

Sugar Weekly Report

30 November – 4 December 2020



	4-Dec-20						4-Dec-20				
	4-Dec-20	27-Nov-20	3-Nov-20	Weekly Var.	Monthly Var.		4-Dec-20	27-Nov-20	3-Nov-20	Weekly Var.	Monthly Var.
NY #11	14.44	14.82	14.72	↓ -0.38	↓	USD Index	90.81	91.78	93.34	↓ -0.98	↓ -2.54
London #5	397.3	405.5	396.8	↓ -8.2	↑	USDBZL	5.16	5.34	5.76	↓ -0.19	↓ -0.60
NY#16	28.25	29.40	28.36	↓ -1.15	↓	USDINR	73.76	73.92	74.60	↓ -0.16	↓ -0.84
Front White Premium	79.0	78.8	72.3	↑ 0.2	↑	EURUSD	1.21	1.20	1.17	↑ 0.02	↑ 0.04

Market Situation at a Glance

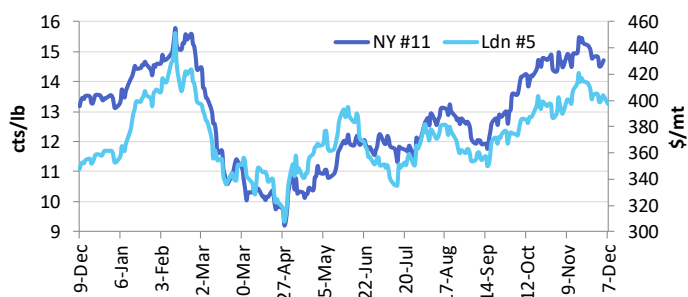
International Prices			
	4-Dec-20	27-Nov-20	Weekly Var.
Sugar			
NY #11	14.44	14.82	↓ -0.38 cts/lb
Front Spread	0.60	0.80	↓ -0.20 cts/lb
London #5	397.30	405.50	↓ -8.20 \$/mt
Front Spread	4.80	7.10	↓ -2.30 \$/mt
White Premium	78.95	78.78	↑ 0.18 \$/mt
USD Index	90.81	91.78	↓ -0.98
USDBZL	5.16	5.34	↓ -0.19 R\$/
USDINR	73.76	73.92	↓ -0.16 RUP/\$
RUBUSD	74.19	75.96	↓ -1.77 RUB/\$
EURUSD	1.21	1.20	↑ 0.02 \$/EUR
S&P500	3,699	3,638	↑ 60.77
DJ Industrial Avg	29,970	-	↑ 29,969.52
Light Crude Oil	46.1	45.5	↑ 0.57 \$/Barrel
Corn	417.0	426.3	↓ -9.25 cts/Bushel
Wheat	566.5	595.8	↓ -29.25 cts/Bushel
Coffee (Arabic)	115.4	121.7	↓ -6.35 cts/lb

Domestic Markets

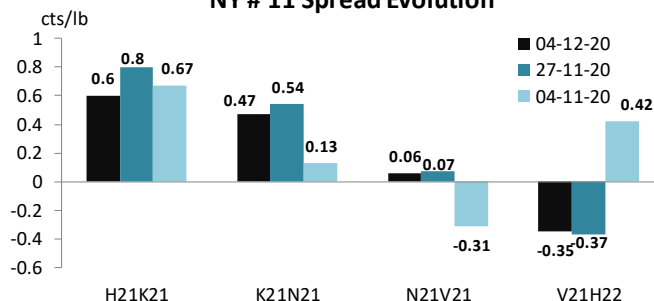
	4-Dec-20	27-Nov-20	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	74.45	79.20	↓ -4.75	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	110.28	109.89	↑ 0.39	R\$/50kg
Esalq Sugar (US\$)	21.39	20.56	↑ 0.83	cts/lb
Hydrous Ethanol (NY#11 equiv.)	12.30	11.88	↑ 0.42	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	13.60	13.14	↑ 0.46	cts/lb
Ethanol/Gasoline in S. Paolo				
Ethanol	3,006	2,985	↑ 21.00	R\$/l
Gasoline	4,212	4,193	↑ 19.00	R\$/l
Ethanol/Gasoline Parity	71.4%	71.2%	↑ 0%	
Anhydrous from US Parity	21.59	-30.19	↑ 51.78	USD/M3
Anhydrous to US Parity	-203.02	-149.78	↓ -53.25	USD/M3
India				
S-Grade (Kolhapur)*	31,000	31,067	↓ -67	RUP/mt
M-Grade (Kolkatta)*	34,572	34,572	0	RUP/mt

