

# Sugar Weekly Report

12 – 16 October 2020



	16-Oct-20	9-Oct-20	15-Sep-20	Weekly Var.	Monthly Var.		16-Oct-20	9-Oct-20	15-Sep-20	Weekly Var.	Monthly Var.
NY #11	14.43	14.23	12.08	↑ 0.20	↑	USD Index	93.72	93.06	93.07	↑ 0.66	↑ 0.65
London #5	396.0	384.7	351.0	↑ 11.3	↑	USDBZL	5.65	5.53	5.28	↑ 0.12	↑ 0.37
NY#16	27.36	27.40	27.11	↓ -0.04	↓	USDINR	73.43	73.01	73.60	↑ 0.42	↓ -0.17
Front White Premium	77.9	71.0	84.7	↑ 6.9	↓	EURUSD	1.17	1.18	1.18	↓ -0.01	↓ -0.01

## Market Situation at a Glance

International Prices	16-Oct-20	9-Oct-20	Weekly Var.
Sugar			
NY #11	14.43	14.23	↑ 0.20 cts/lb
Front Spread	0.63	0.50	↑ 0.13 cts/lb
London #5	396.00	384.70	↑ 11.30 \$/mt
Front Spread	1.30	-2.80	↑ 4.10 \$/mt
White Premium	77.87	70.98	↑ 6.89 \$/mt
USD Index	93.72	93.06	↑ 0.66
USDBZL	5.65	5.53	↑ 0.12 R\$/
USDINR	73.43	73.01	↑ 0.42 RUP/\$
RUBUSD	77.82	76.78	↑ 1.05 RUB/\$
EURUSD	1.17	1.18	↓ -0.01 \$/EUR
S&P500	3,484	3,477	↑ 6.68
DJ Industrial Avg	28,494	28,426	↑ 68.69
Light Crude Oil	40.8	40.5	↑ 0.26 \$/Barrel
Corn	402.5	394.5	↑ 8.00 cts/Bushel
Wheat	626.5	592.3	↑ 34.25 cts/Bushel
Coffee (Arabic)	106.9	111.2	↓ -4.25 cts/lb

## Domestic Markets

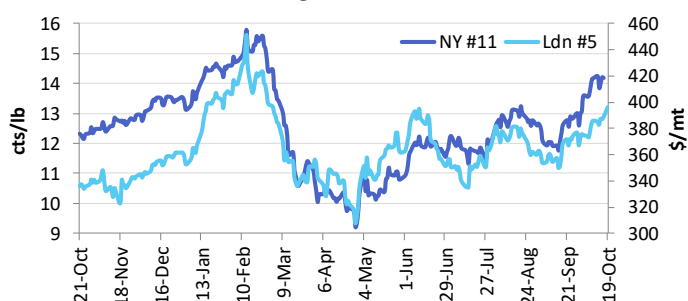
	16-Oct-20	9-Oct-20	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	81.48	78.71	↑ 2.77	R\$ cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	91.71	90.36	↑ 1.35	R\$/50kg
Esalq Sugar (US\$)	16.24	16.34	↓ -0.09	cts/lb
Hydrous Ethanol (NY#11 equiv.)	10.99	10.62	↑ 0.37	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	11.98	11.78	↑ 0.20	cts/lb

Anhydrous from US Parity	-71.00	-71.57	↑ 0.58	USD/M3
Anhydrous to US Parity	-105.90	-105.80	↓ -0.11	USD/M3

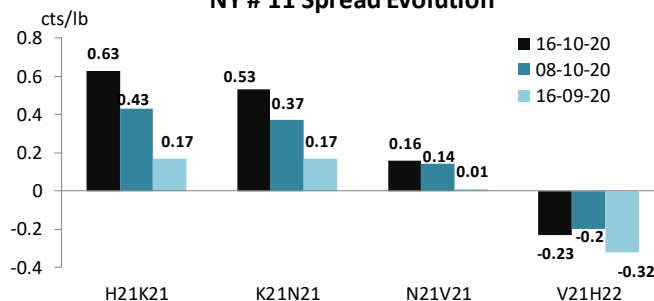
<b>India</b>	16-Oct-20	9-Oct-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,225	31,317	↓ -92	RUP/mt
M-Grade (Kolkatta)*	34,619	33,905	↑ 714	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution



<b>China</b>	16-Oct-20	09-Oct	Weekly Var.	Unit
ZCE Front Month	5,266	5,224	↑ 42	RMB/mt
ZCE Front Spread	14	-63	↑ 77	RMB/mt
Northern Spot Cash	Rizhao 5,750	5,750	↑ 0	RMB/mt
Southern Spot Cash	Liuzhou 5,550	5,620	↓ -70	RMB/mt

<b>USA</b>	16-Oct-20	9-Oct-20	Weekly Var.	Unit
No #16	27.36	27.40	↓ -0.04	cts/lb
#16/11 Spread	12.93	13.17	↓ -0.24	cts/lb

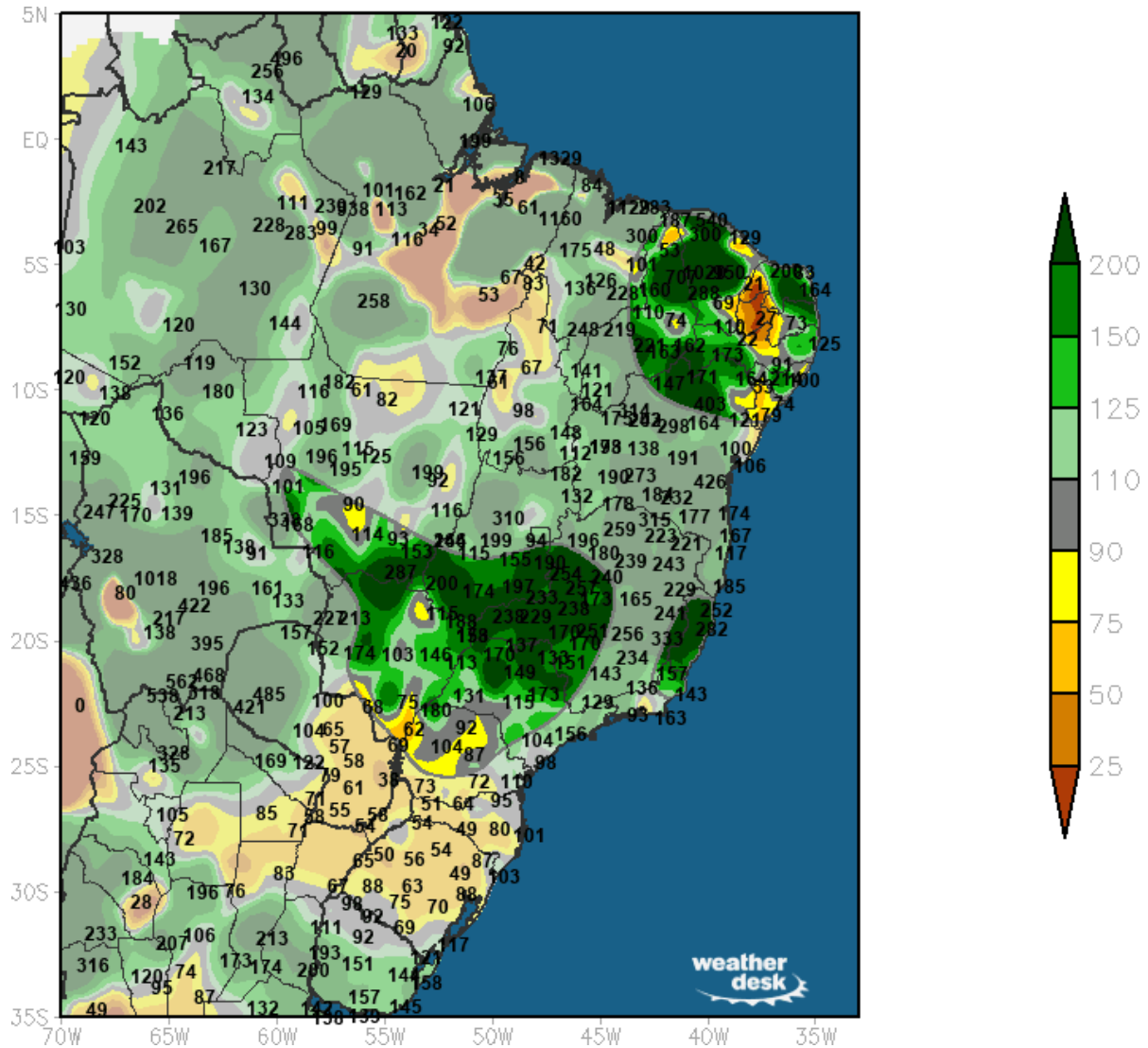
<b>EU</b>				
EU 45s containers	30	30	↑ 0.0	\$/mt ov Ldn

