

Sugar Weekly Report

September 7-11 2020



	11-Sep-20						11-Sep-20				
	11-Sep-20	4-Sep-20	11-Aug-20	Weekly Var.	Monthly Var.		11-Sep-20	4-Sep-20	11-Aug-20	Weekly Var.	Monthly Var.
NY #11	11.92	11.93	12.74	↓ -0.01	↓	USD Index	93.27	92.97	93.64	↑ 0.30	↓ -0.37
London #5	357.2	354.3	371.9	↑ 2.9	↓	USDBZL	5.32	5.30	5.38	↑ 0.02	↓ -0.06
NY#16	26.90	27.00	27.20	↓ -0.10	↓	USDINR	73.42	73.29	74.60	↑ 0.13	↓ -1.18
Front White Premium	94.4	91.3	91.0	↑ 3.1	↑	EURUSD	1.18	1.18	1.17	↑ 0.00	↑ 0.01

Market Situation at a Glance

International Prices			
	11-Sep-20	4-Sep-20	Weekly Var.
Sugar			
NY #11	11.92	11.93	↓ -0.01 cts/lb
Front Spread	-0.68	-0.68	↑ 0.00 cts/lb
London #5	357.20	354.30	↑ 2.90 \$/mt
Front Spread	5.70	-0.40	↑ 6.10 \$/mt
White Premium	94.41	91.29	↑ 3.12 \$/mt
USD Index	93.27	92.97	↑ 0.30
USDBZL	5.32	5.30	↑ 0.02 R\$/
USDINR	73.42	73.29	↑ 0.13 RUP/\$
RUBUSD	74.79	75.27	↓ -0.47 RUB/\$
EURUSD	1.18	1.18	↑ 0.00 \$/EUR
S&P500	3,341	3,427	↓ -85.99
DJ Industrial Avg	27,535	28,293	↓ -758.15
Light Crude Oil	37.4	39.5	↓ -2.12 \$/Barrel
Corn	366.0	347.0	↑ 19.00 cts/Bushel
Wheat	533.8	541.3	↓ -7.50 cts/Bushel
Coffee (Arabic)	133.4	134.8	↓ -1.45 cts/lb

Domestic Markets

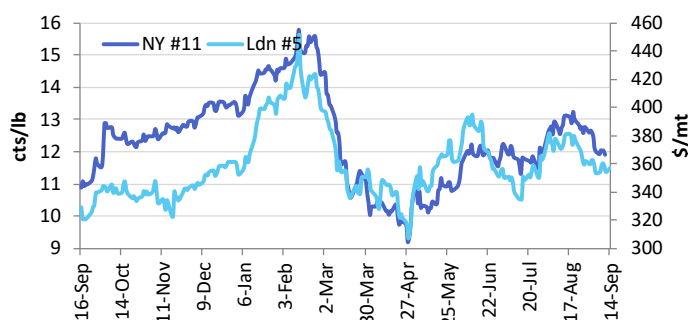
	11-Sep-20	4-Sep-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	63.41	63.24	↑ 0.16	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	86.00	85.74	↑ 0.26	R\$/50kg
Esalq Sugar (US\$)	16.17	16.17	↓ -0.01	cts/lb
Hydrous Ethanol (NY#11 equiv.)	10.41	10.65	↓ -0.25	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	11.51	11.58	↓ -0.07	cts/lb

Ethanol/Gasoline in S. Paolo				
	11-Sep-20	4-Sep-20	Weekly Var.	Unit
Anhydrous from US Parity	-76.71	-76.72	↑ 0.02	USD/M3
Anhydrous to US Parity	-101.75	-101.95	↑ 0.20	USD/M3

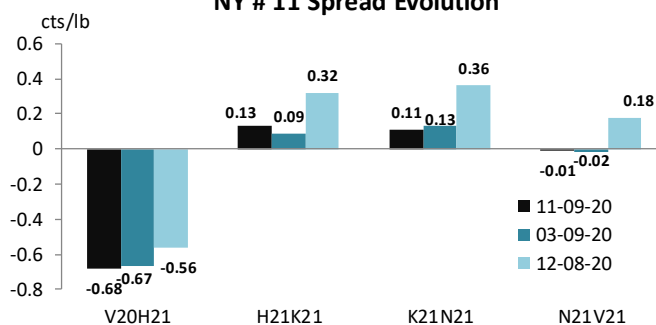
India				
	11-Sep-20	4-Sep-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,989	31,950	↑ 39	RUP/mt
M-Grade (Kolkatta)*	35,238	35,334	↓ -96	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China					
	11-Sep-20	04-Sep	Weekly Var.	Unit	
ZCE Front Month	5,174	5,132	↑ 42	RMB/mt	
ZCE Front Spread	-4	2	↓ -6	RMB/mt	
Northern Spot Cash	Rizhao 5,450	5,450	↑ 0	RMB/mt	
Southern Spot Cash	Liuzhou 5,500	5,430	↑ 70	RMB/mt	

