

# Sugar Weekly Report

August 31 – September 4 2020



4-Sep-20											
	4-Sep-20	28-Aug-20	4-Aug-20	Weekly Var.	Monthly Var.		4-Sep-20	28-Aug-20	4-Aug-20	Weekly Var.	Monthly Var.
NY #11	11.93	12.60	12.78	⬇️ -0.67	⬇️	USD Index	92.97	92.30	93.26	⬆️ 0.67	⬇️ -0.29
London #5	354.3	359.7	374.6	⬇️ -5.4	⬇️	USDBZL	5.30	5.39	5.29	⬇️ -0.09	⬆️ 0.01
NY#16	27.00	27.40	27.78	⬇️ -0.40	⬇️	USDINR	73.29	73.12	75.06	⬆️ 0.17	⬇️ -1.77
Front White Premium	91.3	81.9	92.8	⬆️ 9.4	⬇️	EURUSD	1.18	1.19	1.18	⬇️ -0.01	⬆️ 0.00

## Market Situation at a Glance

International Prices			
	4-Sep-20	28-Aug-20	Weekly Var.
<b>Sugar</b>			
NY #11	11.93	12.60	↓ -0.67 cts/lb
Front Spread	-0.68	-0.62	↓ -0.06 cts/lb
London #5	354.30	359.70	↓ -5.40 \$/mt
Front Spread	-0.40	-5.50	↑ 5.10 \$/mt
White Premium	91.29	81.92	↑ 9.37 \$/mt
<b>USD Index</b>	92.97	92.30	↑ 0.67
USDBZL	5.30	5.39	↓ -0.09 R\$/
USDINR	73.29	73.12	↑ 0.17 RUP/\$
RUBUSD	75.27	74.07	↑ 1.20 RUB/\$
EURUSD	1.18	1.19	↓ -0.01 \$/EUR
<b>S&amp;P500</b>	3,427	3,508	↓ -81.05
DJ Industrial Avg	28,293	28,492	↓ -199.54
<b>Light Crude Oil</b>	39.5	42.9	↓ -3.42 \$/Barrel
Corn	347.0	347.5	↓ -0.50 cts/Bushel
Wheat	541.3	539.5	↑ 1.75 cts/Bushel
Coffee (Arabic)	134.8	127.1	↑ 7.70 cts/lb

## Domestic Markets

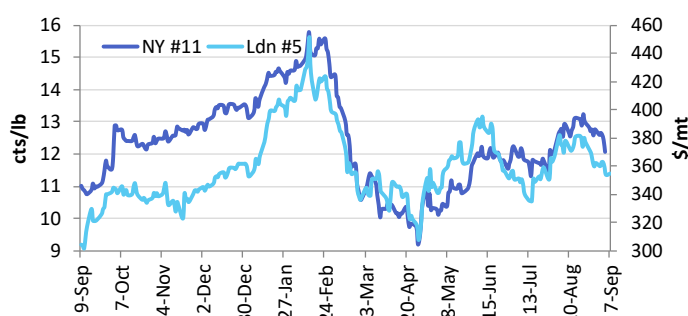
	4-Sep-20	28-Aug-20	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	63.24	67.89	↓ -4.65	R\$ cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	85.74	84.44	↑ 1.30	R\$/50kg
Esalq Sugar (US\$)	16.17	15.67	↑ 0.50	cts/lb
Hydrous Ethanol (NY#11 equiv.)	10.65	10.46	↑ 0.19	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	11.58	11.20	↑ 0.39	cts/lb

Ethanol/Gasoline in S. Paolo				
	4-Sep-20	28-Aug-20	Weekly Var.	Unit
Anhydrous from US Parity	-76.72	-60.63	↓ -16.10	USD/M3
Anhydrous to US Parity	-101.95	-116.86	↑ 14.91	USD/M3