* price does not include GST of 5%

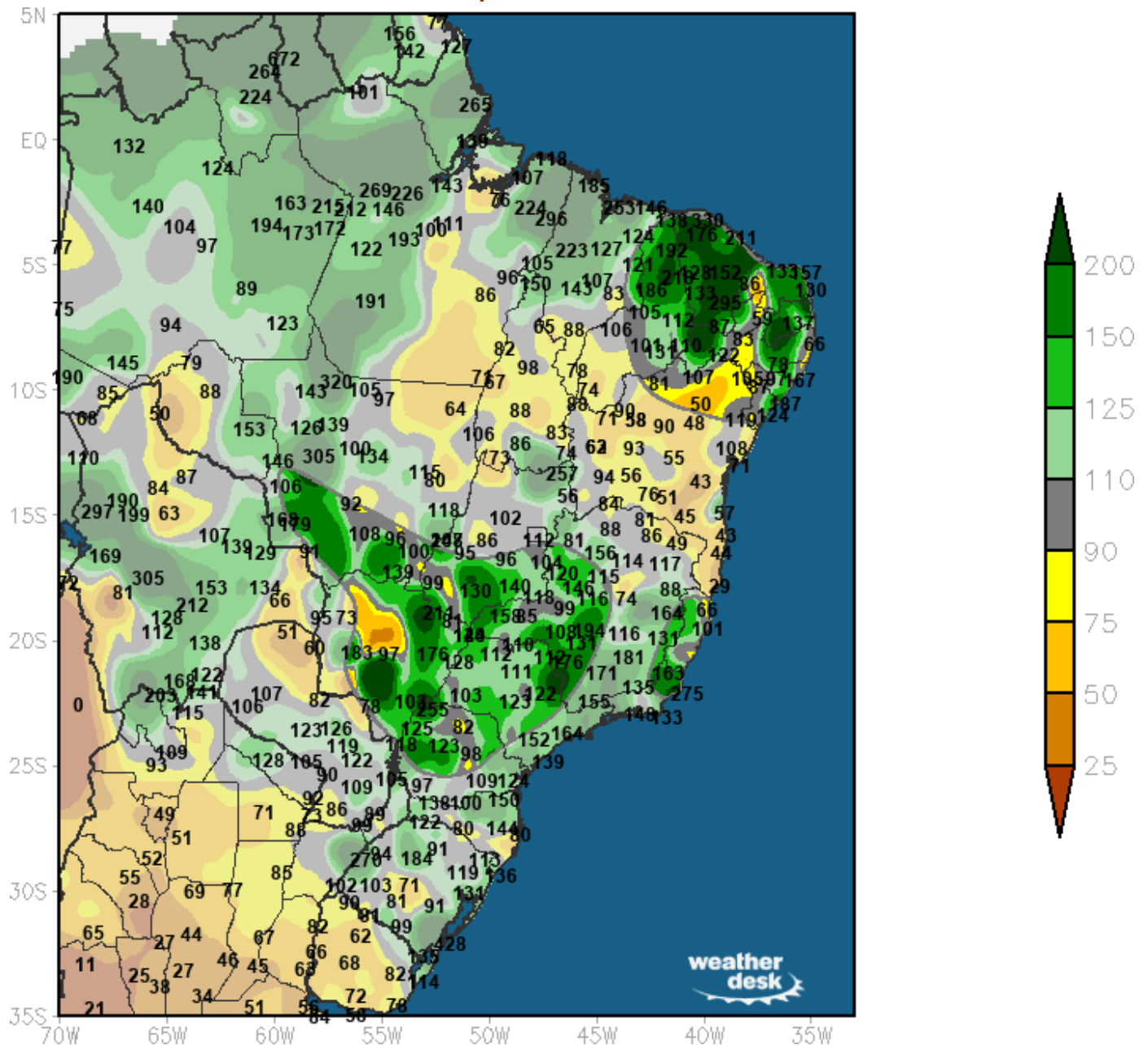
Sugar Market



NY # 11 Spread Evolution



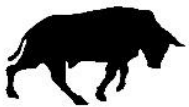
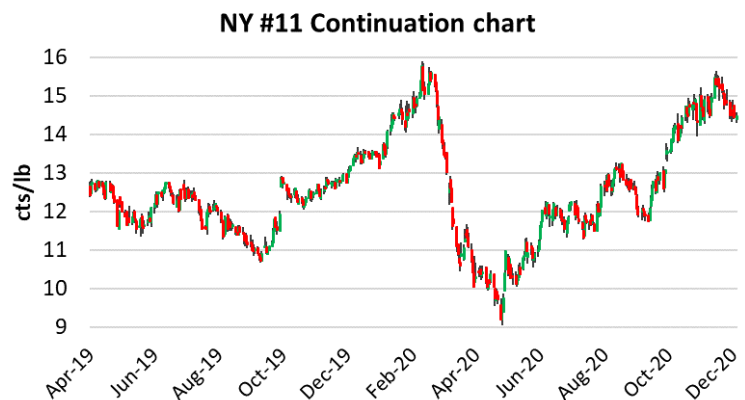
China			
	4-Dec-20	27-Nov-20	Weekly Var. Unit
ZCE Front Month	5,039	5,121	↓ -82 RMB/mt
ZCE Front Spread	0	33	↓ -33 RMB/mt
Northern Spot Cash	Rizhao 5,325	5,350	↓ -25 RMB/mt
Southern Spot Cash	Liuzhou 5,145	5,230	↓ -85 RMB/mt
USA			
No #16	28.25	29.40	↓ -1.15 cts/lb
#16/11 Spread	13.81	14.58	↓ -0.77 cts/lb
EU			
EU 45s containers	40	40	↑ 0.0 \$/mt ov Ldn
Russia			
Price in Krasnodar	539	543	↓ -4.8 \$/m3



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- **NY Flat price:** Prices continued to fall lower last week; March contract reached the lows of 14.33 cts/lb, closing the week at 14.44 cts/lb, down from 14.82 cts/lb a week earlier.
- **NY spreads:** March/May spread closed Friday at 60 points inverse, down from 80 points inverse last week.
- **London market:** March/March white premium closed the week at \$79/mt, gaining \$1 week on week.
- **COT report:** Specs positions were reduced massively week on week – they cut net-longs by 30k lots to 220k lots. Commercials mirrored specs positions, being a net buyer of 30k lots. Index funds were unchanged at 278k lots of net-longs.



BULL

- ▶ Guatemala crushing is lagging behind last season and industrial yields are down.
