

Sugar Weekly Report

September 28 – October 2 2020



	2-Oct-20									
	2-Oct-20	25-Sep-20	1-Sep-20	Weekly Var.	Monthly Var.	2-Oct-20	25-Sep-20	1-Sep-20	Weekly Var.	Monthly Var.
NY #11	13.55	13.00	12.58	↑ 0.55	↑	USD Index	93.81	94.58	↓ -0.77	↑ 1.50
London #5	373.7	376.5	362.5	↓ -2.8	↑	USDBZL	5.69	5.56	↑ 0.13	0.29
NY#16	26.86	26.40	27.00	↑ 0.46	↓	USDINR	73.35	73.71	↓ -0.36	0.34
Front White Premium	75.0	89.9	85.2	↓ -14.9	↓	EURUSD	1.17	1.16	↑ 0.01	↓ -0.02

Market Situation at a Glance

International Prices

	2-Oct-20	25-Sep-20	Weekly Var.
Sugar			
NY #11	13.55	13.00	↑ 0.55 cts/lb
Front Spread	0.28	0.25	↑ 0.03 cts/lb
London #5	373.70	376.50	↓ -2.80 \$/mt
Front Spread	-0.50	0.00	↓ -0.50 \$/mt
White Premium	74.97	89.90	↓ -14.93 \$/mt
USD Index	93.81	94.58	↓ -0.77
USDBZL	5.69	5.56	↑ 0.13 R\$/
USDINR	73.35	73.71	↓ -0.36 RUP/\$
RUBUSD	78.17	78.10	↑ 0.07 RUB/\$
EURUSD	1.17	1.16	↑ 0.01 \$/EUR
S&P500	3,348	3,298	↑ 49.98
DJ Industrial Avg	27,817	26,815	↑ 1,001.46
Light Crude Oil	37.0	40.0	↓ -3.03 \$/Barrel
Corn	379.5	365.0	↑ 14.50 cts/Bushel
Wheat	573.3	544.0	↑ 29.25 cts/Bushel
Coffee (Arabic)	109.4	114.2	↓ -4.80 cts/lb

Domestic Markets

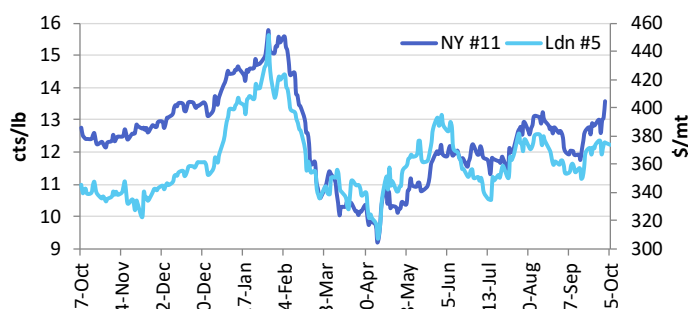
	2-Oct-20	25-Sep-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	77.05	72.29	↑ 4.75	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	89.52	88.03	↑ 1.49	R\$/50kg
Esalq Sugar (US\$)	15.74	15.83	↓ -0.09	cts/lb
Hydrous Ethanol (NY#11 equiv.)	10.20	10.24	↓ -0.05	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	11.23	11.19	↑ 0.04	cts/lb

	2-Oct-20	25-Sep-20	Weekly Var.	Unit
Ethanol/Gasoline in S. Paolo				
Anhydrous from US Parity	-90.82	-91.72	↑ 0.90	USD/M3
Anhydrous to US Parity	-85.07	-84.89	↓ -0.18	USD/M3

