

# Sugar Weekly Report

11 - 15 January 2021



18-Jan-21												
	15-Jan-21	8-Jan-21	1-Dec-20	Weekly Var.	Monthly Var.		1-Jan-21	25-Dec-20	1-Dec-20	Weekly Var.	Monthly Var.	
NY #11	16.45	15.60	14.51	⬆️	0.85	⬆️	USD Index	0.00	90.22	91.19	⬆️ -90.22	⬆️ -91.19
London #5	461.7	434.7	398.8	27.0	⬆️	⬆️	USDBZL	0.00	0.00	5.21	0.00	⬆️ -5.21
NY#16	28.80	28.50	29.04	⬆️	0.30	⬆️	USDINR	73.12	73.56	73.48	⬆️ -0.44	⬆️ -0.36
Front White Premium	99.0	90.8	78.9	⬆️	8.3	⬆️	EURUSD	1.22	1.22	1.21	⬆️	0.00

## Market Situation at a Glance

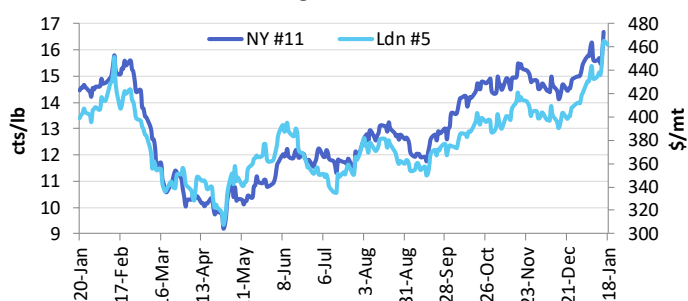
International Prices			
	15-Jan-21	8-Jan-21	Weekly Var.
Sugar			
NY #11	16.45	15.60	↑ 0.85 cts/lb
Front Spread	0.87	0.83	↑ 0.04 cts/lb
London #5	461.70	434.70	↑ 27.00 \$/mt
Front Spread	16.50	13.60	↑ 2.90 \$/mt
White Premium	99.04	90.78	↑ 8.26 \$/mt
USD Index	90.78	90.07	↑ 0.72
USDBZL	5.29	5.42	↓ -0.12 R\$/
USDINR	73.16	73.31	↓ -0.15 RUP/\$
RUBUSD	73.48	74.14	↓ -0.66 RUB/\$
EURUSD	1.21	1.22	↓ -0.01 \$/EUR
S&P500	3,768	3,825	↓ -56.43
DJ Industrial Avg	30,992	31,041	↓ -49.61
Light Crude Oil	52.0	52.7	↓ -0.69 \$/Barrel
Corn	530.8	497.0	↑ 33.75 cts/Bushel
Wheat	674.8	638.0	↑ 36.75 cts/Bushel
Coffee (Arabic)	127.8	123.0	↑ 4.75 cts/lb

## Domestic Markets

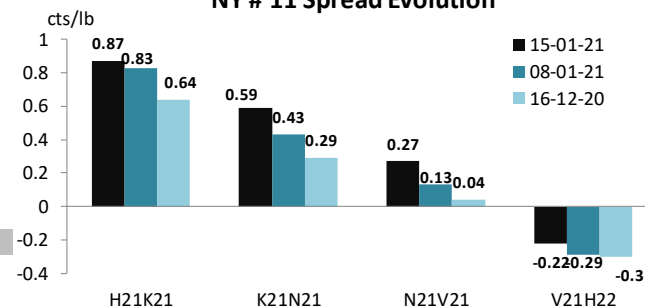
	15-Jan-21	8-Jan-21	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	87.08	84.52	↑ 2.56	R\$ cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	104.03	106.05	↓ -2.02	R\$/50kg
Esalq Sugar (US\$)	19.65	19.57	↑ 0.08	cts/lb
Hydrous Ethanol (NY#11 equiv.)	12.00	11.69	↑ 0.32	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	13.14	12.88	↑ 0.26	cts/lb
<b>Ethanol/Gasoline in S. Paolo</b>				
Ethanol	3,038	3,039	↓ -1.00	R\$/l
Gasoline	4,310	4,283	↑ 27.00	R\$/l
Ethanol/Gasoline Parity	70.5%	71.0%	↓ 0%	
Anhydrous from US Parity	-61.21	-63.77	↑ 2.56	USD/M3
Anhydrous to US Parity	-119.33	-115.64	↓ -3.69	USD/M3
<b>India</b>				
S-Grade (Kolhapur)*	31,000	31,000	↑ 0	RUP/mt
M-Grade (Kolkatta)*	33,619	33,619	↑ 0	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution

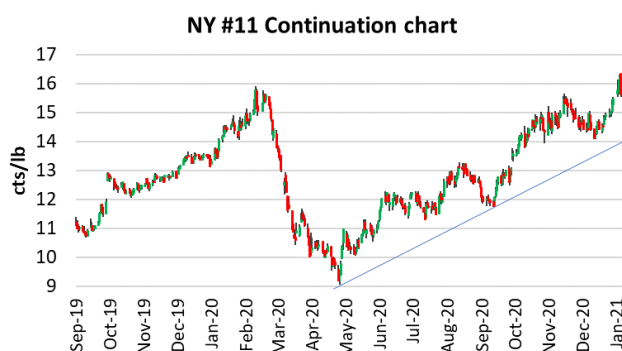


<b>China</b>				
ZCE Front Month	15-Jan-21	08-Jan	Weekly Var.	Unit
ZCE Front Spread	5,346	5,232	↑ 114	RMB/mt
Northern Spot Cash	Rizhao	42	44	↓ -2
Southern Spot Cash	Liuzhou	5,265	5,265	↑ 0
<b>USA</b>				
No #16	15-Jan-21	8-Jan-21		
#16/11 Spread	28.80	28.50	↑ 0.30	cts/lb
	12.35	12.90	↓ -0.55	cts/lb
<b>EU</b>				
EU 45s containers	40	40	↑ 0.0	\$/mt ov Ldn
<b>Russia</b>				
Price in Krasnodar	522	489	↑ 33.0	\$/m3

# Sugar Weekly Report



- **NY Flat price:** Prices rallied last week, with March contract reaching the highs of 16.75 cts/lb, closing the week at 16.45 cts/lb, up from 15.6 cts/lb last week.
- **NY spreads:** March/May spread traded stronger as well, closing the year at 87 points inverse up from 83 points inverse week on week.
- **London market:** March/March white premium closed last week at \$99/mt, up \$10/mt week on week.
- **COT report 12/01/2021:** Specs net-long were at 235k lots, 13k lots lower week on week. Index funds held 272k lots of net-longs, 5k lots lower week on week. Commercials positions were at 506k lots of net-shorts, reduction of 17.5k lots week on week.



**BULL**

- ▶ Indonesia has issued additional import licences for the mills of almost 700k mt of raw sugar.
- ▶ Pakistan is likely to be required to import again this season due to lower domestic production this season.
- ▶ The Brazilian lineup has been good so far in January and demand remains strong.



**BEAR**

- ▶ Mexico will be exporting to the world market this season.
- ▶ Ethanol prices in CS Brazil still pay below sugar, with ethanol demand lower year on year as total fuel demand struggles to fully recover.
- ▶ Various lockdowns due to COVID19 could again disrupt consumption. In Europe consumption is likely to suffer for the 2nd year in a row.

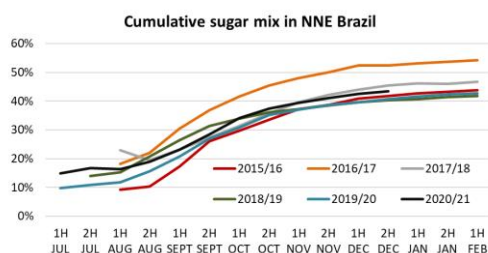
# Sugar Weekly Report



## NNE Brazil: Production Update

2H DEC	YTD				
	2018/19	2019/20	2020/21	Var.	
Cane(kmt)	37,805	40,217	39,977	↓ -	240
Sugar (kmt)	1,953	2,038	2,163	↑	125
Total Ethanol	1,780	1,824	1,722	↓ -	102
ATR (kg/mt of cane)	134.37	130.63	130.51	↓ -	0
Sugar mix (%)	40.34%	40.72%	43.52%	↑	2.8%

- By end of December mills in NNE Brazil crushed 40 million mt of cane, similar to last season.
- ATR reached 130.5 kg/mt, similar to last season.
- Sugar mix was almost 3 percentage points higher at 43.5%.
- Sugar production reached 2.2 million mt, up 130k mt year on year. Total production would reach around 3.1 million mt this season, up from 2.9 last year.



## CS Brazil: Production Update

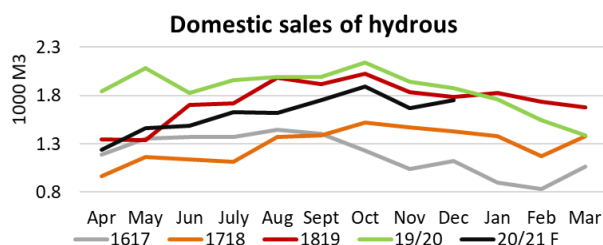
Cumulative	2018/19	2019/20	2020/21	Variation Y-o-Y
Cane (1000 mt)	559,966	577,371	596,907	↑ 19,536
<b>Sugar (1000 mt)</b>	<b>26,259</b>	<b>26,468</b>	<b>38,184</b>	<b>↑ 11,716</b>
Ethanol (1000 M3)	29,923	31,974	29,150	↓ 2,823
ATR (kg/mt)	138.6	139.2	145.2	↑ 6
Sugar mix (%)	35.53%	34.51%	46.24%	↑ 11.7%

- By the end of December mills in CS Brazil crushed 597 million mt of cane, up 20 million mt year on year.
- They produced 38.2 million mt of sugar, up almost 12 million mt year on year so far due to higher ATR and higher sugar mix.

