

Sugar Weekly Report

2 - 6 November 2020



	6-Nov-20						6-Nov-20				
	6-Nov-20	30-Oct-20	6-Oct-20	Weekly Var.	Monthly Var.		6-Nov-20	30-Oct-20	6-Oct-20	Weekly Var.	Monthly Var.
NY #11	14.91	14.36	13.88	↑ 0.55	↑	USD Index	92.24	93.88	93.85	↓ -1.65	↓ -1.61
London #5	400.3	390.5	378.9	↑ 9.8	↑	USDBZL	5.36	5.74	5.59	↓ -0.38	↓ -0.23
NY#16	29.60	28.06	26.65	↑ 1.54	↑	USDINR	73.97	74.54	73.40	↓ -0.57	0.57
Front White Premium	71.6	73.9	72.9	↓ -2.3	↓	EURUSD	1.19	1.16	1.17	↑ 0.02	0.01

Market Situation at a Glance

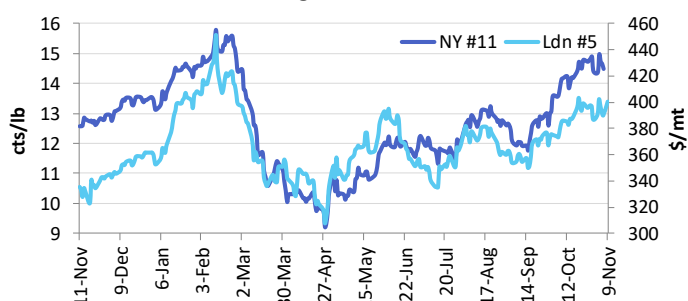
International Prices			
	6-Nov-20	30-Oct-20	Weekly Var.
Sugar			
NY #11	14.91	14.36	↑ 0.55 cts/lb
Front Spread	0.78	0.97	↓ -0.19 cts/lb
London #5	400.30	390.50	↑ 9.80 \$/mt
Front Spread	-3.10	-0.60	↓ -2.50 \$/mt
White Premium	71.59	73.92	↓ -2.33 \$/mt
USD Index	92.24	93.88	↓ -1.65
USDBZL	5.36	5.74	↓ -0.38 R\$/
USDINR	73.97	74.54	↓ -0.57 RUP/\$
RUBUSD	77.22	79.40	↓ -2.17 RUB/\$
EURUSD	1.19	1.16	↑ 0.02 \$/EUR
S&P500	3,509	3,270	↑ 239.48
DJ Industrial Avg	28,390	26,659	↑ 1,731.07
Light Crude Oil	37.5	35.7	↑ 1.77 \$/Barrel
Corn	406.0	397.5	↑ 8.50 cts/Bushel
Wheat	601.8	598.5	↑ 3.25 cts/Bushel
Coffee (Arabic)	107.3	104.4	↑ 2.85 cts/lb

Domestic Markets

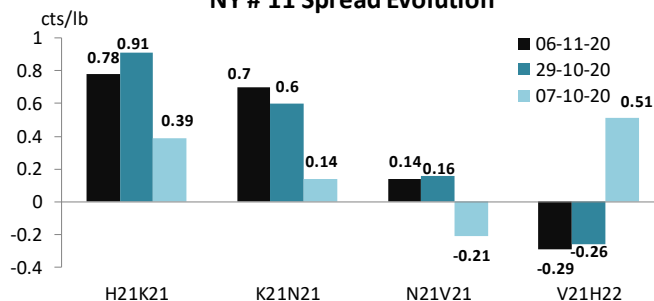
	6-Nov-20	30-Oct-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	79.99	82.47	↓ -2.48	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	103.21	100.91	↑ 2.30	R\$/50kg
Esalq Sugar (US\$)	19.24	17.57	↑ 1.67	cts/lb
Hydrous Ethanol (NY#11 equiv.)	11.75	11.02	↑ 0.73	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	13.01	12.29	↑ 0.72	cts/lb
Ethanol/Gasoline in S. Paolo				
Ethanol	2,907	2,829	↑ 78.00	R\$/l
Gasoline	4,216	4,185	↑ 31.00	R\$/l
Ethanol/Gasoline Parity	69.0%	67.6%	↑ 1%	
Anhydrous from US Parity	-41.60	-66.75	↑ 25.16	USD/M3
Anhydrous to US Parity	-138.16	-109.93	↓ -28.22	USD/M3
India				
S-Grade (Kolhapur)*	31,025	31,084	↓ -59	RUP/mt
M-Grade (Kolkatta)*	34,953	35,143	↓ -190	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution

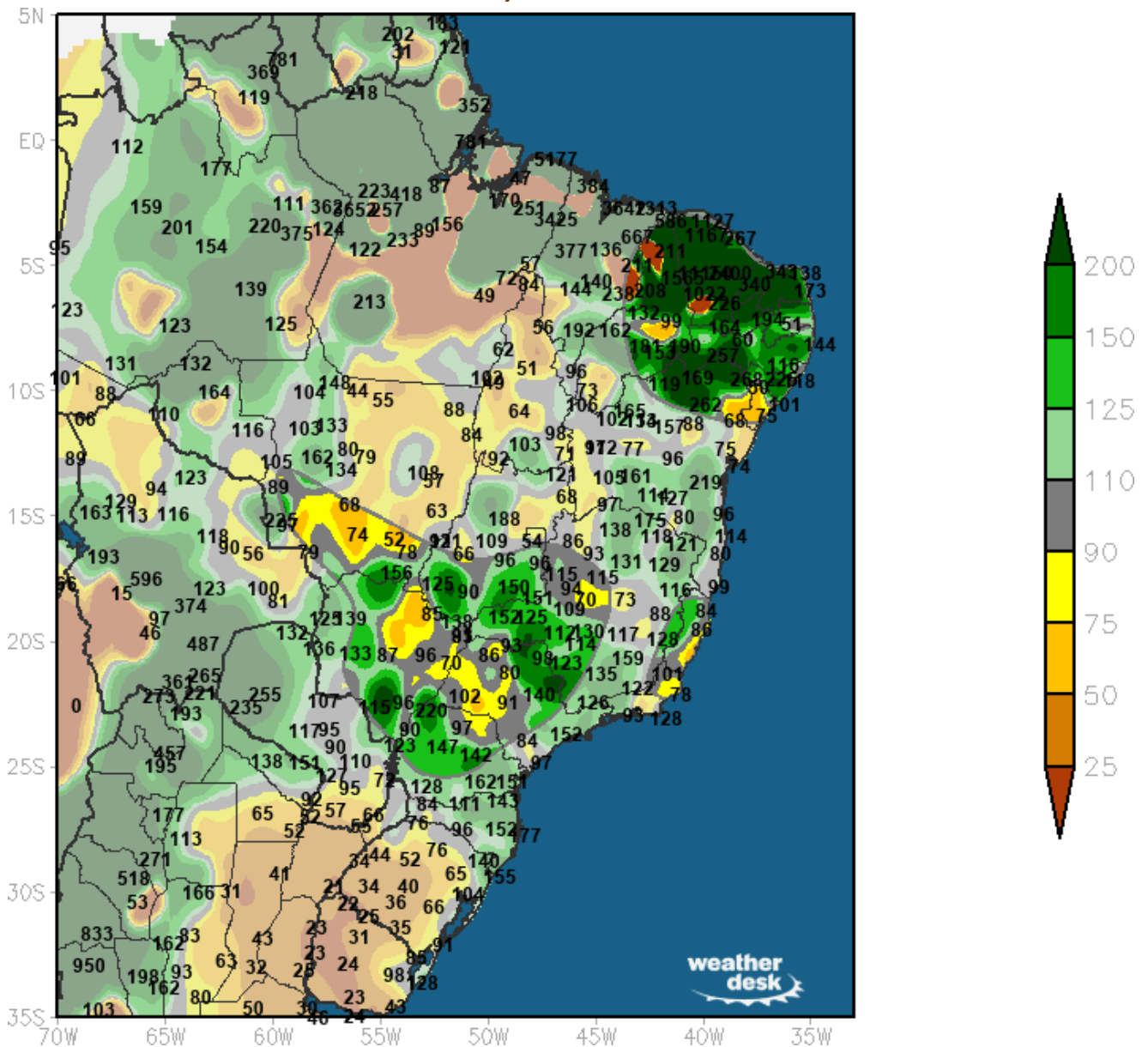


China				
ZCE Front Month	6-Nov-20	30-Oct	Weekly Var.	Unit
	5,126	5,213	↓ -87	RMB/mt
ZCE Front Spread	-11	7	↓ -18	RMB/mt
Northern Spot Cash	Rizhao	5,780	5,780	0 RMB/mt
Southern Spot Cash	Liuzhou	5,470	5,470	0 RMB/mt
USA				
No #16	6-Nov-20	30-Oct-20		
	29.60	28.06	↑ 1.54	cts/lb
#16/11 Spread	14.69	13.70	↑ 0.99	cts/lb
EU				
EU 45s containers	40	40	↑ 0.0	\$/mt ov Ldn
Russia				
Price in Krasnodar	548	560	↓ -12.0	\$/m3

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Brazil rains 15 day forecast - % of normal rains



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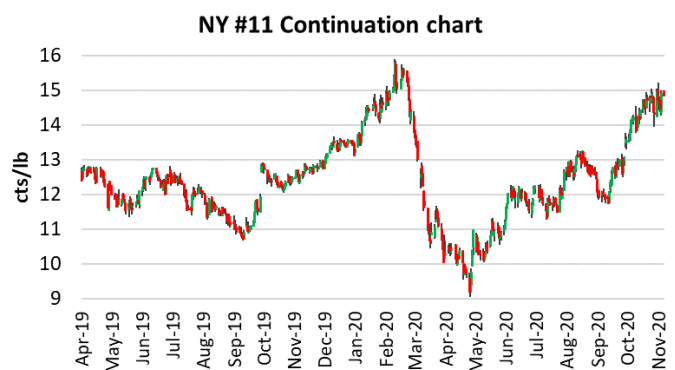


- **NY Flat price:** Prices tested 15 cts/lb again, but failed to stay above, closing the week at 14.91 cts/lb on March contract.

- **NY spreads:** March/May spread closed Friday at 78 points inverse, down from 97 points inverse last week and lower than the highs of 109 points inverse beginning of the week.

- **London market:** March/March white premium closed the week unchanged at almost \$75/mt.

- **COT report:** Specs reduced net-longs by 17k lots and now hold 245k lots of net-longs. Index funds positions remained unchanged week on week - they hold 273k lots of net-longs. Commercials bought net 16k lots and now they are holding 519k lots of net-shorts.