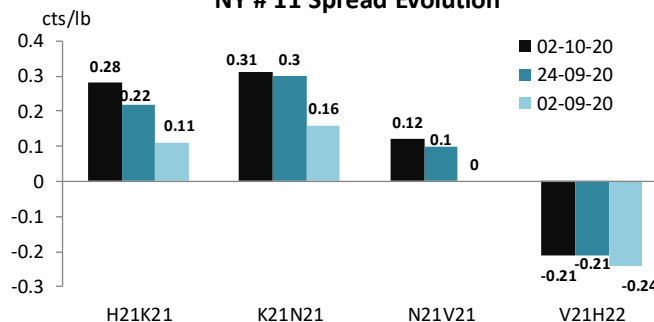
	2-Oct-20	25-Sep-20	Weekly Var.	Unit
India				
S-Grade (Kolhapur)*	31,500	31,669	↓ -169	RUP/mt
M-Grade (Kolkatta)*	34,476	35,000	↓ -524	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



	2-Oct-20	25-Sep	Weekly Var.	Unit
China				
ZCE Front Month	5,186	5,231	↓ -45	RMB/mt
ZCE Front Spread	-75	2	↓ -77	RMB/mt
Northern Spot Cash	Rizhao 5,750	5,750	↑ 0	RMB/mt
Southern Spot Cash	Liuzhou 5,620	5,620	↑ 0	RMB/mt

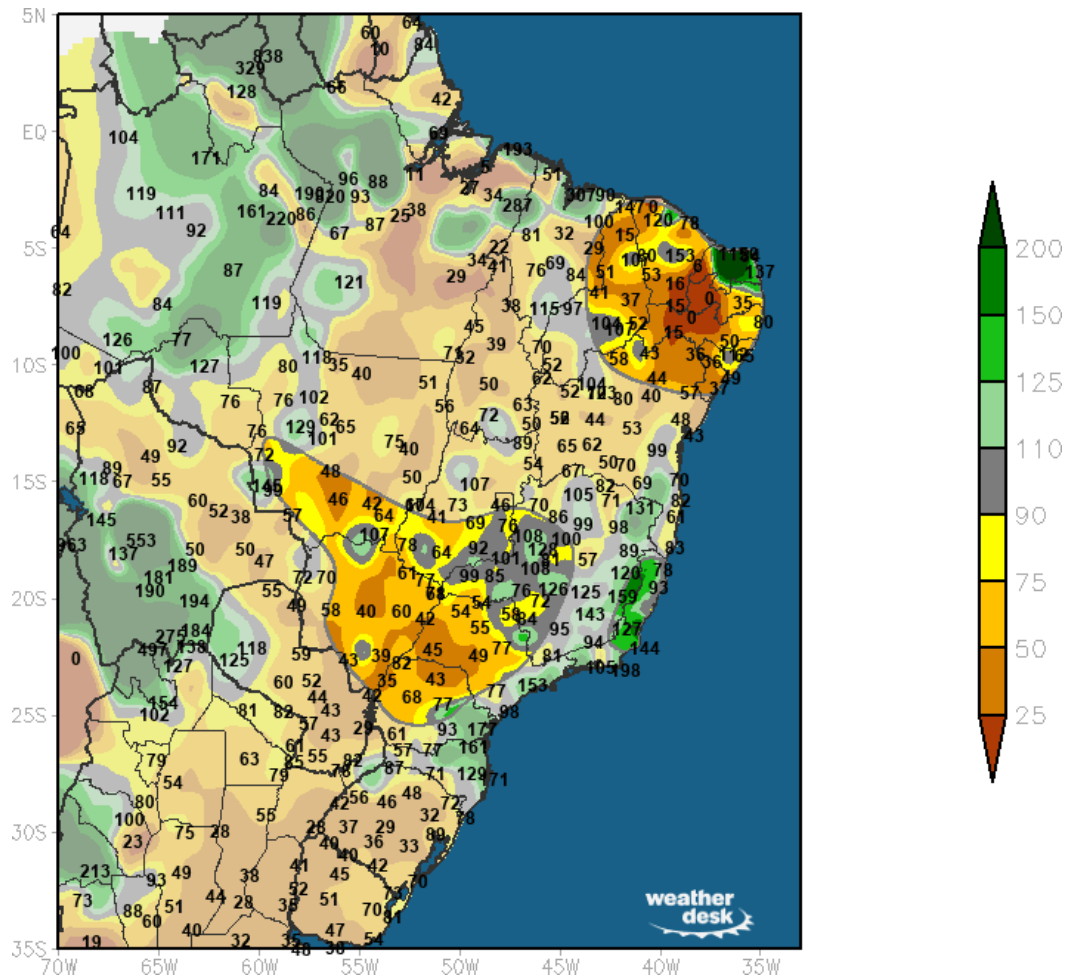
	2-Oct-20	25-Sep-20	Weekly Var.	Unit
EU				
EU 45s containers	30	30	↑ 0.0	\$/mt ov Ldn

