

# Sugar Weekly Report

19 – 23 October 2020



	23-Oct-20									
	23-Oct-20	16-Oct-20	22-Sep-20	Weekly Var.	Monthly Var.	23-Oct-20	16-Oct-20	22-Sep-20	Weekly Var.	Monthly Var.
NY #11	14.72	14.43	12.89	↑ 0.29	↑	USD Index	92.75	93.72	↓ -0.98	↓ -1.23
London #5	395.6	396.0	372.0	↓ -0.4	↑	USDBZL	5.62	5.65	↓ -0.03	0.15
NY#16	27.75	27.36	26.51	↑ 0.39	↑	USDINR	73.87	73.43	↑ 0.44	0.36
Front White Premium	71.1	77.9	87.8	↓ -6.8	↓	EURUSD	1.19	1.17	↑ 0.01	0.02

## Market Situation at a Glance

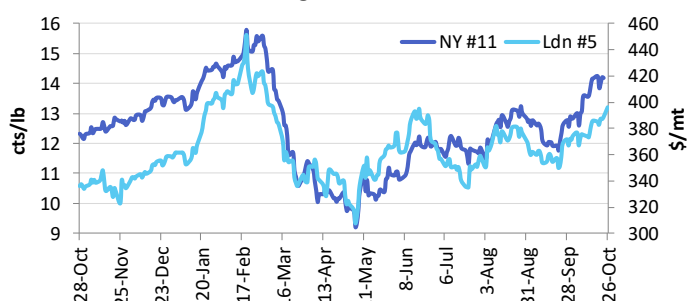
International Prices			
	23-Oct-20	16-Oct-20	Weekly Var.
<b>Sugar</b>			
NY #11	14.72	14.43	↑ 0.29 cts/lb
Front Spread	0.73	0.63	↑ 0.10 cts/lb
London #5	395.60	396.00	↓ -0.40 \$/mt
Front Spread	-2.80	1.30	↓ -4.10 \$/mt
White Premium	71.08	77.87	↓ -6.79 \$/mt
<b>USD Index</b>	92.75	93.72	↓ -0.98
USDBZL	5.62	5.65	↓ -0.03 R\$/
USDINR	73.87	73.43	↑ 0.44 RUP/\$
RUBUSD	76.22	77.82	↓ -1.60 RUB/\$
EURUSD	1.19	1.17	↑ 0.01 \$/EUR
S&P500	3,465	3,484	↓ -18.42
DJ Industrial Avg	28,364	28,494	↓ -130.54
<b>Light Crude Oil</b>	39.8	40.8	↓ -1.00 \$/Barrel
Corn	420.0	402.5	↑ 17.50 cts/Bushel
Wheat	634.5	626.5	↑ 8.00 cts/Bushel
Coffee (Arabic)	105.4	106.9	↓ -1.55 cts/lb

## Domestic Markets

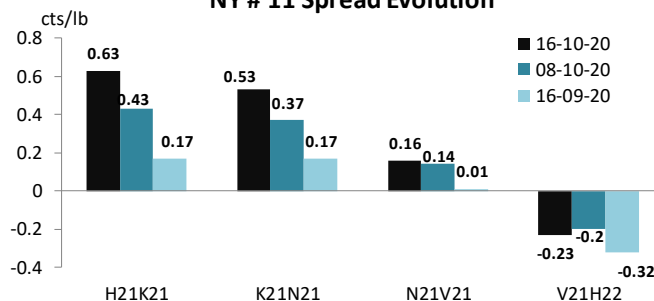
	23-Oct-20	16-Oct-20	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	82.69	81.48	↑ 1.21	R\$ cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	97.42	91.71	↑ 5.71	R\$/50kg
Esalq Sugar (US\$)	17.34	16.24	↑ 1.10	cts/lb
Hydrous Ethanol (NY#11 equiv.)	11.20	10.99	↑ 0.20	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	12.34	11.98	↑ 0.36	cts/lb
<b>Ethanol/Gasoline in S. Paolo</b>	23-Oct-20	16-Oct-20	Weekly Var.	Unit
Ethanol	2,829	2,829	↑ 0.00	R\$/l
Gasoline	4,185	4,185	↑ 0.00	R\$/l
Ethanol/Gasoline Parity	67.6%	67.6%	0%	
Anhydrous from US Parity	-65.50	-71.00	↑ 5.50	USD/M3
Anhydrous to US Parity	-111.98	-105.90	↓ -6.08	USD/M3
<b>India</b>	23-Oct-20	16-Oct-20	Weekly Var.	Unit
S-Grade (Kolhapur)*	31,060	31,225	↓ -165	RUP/mt
M-Grade (Kolkatta)*	34,381	34,619	↓ -238	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution

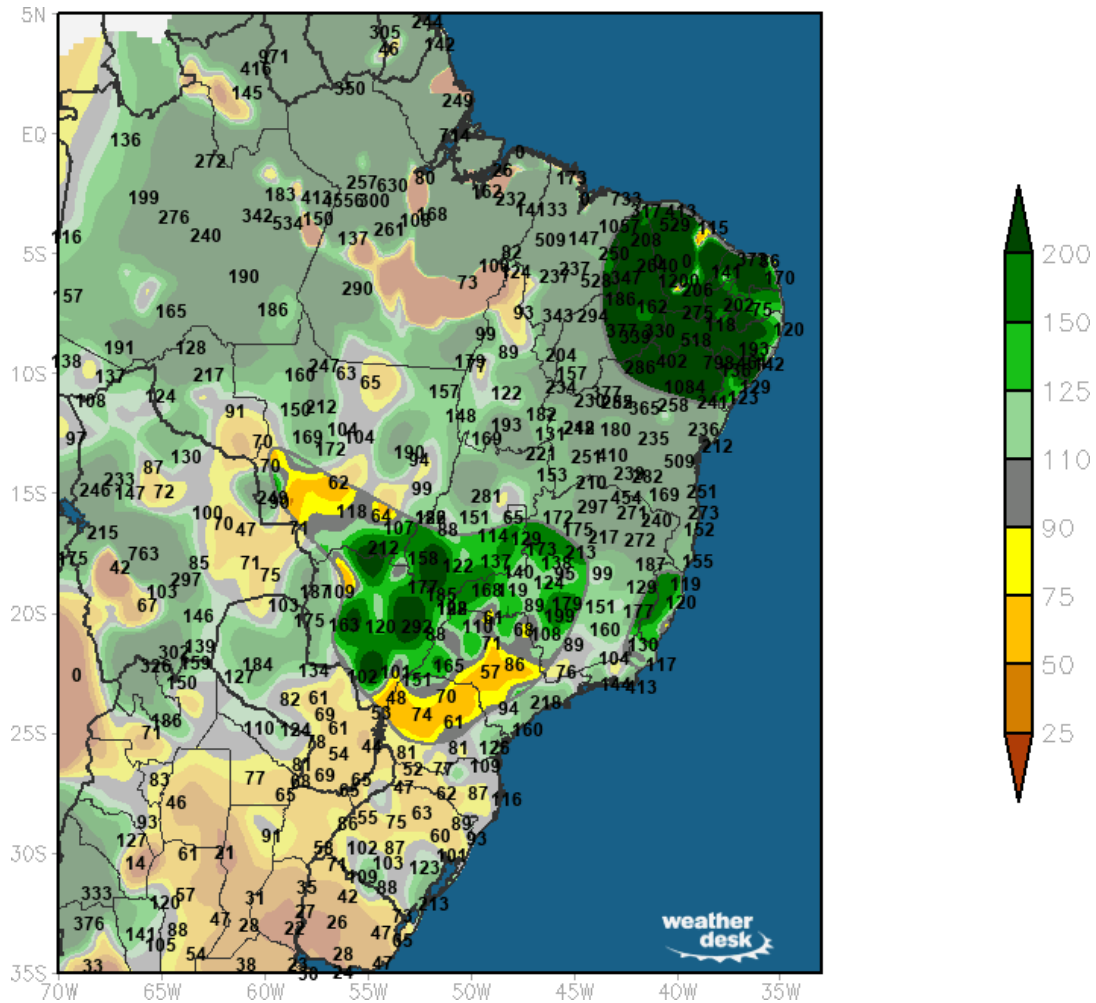


<b>China</b>	23-Oct-20	16-Oct	Weekly Var.	Unit
ZCE Front Month	5,273	5,266	↑ 7	RMB/mt
ZCE Front Spread	14	-63	↑ 77	RMB/mt
Northern Spot Cash	Rizhao 5,780	5,750	↑ 30	RMB/mt
Southern Spot Cash	Liuzhou 5,580	5,550	↑ 30	RMB/mt
<b>USA</b>	23-Oct-20	16-Oct-20		
No #16	27.75	27.36	↑ 0.39	cts/lb
#16/11 Spread	13.03	12.93	↑ 0.10	cts/lb
<b>EU</b>				
EU 45s containers	40	30	↑ 10.0	\$/mt ov Ldn
<b>Russia</b>				
Price in Krasnodar	570	565	↑ 5.0	\$/m3

# Sugar Weekly Report



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



# Sugar Weekly Report



- **NY Flat price:** Prices were heading further towards 15 cts/lb, reaching the highs of 14.94 cts/lb, closing the week at 14.72 cts/lb, up from 14.43 cts/lb a week earlier.
- **NY spreads:** March/May spread closed Friday at 73 points inverse, up 10 points week on week.
- **London market:** March/March white premium lost \$3/mt for ma week earlier, closing at \$74/mt.
- **COT report:** Specs increased net-longs by 8k lots and now they hold 252k lots of net-longs. Index funds increased their net-longs by 6k lots and now they hold 268k lots of net-longs. Commercials sold 14k lots net and now are holding 520k lots of net-shorts.



**BULL**

- ▶ Last week rains were again above average across India with the Karnataka and Maharashtra regions receiving a large portion of the rainfall.
- ▶ The line-up from CS Brazil to China is currently sitting at around 1.2 million mt.