<b>Russia</b>				
Price in Krasnodar	565	558	↑ 7.0	\$/m3

# Sugar Weekly Report



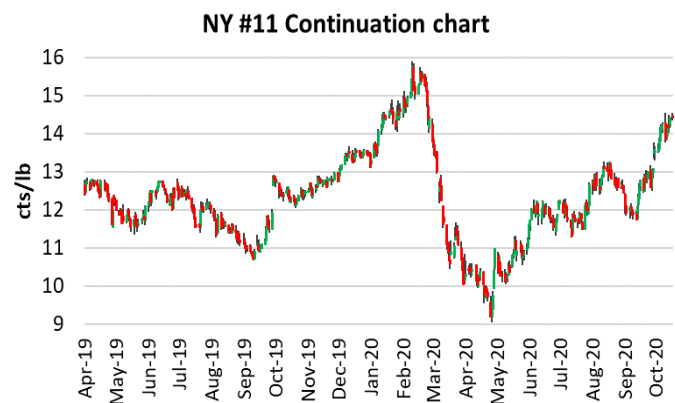
**Brazil rains 15 day forecast - % of normal rains**



# Sugar Weekly Report



- **NY Flat price:** Prices continued to strengthen last week, with March contract closing at 14.43 cts/lb, up 0.2 cts/lb week on week.
- **NY spreads:** March/May spread closed Friday at 63 points inverse, up from 50 points inverse a week earlier.
- **London market:** March/March white premium closed the week at almost \$77/mt, up from \$74/mt a week earlier.
- **COT report:** Specs increased net-longs by 24k lots and now they hold 244k lots of net-longs. Index funds increased their net-longs by 5k lots and now they hold 262k lots of net-longs. Commercials sold 29k lots net and now are holding 506k lots of net-shorts



**BULL**

- ▶ Recent heavy falls in India, caused by La Nina, will likely lead to a delay to the start of the crush as paddocks are too wet for harvesting.
- ▶ There is still no news regarding Indian sugar export subsidy.



**BEAR**

- ▶ There has been a lot of rain in CS Brazil that could mitigate the impact of the dry weather that has been experienced since April.
- ▶ There is general agreement that India will still need to export its surplus of 5-6 million mt this season.



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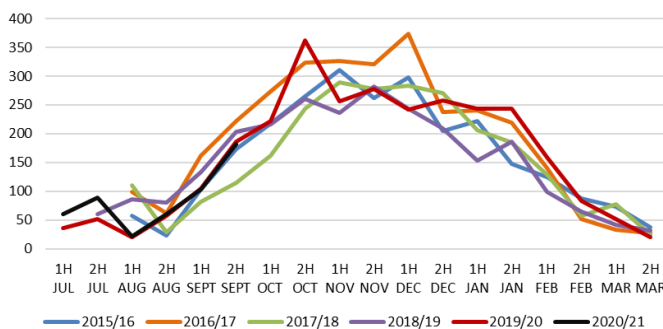


## NNE Brazil: Production Update

2H SEPT	YTD				
	2018/19	2019/20	2020/21	Var.	
Cane(kmt)	13,372	13,734	13,722	↓ -	12
Sugar (kmt)	503	419	457	↑	38
Total Ethanol	676	699	708	↑	9
ATR (kg/t of cane)	125.74	118.84	123.29	↑	4
Sugar mix (%)	31.40%	26.96%	28.36%	↑	1.4%

- By the end of September mills crushed 13.8 million mt of cane, similar to last season.
- ATR was higher than last season at 123 kg/mt.
- Sugar mix is also higher year on year so far at 28.4% vs 27% last season.
- This resulted in sugar production of 460k mt, 40k mt higher year on year.

NNE Brazil fortnight sugar production



- Total production is expected to recover to around 3.2 million mt, up from 2.9 million mt last season.