	2-Oct-20	25-Sep-20	Weekly Var.	Unit
Russia				
Price in Krasnodar	544	496	↑ 47.5	\$/m3

Sugar Weekly Report



Brazil rains 15 day forecast - % of normal rains



Sugar Weekly Report



- **NY Flat price:** March contract closed the week at 13.55 cts/lb, up from 13.51 cts/lb a week before.

- **NY spreads:** March/May spread strengthened to 30 points inverse last week, up from 25 points inverse a week earlier.

- **London market:** March/March white premium closed the week lower at \$75.5/mt vs \$78.7/mt last year.

- **COT report:** Specs increased net-longs by 21.6k lots and now they hold 201k lots of net-longs. Index funds reduced their net-longs by 1k lots and now they hold 251k lots of net-longs. Commercials increased net-shorts by 20.4k lots to 452k lots.

NY #11 Continuation chart



BULL

- ▶ La Nina was officially declared globally, meaning there are weather risks for the coming seasons.
- ▶ Russian production could fall below 5 million mt. Belarus production would be around 100-150k mt lower than last season.
- ▶ The Indian subsidy has yet to be issued for the season.



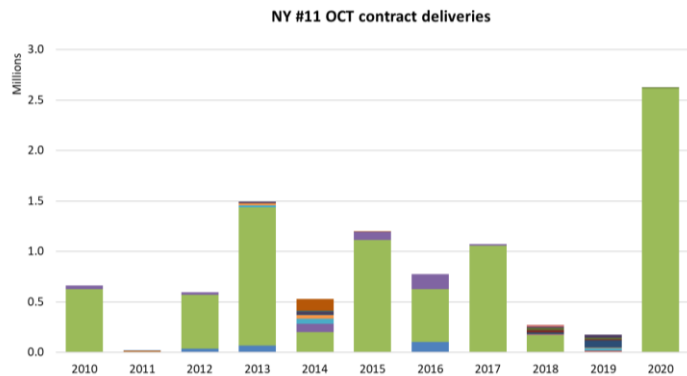
BEAR

- ▶ Monsoon rains in India have been good so far this year and production is set for a new record.
- ▶ Pakistan put out tenders last week for 50k mt that were not awarded, suggesting the demand will not remain strong.

Sugar Weekly Report



NY #11: October contract expiry



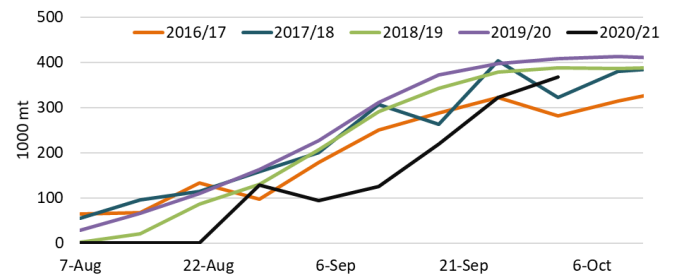
- ▶ October contract expired at 13.07 cts/lb, and October/March spread went off board at 44 points carry.
- ▶ The expiry came in with record delivery of 2.6 million mt: most of the sugar in the ports of CS Brazil – Santos and Paranagua and 4k mt delivered in Mexico as well as in Argentina.
- ▶ Wilmar was a receiver of 1.3 million mt of sugar along with 2 other receivers.