- ▶ CIS demand for raws has increased and it is expected to increase further if Russia introduces low-rate import quota.



**BEAR**

- ▶ UNICA is expected to release that production for the 1H of October is around 2.6 million mt, up 700k mt year on year.
- ▶ In Thailand good rain in October, may lead to increased agricultural yields this season.
- ▶ The subsidy from India is still expected, however so far there is no indication on timing.



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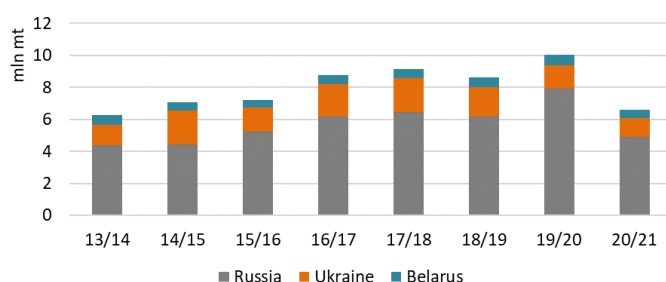


## Russia: Production Update

19-Oct	2019/20	2020/21	Var
Beet stored up	24,798	18,162	↓ - 6,636
Beet processed	21,198	15,782	↓ - 5,416
Beet in stocks	3,601	2,160	↓ - 1,442
Sugar produced	3,187	2,389	↓ - 797
Extr. rate	15.0	15.1	↑ 0.1
Factories	74	62	↓ - 12

- ▶ By October 19, there were 60 factories operating in Russia compared with 74 last season.
- ▶ Beet processing stood at 15.8 million mt, down 5 million mt year on year.
- ▶ Sugar production is 800k mt down year on year at 2.4 million mt.
- ▶ Final production would be around 5 million mt, down from 7.9 last year.
- ▶ In Belarus by the 19<sup>th</sup> October, 55% of total acreage was harvested – or 45.5k ha.
- ▶ Total acreage this season stands at 82.5k ha, down from 93k ha last season.
- ▶ Sugar production by the same date reached 150k mt from 1.4 million mt of beets; extraction rate was low at 11.3%.
- ▶ Production in Belarus in 20/21 season would be around 500k mt, down from 680k mt last season.