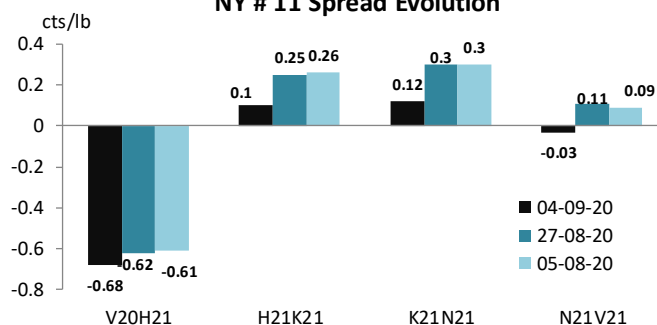
India				
	4-Sep-20	28-Aug-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,950	31,863	↑ 88	RUP/mt
M-Grade (Kolkatta)*	35,334	34,953	↑ 381	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution



China					
	4-Sep-20	28-Aug	Weekly Var.	Unit	
ZCE Front Month	5,132	5,197	↓ -65	RMB/mt	
ZCE Front Spread	2	-75	↑ 77	RMB/mt	
Northern Spot Cash	Rizhao 5,450	5,400	↑ 50	RMB/mt	
Southern Spot Cash	Liuzhou 5,430	5,340	↑ 90	RMB/mt	

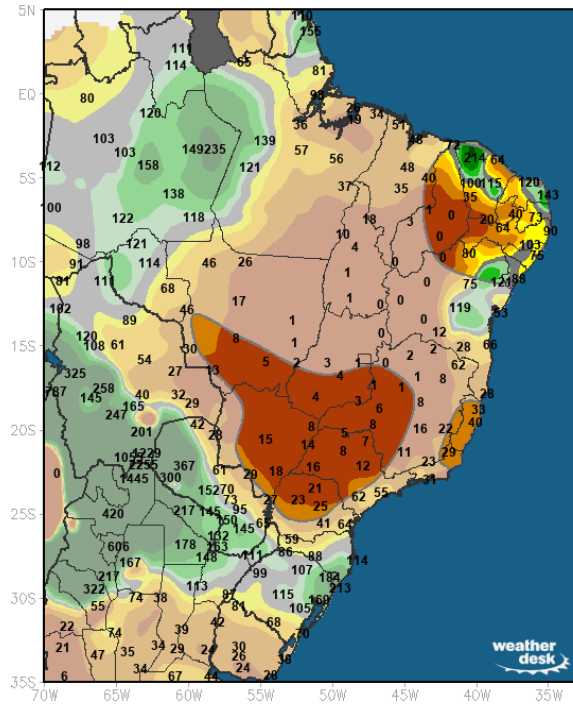
EU					
EU 45s containers	30	20	↑ 10.0	\$/mt ov Ldn	