Russia: Production Update

28-Sep	2019/20	2020/21	Var
Beet stored up	15,230	9,943	↓ - 5,287
Beet processed	13,392	8,869	↓ - 4,523
Beet in stocks	1,840	986	↓ - 853
Sugar produced	1,964	1,256	↓ - 708
Extr. rate	14.7	14.2	↓ - 0.5
Factories	72	68	↓ - 4

- ▶ By 28 of September 68 factories were operating in Russia, compared with 72 factories same time last season.
- ▶ Sugar beet processed was at 10 million mt, 5.3 million mt down from last season.
- ▶ Sugar production was at 1.26 million mt, vs almost 2 million mt last season.
- ▶ Industrial yields were lower at 14.2% vs 14.7% same time last year.

Weekly sugar production



- ▶ Harvesting has been completed on 46% of the total acreage – 427.4k ha were harvested.
- ▶ Beet output reached 15.3 million mt with beet yields at 35.8 mt/ha, down from 45.8 m/ha last season.
- ▶ There is a downside to the production estimate of 4.7 million mt.

Belarus: Production Update

- ▶ Harvesting in Belarus stood at 22.7k ha (27.6% of total area) vs 36.7k same time last season.
- ▶ Agricultural yields stood at 45.5 mt/ha vs 46.1 mt/ha last season.
- ▶ Beet factories processed 0.5 million mt of beets and produced 46k mt of sugar.
- ▶ Total production this season would reach 500-550k mt, down from 680k mt last season.

Australia: Production Update

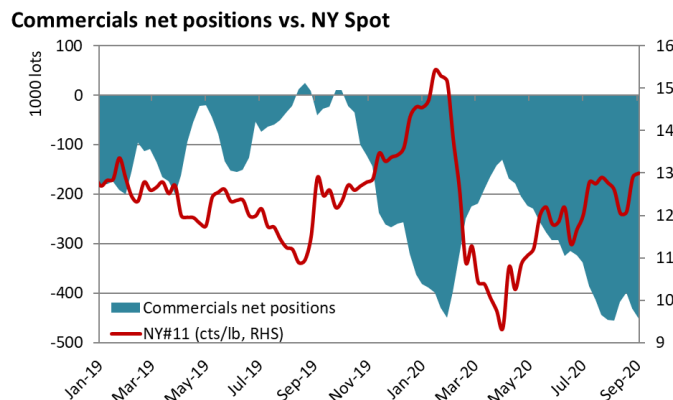
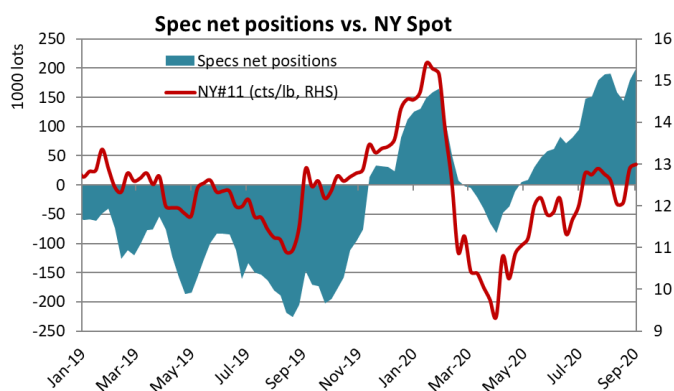
Cumulative crushing - Australia			
21-Sep	2019	2020	Δ
Cane crushed (000 Mt)	20,232	19,080	↓ -1,152
CCS(%)	13.2%	12.9%	↓ -0.3%
Sugar (000 Mt)	2,668	2,456	↓ - 212

- ▶ Cane crushing in Australia reached 19 million mt by September 21, down 1.2 million mt year on year.
- ▶ Sugar production reached 2.5 million mt, down 212k mt year on year so far.



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
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
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
Lastet Change	0.10	21,625	13,244	-8,381	-1,195	-20,431	-22,464	-2,033	-7,233



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