- ▶ La Nina weather risks are still present, despite weather patterns being normal across Asia and Brazil over the past 2 weeks.



BEAR

- ▶ Mexican production should hit above 6 million mt and exports to the world market should resume.
- ▶ The Russian production estimate has been increased to 5.15 million mt due to good industrial yields.

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India: Exports Update

Row Labels	01-10-20	01-11-20	01-12-20	Grand Total
Crystal	166,770	50,775	29,833	247,378
BreakBulk	15,219	12,270		27,489
Somalia	15,219	12,270		27,489
Container	151,551	38,505	29,833	219,889
RAW	14,302			14,302
Bulk	14,302			14,302
New Zealand	14,302			14,302
RAW (DOMESTIC)	1,577	11,312	7,950	20,839
INDIAN REFINED	11,639		130	11,769
Container	11,639		130	11,769
REFINED	246,624	176,474	86,272	509,370
BreakBulk	223,252	141,766	86,272	451,289
Sudan	66,200	52,300	27,500	146,000
Ethiopia	75,000			75,000
Indonesia	29,000		21,900	50,900
Yemen		15,000	27,500	42,500
Jordan		39,000		39,000
Somalia	23,000	5,800	6,800	35,600
Sri Lanka	25,000			25,000
Syria		21,000		21,000
Nepal	5,052	8,666	2,572	16,289
Container	23,373	34,708		58,081
Grand Total	440,911	238,560	124,185	803,657

▶ India exported 51k mt of crystals in November, which is a drop from the 170k exported in October due to absence of the new export policy.

▶ Main destinations for exports remained Afghanistan – 24k mt, Somalia 12k mt and Sri Lanka – 7k mt.