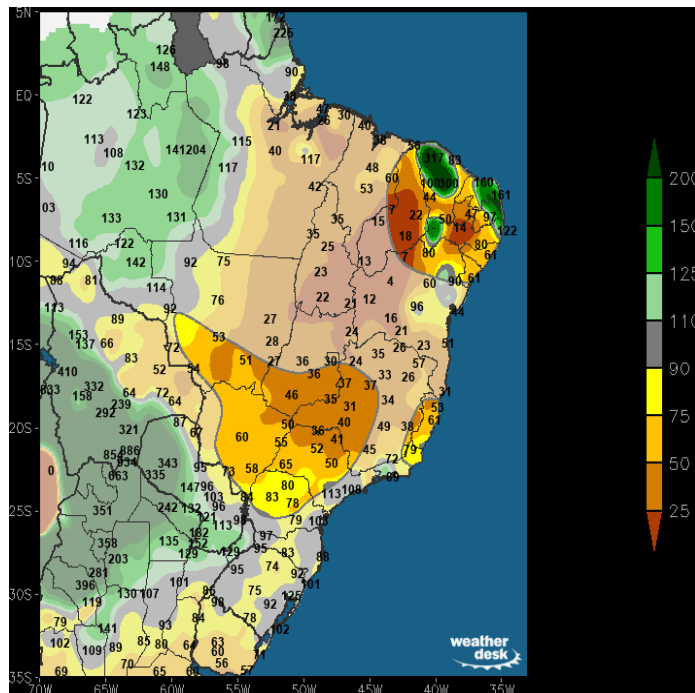
EU				
EU 45s containers	30	30	↑ 0.0	\$/mt ov Ldn