BULL

- Indonesia might issue import licenses for 1H of 2020 in the coming month.

- In October rains in CS Brazil were below average; some regions of Sao Paulo received only 30-40% of normal rains – this is likely caused by La Nina.



BEAR

- Production in The Philippines is going well and they won't need to import this season.

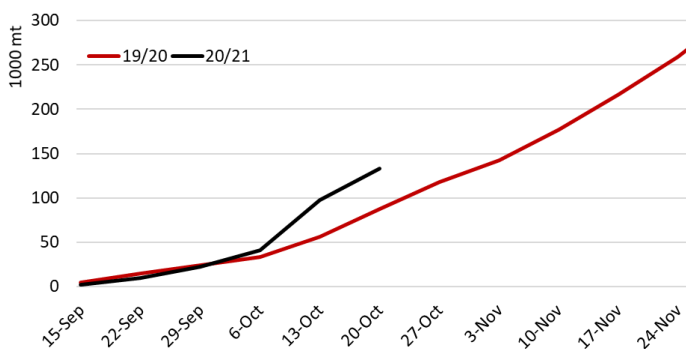
- Production in India has started and by 1 November 149 mills were operating as opposed to 39 mills at the same time last season. 425k mt of sugar was produced which is up from 100k last year.

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Philippines: Production Update

Cumulative sugar production



- From September to 25 October The Philippines produced 132k mt of sugar, up from 88k mt last season.
- Total production this year is expected to recover to 2.3-2.4 million mt, up from 2.1 the last 2 seasons due to better yields.
- On the domestic consumption side, so far since September 230k mt were consumed, up from 171k mt last season. Consumption seems to be recovering from the drop due to Covid 19 in the earlier months this year.