Russia					
Price in Krasnodar	441	439	↑ 2.6	\$/m3	

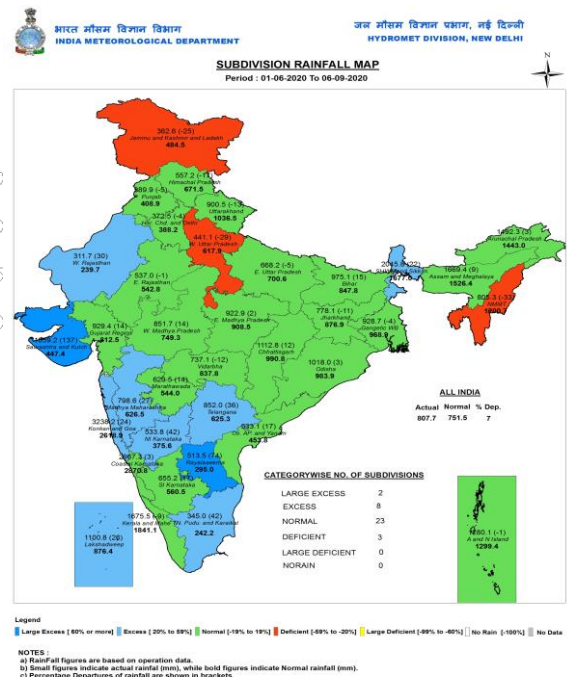
# Sugar Weekly Report



## Brazil rains 15 days forecast - % of normal rains



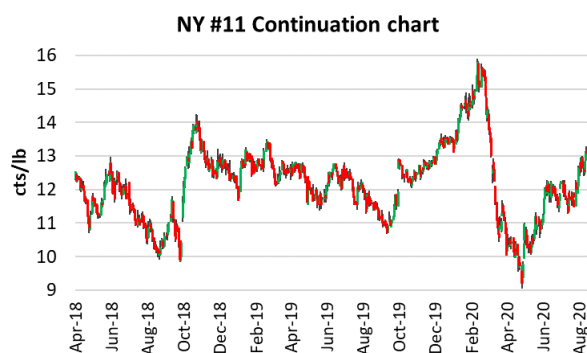
## Indian monsoon rains



# Sugar Weekly Report



- **NY Flat price:** Market collapsed last week. October contract fell below 12 cts/lb, making the lows of 11.86 cts/lb Friday and closing at 11.93 cts/lb, down from 12.6 cts/lb a week earlier.
- **NY spreads:** October/March spread lost 6 points week on week and closed at 68 points carry last Friday.
- **London market:** October was stronger than a week earlier; it closed the week at \$91.5/mt compared with \$81.9/mt a week earlier.
- **COT report:** Specs increased marginally net-long positions to 191k lots, up 1k lots week on week. Index fund traders positions were unchanged at 263.6k lots net-long. Commercials increased net-short positions by 1.4k lots to 454.5k lots.



**BULL**

- ▶ Pakistan has increased import quotas for the private sector to 300k mt (up from 200k mt earlier). The domestic prices also remain high.
- ▶ Ethiopia has allowed imports of refined sugar to the private sector.
- ▶ US might have to issue an “emergency” TRQ increase in the coming weeks.



**BEAR**

- ▶ There is some talk in the market that China might be washing out some of the raws they purchased as licenses are not being issued by the government.
- ▶ Philippines production in 2020/21 season could recover to be around 2.4 million mt, meaning no imports would be needed.



# Sugar Weekly Report



## Russia: Production Update

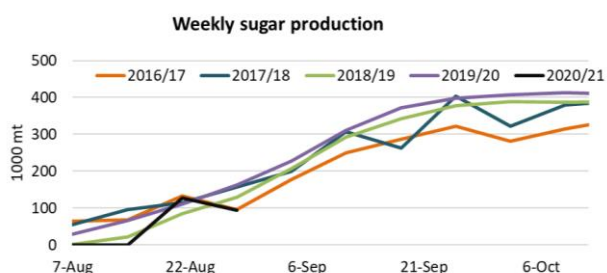
31-Aug	2019/20	2020/21	Var
Beet stored up	4,439	1,938	↓ - 2,501
Beet processed	3,918	1,778	↓ - 2,140
Beet in stocks	520	148	↓ - 372
Sugar produced	518	222	↓ - 296
Extr. rate	13.2	12.5	↓ - 0.7
Factories	43	19	↓ - 24

► Factories in Russia processed almost 2 million mt of beets by end of August, which is 2.5 million mt lower than last season.

► Extraction rate was lagging behind last season at 12.5% vs 13.2%.

► Sugar production totaled 222k mt, down from 520k mt.

► There were 19 factories running compared with 43 last year, so the start of the crushing is late this season compared with previous 2 years.

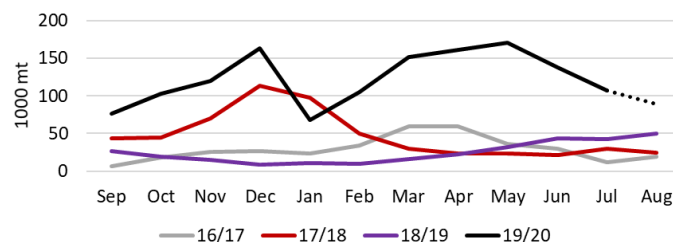


► Exports in 19/20 season hit the records: the country exported 1.45 million mt of sugar (including forecast for August).