Russia				
Price in Krasnodar	470	441	↑ 28.8	\$/m3

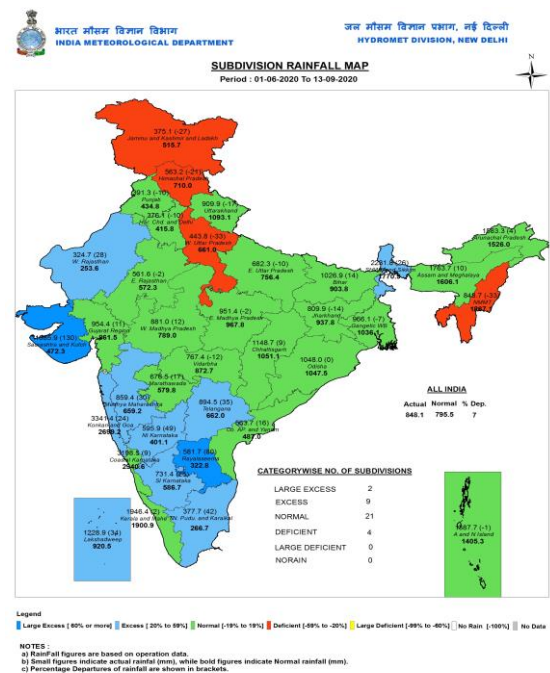
Sugar Weekly Report



Brazil rains 15 days forecast - % of normal rains



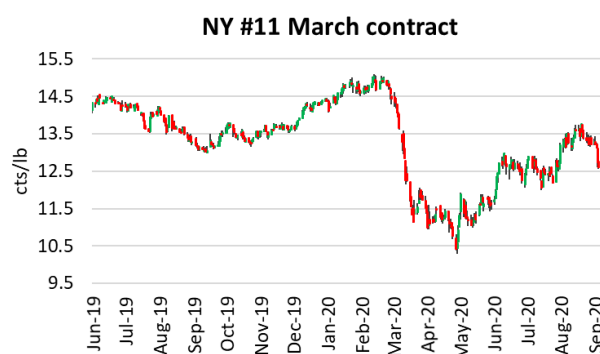
Indian monsoon rains



Sugar Weekly Report



- **NY Flat price:** Prices remained under pressure last week, the March contract closed the week at 12.6 cts/lb, unchanged week on week.
- **NY spreads:** October/March spread closed unchanged on the week at 68 points carry.
- **London market:** October/October white premium was traded to the highs of \$95/mt, while October/December white premium was slightly below \$90/mt. October/December spread flipped to an inverse of almost \$6/mt last Friday.
- **COT report:** Specs cut net-longs by 32.4k lots to 158.5k lots. Commercials reduced net-shorts by 37k lots to 418k lots and finally index funds reduced their net-longs by 4.5k lots to 259k lots.



BULL

- ▶ Pakistan has already bought around 140k mt of refined sugar and is likely to continue buying.
- ▶ EU sugar production could be below 17 million mt this season due to dry weather and ban on neonicotinoids.
- ▶ Russian production is lagging behind last season.



BEAR

- ▶ CS Brazil production is almost 8 million mt ahead of last season.
- ▶ Indian production is expected to be a new record; with export quotas for 19/20 which were unused expected to be extended until December.

Sugar Weekly Report



UNICA: CS Brazil Production Update

Cane (1000 mt) Fortnight	2018/19 2H Aug	2019/20	2020/21 *	Variation Y-o-Y
Cane (1000 mt)	43,523	47,930	42,113	↓ -5,817
Sugar (1000 mt)	2,383	2,521	2,933	↑ 412
Ethanol (1000 M3)	2,464	2,724	2,160	↓ -564
ATR (kg/mt)	152.6	151.0	156.1	↑ 5.1
Sugar mix (%)	37.64%	36.53%	46.84%	↑ 10.3%

Cumulative	2018/19 2H Aug	2019/20	2020/21	Variation Y-o-Y
Cane (1000 mt)	393,742	399,452	415,089	↑ 15,637
Sugar (1000 mt)	18,887	18,015	25,897	↑ 7,882
Ethanol (1000 M3)	20,591	20,610	18,969	↓ -1,641
ATR (kg/mt)	138.1	133.3	139.3	↑ 6
Sugar mix (%)	36.47%	35.48%	46.99%	↑ 11.5%

► During 2H of August mills crushed 42 million mt of cane, down 6 million mt year on year due to rainy weather.

► ATR reached a new record for the season of 156 kg/mt that is 5 kg/mt above last year,

► Sugar mix was at 46.8% vs 36.5 % last season.

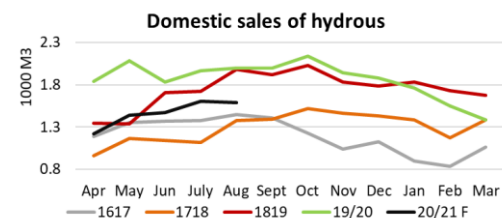
► This resulted in sugar production of 2.9 million mt during 2H of August, still 400k mt higher year on year.

► Cumulative production is at 25.9 million mt, up 7.9 million mt year on year.

► It is expected that production will be around 37 million mt, with 600 million mt of cane crushed.

► On the ethanol side, domestic sales in August were at 2.4 million m³, down from 2.8 million m³ last year.

► Mills sold 795k m³ of anhydrous ethanol, down from 816k m³ last season and 1.6 million m³ of hydrous, down from 2 million m³ last season.



NNE Brazil: Production Update

2H JUL	2018/19	2019/20	2020/21	Var.
Cane(kmt)	3,726	4,231	4,494	↑ 263
Sugar (kmt)	60	52	89	↑ 37
Total Ethanol	226	259	271	↑ 12
ATR (kg/t of cane)	120.70	117.39	124.46	↑ 7
Sugar mix (%)	14.06%	10.89%	16.69%	↑ 5.8%

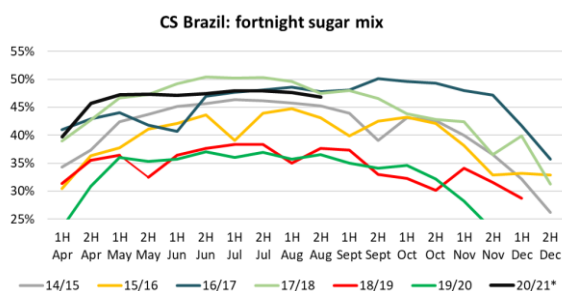
► NNE production started in July and by end of July the mills crushed 4.5 million mt of cane, similar to a year earlier.