Australia: Production Update

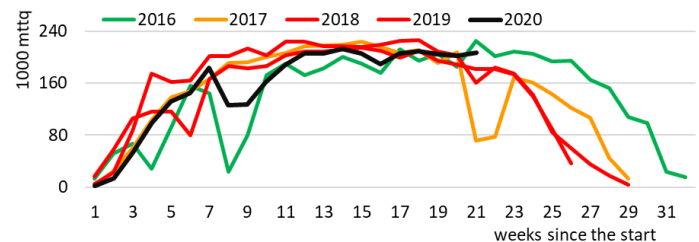
Cumulative crushing - Australia

01-Nov	2019	2020	Δ
Cane crushed (000 Mt)	26,864	26,207	↓ - 657
CCS(%)	13.5%	13.2%	↓ - 0.3%
Sugar (000 Mt)	3,626	3,460	↓ - 166

- By the beginning of November Australia crushed 26.2 million mt of cane, similar to last season.
- Sugar production reached 3.5 million mt, 170k mt down year on year.
- Industrial yields recovered to 13.2%, slightly down year on year.

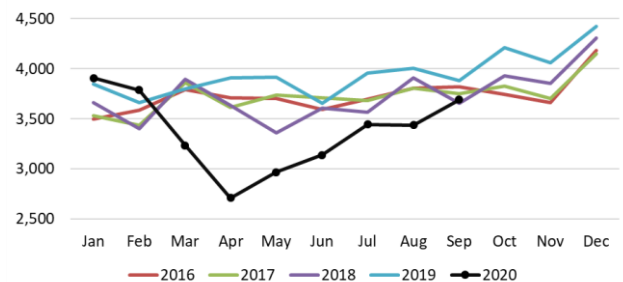
- Total production would reach around 4.1 million mt, similar to last season.

Weekly sugar production



CS Brazil: Fuel Consumption Update

Fuel consumption in CS States



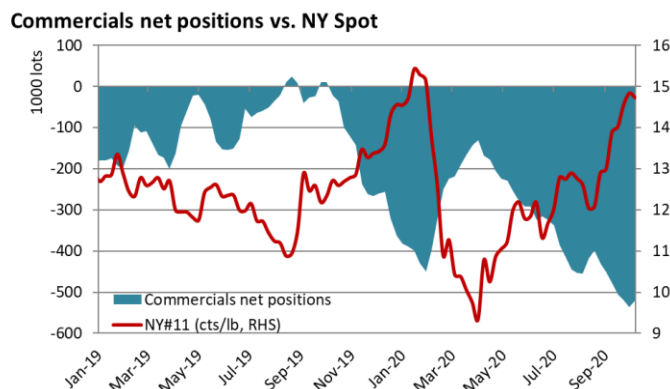
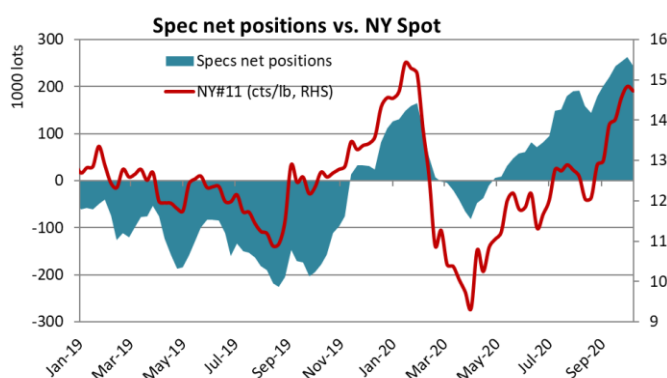
- The latest data from Brazil showed that in September fuel consumption recovered compared with August: it was only 5% down year on year; while in August it was 14% down year on year.
- Cumulative consumption of gasoline and ethanol was 12% down year on year.
- On the hydrous side, use in fuels stood at 1.56 million m³ in September, or 10% down year on year.
- On a cumulative basis hydrous sale for fuel use were 16% down year on year, losing more than total fuels, as consumers were choosing gasoline in favor of hydrous due to the price difference.
- In October we expect a fuel consumption to recover even further and be slightly down from last year (2% down).

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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)	
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
27-10-20	14.83	262,579	348,799	86,220	273,116	-535,695	330,455	866,150	1,206,727
03-11-20	14.72	245,373	329,976	84,603	273,561	-518,933	351,920	870,853	1,212,101
Lastet Change	-0.11	-17,206	-18,823	-1,617	445	16,762	21,465	4,703	5,374



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