Russia, Ukraine and Belarus production

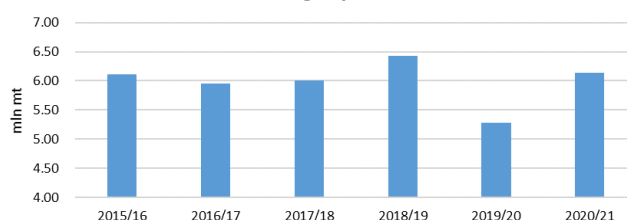


## Mexico: Government Estimate Production

Mexican crush update	2018/19	2019/20	2020/21	y-o-y
Harvest (Ha)	802	784	811	↑ 28
Cane yield (Mt/Ha)	71.1	62.9	67.18	↑ 4
Crushing cane (Mt)	57,038	49,281	54,493	↑ 5,212
Sugar (Mt)	6,426	5,278	6,141	↑ 863
Sugar extraction (%)	11.27%	10.71%	11.27%	↑ 0.6%

- ▶ Conadesuca issued the first estimation for sugar production in 2020/21 season: forecasting harvested area to be at 811k ha, compared with 784k ha last season.
- ▶ The agricultural yields are expected to raise to 67.2 mt/ha, up from 63 mt/ha last year.
- ▶ Industrial yields are expected to recover to normal levels as well – 11.27 % vs 10.7% last season.
- ▶ Sugar production is forecasted to reach 6.14 million mt, up from 5.3 last season.
- ▶ There is a possibility of Mexican exports to the world market to hit 500k mt again if the forecasted production is achieved.
- ▶ On the consumption side, in 19/20 domestic consumption was at 4.1 million mt, unchanged year on year.
- ▶ This season there is an introduction of food labeling in the supermarkets, which might negatively impact sugar consumption (i.e. in Chile it contributed to 20% decrease when it was introduced).

Mexican sugar production

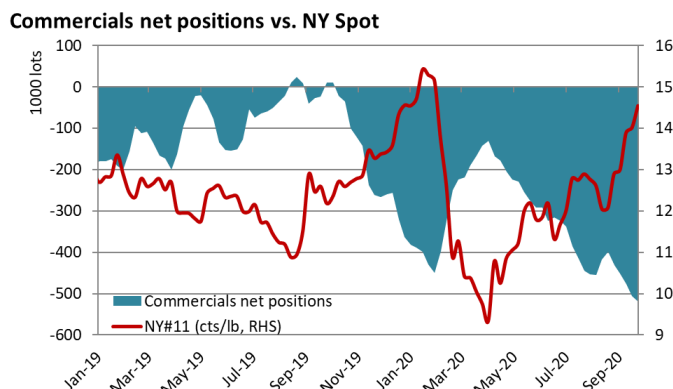
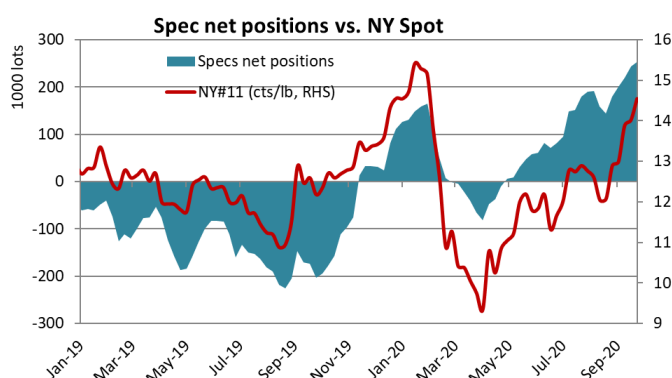


# Sugar Weekly Report



## 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)	
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
20-10-20	14.54	251,975	334,580	82,605	267,851	-519,826	323,546	843,372	1,167,652
Lastet Change	0.53	7,973	13,351	5,378	5,686	-13,659	11,920	25,579	36,095



## Wilmar Grower Marketing Team

**PJ Gileppa** (07) 4722 1924 | 0437 297 978

**Yolanda Hansen** (07) 4722 1956 | 0439 002 240

**Franco Zaini** (07) 4722 1954 | 0419 476 770

**Angus McKerrow** 0419 238 536

**Shirley Norris** 0437 803 019

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