► Ethanol production from corn reached total of 1.9 million m<sup>3</sup>, up from 1 million m<sup>3</sup> last season; currently with corn prices overshooting, the crushing margins for ethanol production out of corn have become negative.

► Next season mills are expected to increase the production to as high as 3.5 million m<sup>3</sup>, but with the current prices of corn, this might be too optimistic

► On the ethanol consumption side, in December 1.8 million m<sup>3</sup> of hydrous were sold domestically, down from 1.9 million m<sup>3</sup> last season, bringing total consumption for the season at 14.5 million m<sup>3</sup>, down from 17.7 million m<sup>3</sup> same time last year.



## Mexico: Production Update

Mexican crush update	2019/20	2020/21	y-o-y
Harvest (Ha)	133	166	↑ 33
Cane yield (Mt/Ha)	76.9	77.8	↑ 1
Crushing cane (Mt)	10,208	12,885	↑ 2,677
Sugar (Mt)	957	1,307	↑ 350
Sugar extraction (%)	9.37%	10.14%	↑ 0.8%

- Mexico harvested 166k ha by January 9, up 33k ha year on year; cane yields were better than last season at 78 mt/ha.
- Sugar production was at 1.3 million mt, 350k mt higher year on year.
- Industrial yields were also much better at 10.1%.
- Total production would likely reach 6.1-6.2 million mt, up from 5.3 million mt last year.

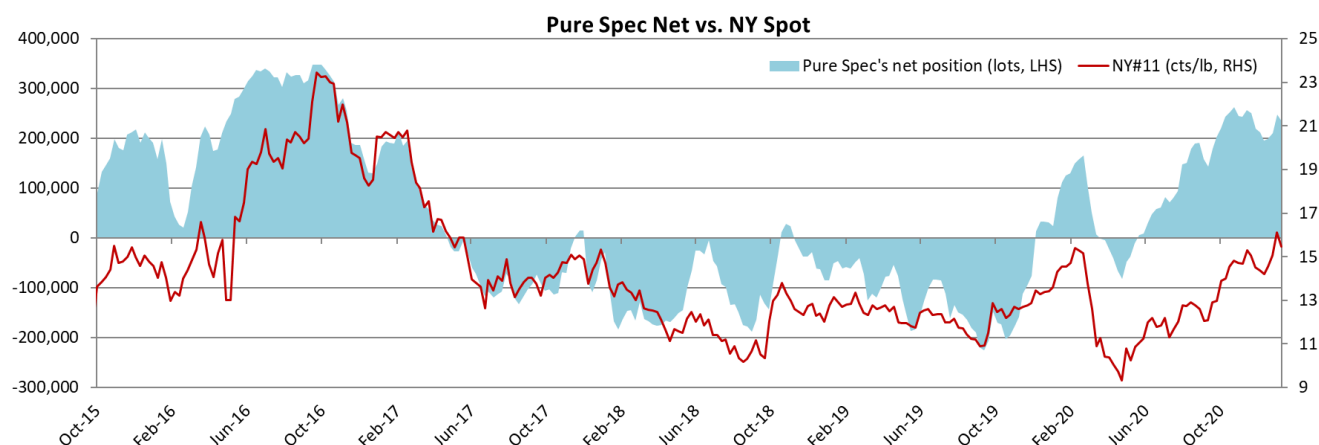


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## COT RECAP

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)	
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
08-12-20	14.39	212,680	309,835	97,155	277,186	-489,866	372,794	862,660	1,239,868
15-12-20	14.21	195,914	292,151	96,237	272,501	-468,416	368,376	836,792	1,204,634
21-12-20	14.53	198,501	289,795	91,294	269,431	-467,931	363,764	831,695	1,200,726
29-12-20	15.04	209,828	300,381	90,553	271,268	-481,096	363,756	844,852	1,217,462
05-01-21	16.12	247,382	331,792	84,410	276,412	-523,794	377,418	901,212	1,279,025
12-01-21	15.46	234,446	317,062	82,616	271,814	-506,259	393,241	899,500	1,278,094
<b>Lastet Change</b>	<b>-0.66</b>	<b>-12,936</b>	<b>-14,730</b>	<b>-1,794</b>	<b>-4,598</b>	<b>17,535</b>	<b>15,823</b>	<b>-1,712</b>	<b>-931</b>



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