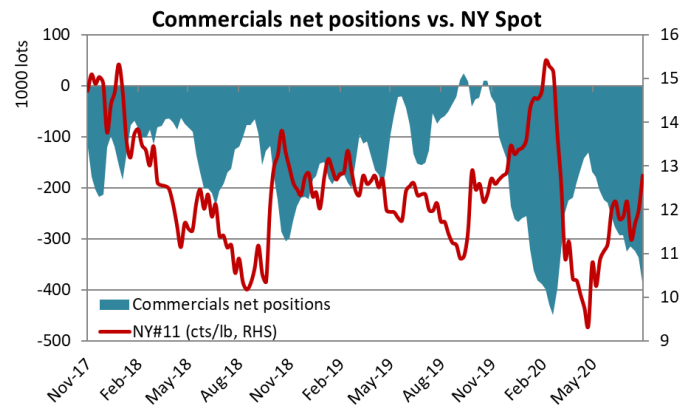
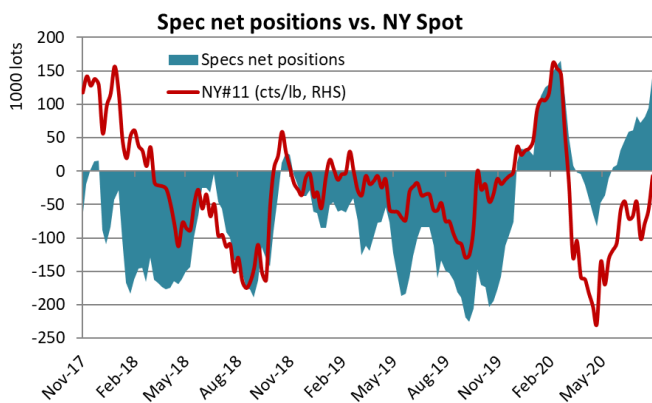


- ▶ The latest beet tests as of August 1 showed that beet weight on average was at 300 grams, down from 348 grams last year.
- ▶ Sucrose content however was much higher year on year at 15.2% on average.
- ▶ Harvesting started in the South and 3.3k ha were harvested with 146k mt of beets lifted with the yields of 44.33 mt/ha, around 2 mt/ha higher than last season.



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
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
28-07-20	12.01	94,254	196,221	101,967	242,756	-337,009	438,262	775,271	1,127,746
04-08-20	12.78	148,308	225,715	77,407	236,696	-385,005	441,728	826,733	1,172,637
Lastet Change	0.77	54,054	29,494	-24,560	-6,060	-47,996	3,466	51,462	44,891



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