► ATR was better than last season at 125 kg/mt and sugar mix was around 17%, higher year on year.

► Sugar production stood at 90k mt, up from 52k mt last season.

► This season cane availability should be similar to last year – 52/53 million mt.

► Due to strong sugar mix and better ATR, sugar production could recover to the levels not seen since 2017.

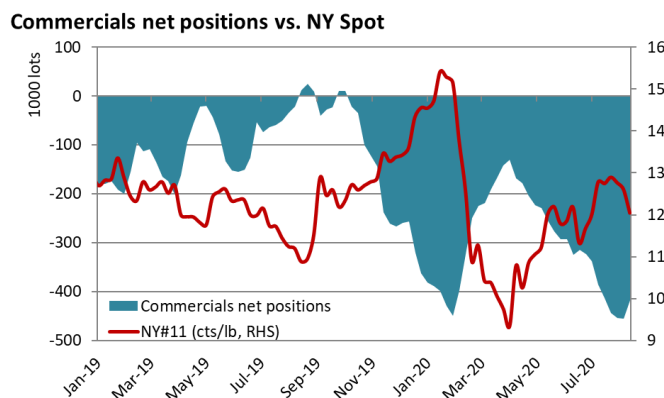
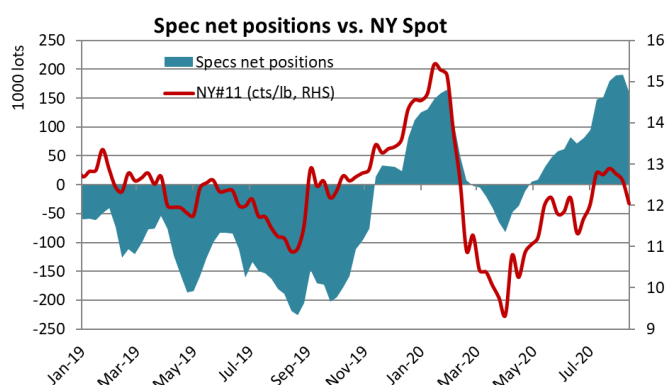


Sugar Weekly Report



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)	
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
11-08-20	12.74	151,474	239,385	87,911	261,721	-413,194	430,804	843,998	1,186,459
18-08-20	12.89	179,251	263,543	84,292	265,006	-444,257	411,001	855,258	1,192,703
25-08-20	12.76	189,694	274,051	84,357	263,415	-453,109	416,849	869,958	1,234,789
01-09-20	12.6	190,949	280,188	89,239	263,560	-454,508	418,259	872,767	1,246,909
08-09-20	12.04	158,516	255,841	97,325	259,081	-417,597	430,632	848,229	1,219,343
Lastet Change	-0.56	-32,433	-24,347	8,086	-4,479	36,911	12,373	-24,538	-27,566



Wilmar Grower Marketing Team

PJ Gileppa (07) 4722 1924 | 0437 297 978
Yolanda Hansen (07) 4722 1956 | 0439 002 240
Shirley Norris 0437 803 019

Franco Zaini (07) 4722 1954 | 0419 476 770
Angus McKerrow 0419 238 536

IMPORTANT NOTICE

This report is compiled or derived from data and reports received by Wilmar Sugar Australia from a multitude of sources. While the data and reports reproduced above are prepared in good faith and with due care, Wilmar Sugar Australia is not in a position to verify all data or reports it receives. No responsibility is therefore accepted by Wilmar Sugar Australia for any inaccuracies or errors in this Report. Nor does Wilmar Sugar Australia purport or intend in this report to give to recipients any financial or commodity trading or recommendations.

Information in this report may contain projections and forward looking statements that reflect Wilmar and Wilmar Sugar Australia's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that Wilmar and Wilmar Sugar Australia's assumptions are correct. Actual results may differ materially from those projected.

This report does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer to purchase or subscribe for, any shares nor shall it or any part of it nor the fact of its report form the basis of, or be relied upon in connection with, any contract or investment decision.