▶ Raws flow continued in small amounts to the local refineries.

▶ Refined sugar exports in November totaled at 176k mt, main destinations were Sudan – 52k mt, Jordan -39k mt and Syria – 21k mt.

▶ There is still no news on the new policy for exports; last week the subsidy proposal was rejected by the Finance minister.

▶ Without export subsidy parity for exports is around 18.5-19 cts/lb FOB 96 Pol.

▶ The subsidy needed to make India competitive would be around 5,000-7,000 Rs/mt of sugar at current world prices.

Guatemala: Production Update

	2019/20	2020/21	Var.
Cane(mt)	3,038,500	2,203,990	↓ 834,510
Sugar(mt)	282,016	184,939	↓ 97,077
Raw	116,929	75,464	↓ 41,465
White	165,087	109,475	↓ 55,612
Extraction rate	9.28%	8.39%	↓ -0.9%
Raws share	41%	41%	

▶ By 29 of November mills crushed 2.2 million mt of cane, down 1 million mt year on year.

▶ Sugar production reached 185k mt, down 100k mt year on year.

▶ Raws production reached 75k mt, down from 117k mt; whites – 110k mt vs 165k mt last season.

▶ Extraction rate was lower year on year at 8.4%.

Mexico: Production Update

Mexican crush update			
	2019/20	2020/21	y-o-y
Harvest (Ha)	9	19	↑ 10
Cane yield (Mt/Ha)	93.2	84.4	↓ -9
Crushing cane (Mt)	880	1,639	↑ 759
Sugar (Mt)	73	140	↑ 67
Sugar extraction (%)	8.32%	8.56%	↑ 0.2%

▶ By 28 November Mexico harvested 19k mt, up 10k ha year on year.

▶ Cane yields were lower year on year at 84 mt/ha.

▶ Mills crushed 1.6 million mt of cane, 760k mt lower year on year.

▶ Sugar production hit 140k mt, up 70k mt year on year.

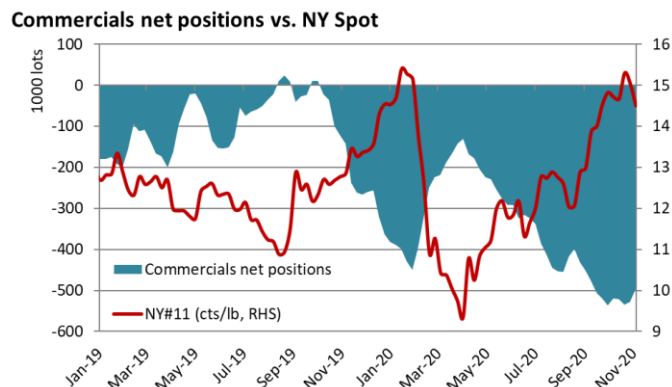
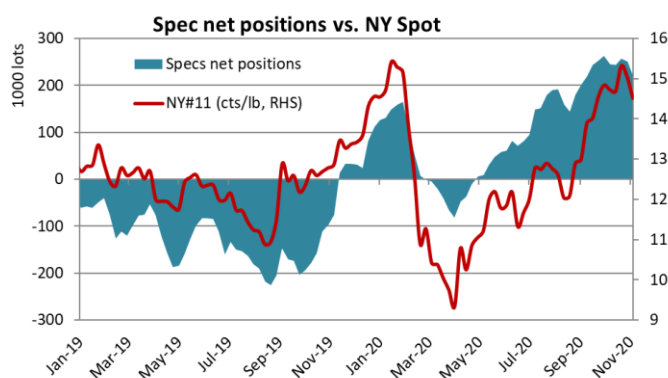
▶ Total production would reach around 6.1 million mt and Mexico would export to the world market again.

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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)	
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
10-11-20	14.68	243,634	331,369	87,735	276,789	-520,423	354,907	875,330	1,234,601
17-11-20	15.31	257,286	343,640	86,354	278,092	-535,378	361,826	897,204	1,262,183
24-11-20	15.04	250,287	339,004	88,717	277,986	-528,274	369,933	898,207	1,267,868
01-12-20	14.51	220,174	322,715	102,541	277,951	-498,124	370,746	868,870	1,254,309
Lastet Change	-0.53	-30,113	-16,289	13,824	-35	30,150	813	-29,337	-13,559



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