► 1.3 million mt went to the CIS region, with Uzbekistan importing 420k mt of sugar, followed by Kazakhstan with 300k mt imports.

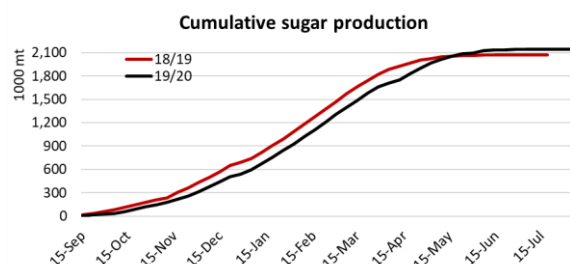
► Outside of the CIS region the sugar went to Turkey, EU, Syria, Lebanon, Israel and Afghanistan

## Russian sugar exports



► In 2020/21 season production would drop by 2 million mt, so the exports, if any, would only flow to CIS regions and would be limited to around 300k mt.

## Philippines: Production and Consumption



► Production in Philippines in 19/20 season finished at 2.15 million mt, higher than initially expected due to better agricultural yields.

► Imports stood at 230k mt vs 410k mt a year earlier; exports to the US fell to 60k mt vs 82k mt a year earlier.

► In the coming crop production is expected to recover to 2.3/2.4 million mt.

23-Aug	2020	2019
Raws withdrawals	1,983,122	1,868,160
Raws imports use	-	75,546
Refined imports use	259,700	403,238
<b>Total</b>	<b>2,242,822</b>	<b>2,346,945</b>

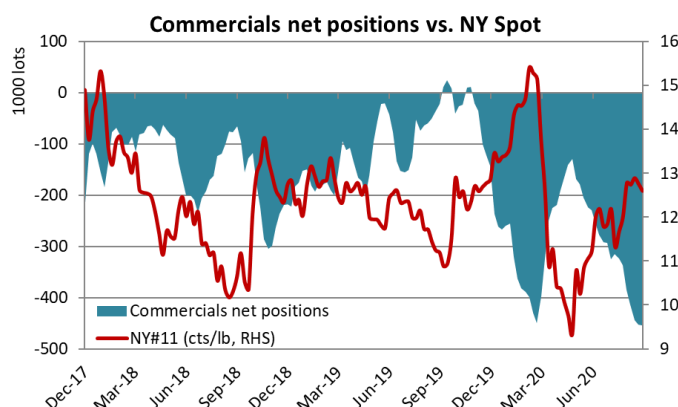
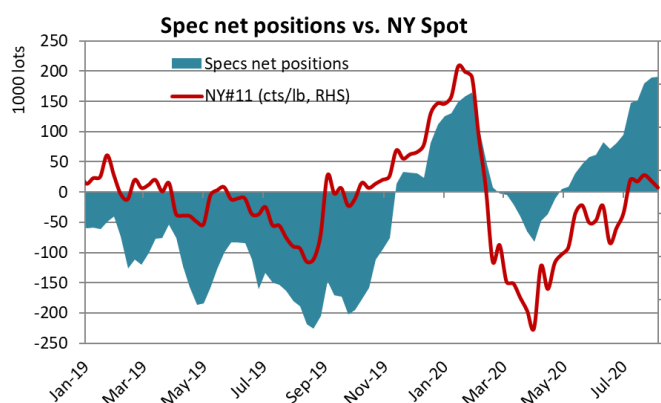
► On the domestic consumption, by August 23 the total use for the domestic market was 2.24 million mt vs 2.35 million mt last season.

# Sugar Weekly Report



## 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
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
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
<b>Lastet Change</b>	<b>-0.16</b>	<b>1,255</b>	<b>6,137</b>	<b>4,882</b>	<b>145</b>	<b>-1,399</b>	<b>1,410</b>	<b>2,809</b>	<b>12,120</b>



## Wilmar Grower Marketing Team

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