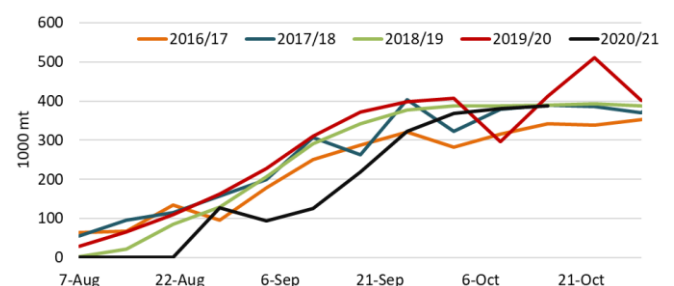
## Russia: Production Update

12-Oct	2019/20	2020/21	Var
Beet stored up	21,386	15,518	↓ - 5,868
Beet processed	18,612	13,590	↓ - 5,022
Beet in stocks	2,774	1,780	↓ - 994
Sugar produced	2,791	2,024	↓ - 767
Extr. rate	15.0	14.9	↓ - 0.1
Factories	74	66	↓ - 8

- By October 12 there were 66 beet factories operating in Russia compared with 74 last season.

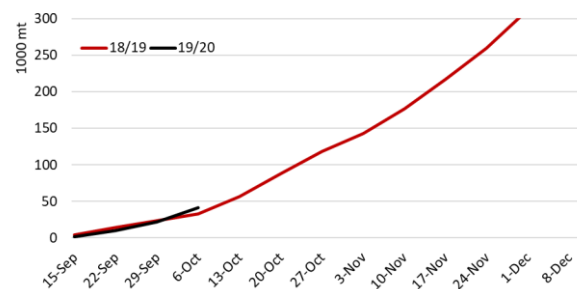
- Total beets production stood at 15.6 million mt, down 5 million mt year on year.
- Sugar production reached 2 million mt, still 770k mt lower year on year.
- Extraction rate recovered to almost 15%, similar to last season.

Weekly sugar production



## Philippines: Production Update

Cumulative sugar production



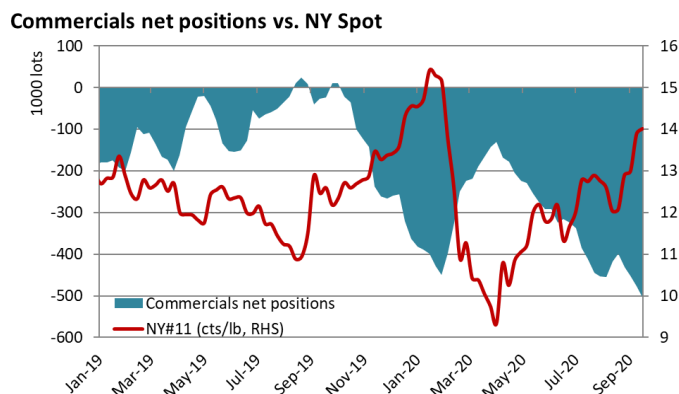
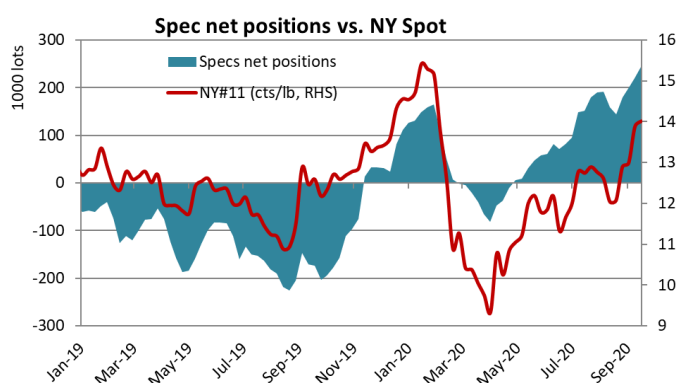
- In the Philippines new season production started in September and by beginning of October had reached 43k mt, up from 33k mt same time last season.
- Local use of sugar so far stands at 138 k mt, compared with 87k mt same time last season.
- In 2019/20 season (Sep/Aug) local consumption stood at 3.29 million mt, down from 3.37 million mt last season – a 3% drop likely caused by the covid-19.

# 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)	
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
15-09-20	12.08	143,840	246,338	102,498	255,048	-398,889	412,462	811,351	1,102,150
22-09-20	12.89	179,279	260,648	81,369	251,814	-431,092	385,237	816,329	1,108,012
29-09-20	12.99	200,904	273,892	72,988	250,619	-451,523	362,773	814,296	1,100,779
06-10-20	13.88	219,813	300,678	80,865	257,340	-477,153	303,668	780,821	1,092,191
13-10-20	14.01	244,002	321,229	77,227	262,165	-506,167	311,626	817,793	1,131,557
Lastet Change	0.13	24,189	20,551	-3,638	4,825	-29,014	7,958	36,972	39,366



## Wilmar Grower Marketing Team

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