

Sugar Weekly Report

8 - 12 March 2021



	15-Mar-21						15-Mar-21				
	12-Mar-21	5-Mar-21	9-Feb-21	Weekly Var.	Monthly Var.		12-Mar-21	5-Mar-21	9-Feb-21	Weekly Var.	Monthly Var.
NY #11	16.13	16.40	16.44	↓ -0.27	↓	USD Index	91.66	91.99	90.46	↓ -0.32	↑ 1.20
London #5	459.5	463.5	475.2	↓ -4.0	↓	USDBZL	5.55	5.69	5.38	↓ -0.14	↑ 0.17
NY#16	30.45	29.95	29.70	↑ 0.50	↑	USDINR	72.68	73.14	72.84	↓ -0.46	↓ -0.15
Front White Premium	103.9	101.9	112.8	↑ 2.0	↑	EURUSD	1.20	1.19	1.21	↑ 0.00	↓ -0.02

Market Situation at a Glance

International Prices			
	12-Mar-21	5-Mar-21	Weekly Var.
Sugar			
NY #11	16.13	16.40	↓ -0.27 cts/lb
Front Spread	0.41	0.56	↓ -0.15 cts/lb
London #5	459.5	463.5	↓ -4.00 \$/mt
Front Spread	12.9	15.7	↓ -2.80 \$/mt
White Premium	103.9	101.9	↑ 1.95 \$/mt
USD Index	91.66	91.99	↓ -0.32
USDBZL	5.55	5.69	↓ -0.14 R\$/
USDINR	72.68	73.14	↓ -0.46 RUP/\$
RUBUSD	73.58	74.31	↓ -0.73 RUB/\$
EURUSD	1.20	1.19	↑ 0.00 \$/EUR
S&P500	3,943	3,842	↑ 101.40
DJ Industrial Avg	32,486	30,924	↑ 1,561.45
Light Crude Oil	65.6	66.3	↓ -0.72 \$/Barrel
Corn	549.3	564.5	↓ -15.25 cts/Bushel
Wheat	631.8	654.0	↓ -22.25 cts/Bushel
Coffee (Arabic)	132.5	128.8	↑ 3.70 cts/lb

Domestic Markets

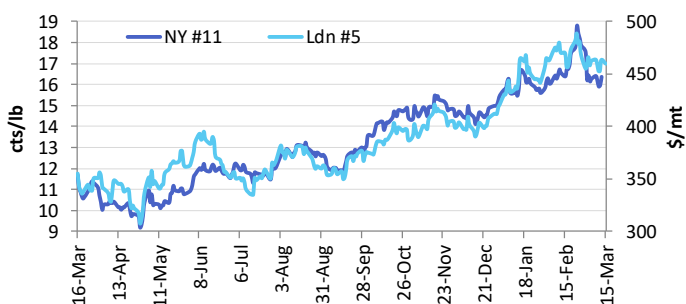
	12-Mar-21	5-Mar-21	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	89.55	93.33	↓ -3.78	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	106.92	106.79	↑ 0.13	R\$/50kg
Esalq Sugar (US\$)	19.26	18.76	↑ 0.49	cts/lb
Hydrous Ethanol (NY#11 equiv.)	15.55	15.19	↑ 0.36	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	15.98	15.66	↑ 0.31	cts/lb

	12-Mar-21	5-Mar-21	Weekly Var.	Unit
Ethanol/Gasoline in S. Paolo				
Ethanol	3,949	3,775	↑ 174.00	R\$/l
Gasoline	5,209	5,020	↑ 189.00	R\$/l
Ethanol/Gasoline Parity	75.8%	75.2%	↑ 1%	
Anhydrous from US Parity	-130.18	-130.40	↑ 0.22	USD/M3

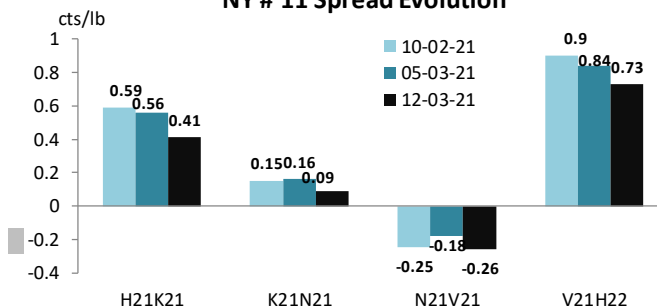
	12-Mar-21	5-Mar-21	Weekly Var.	Unit
India				
S-Grade (Kolhapur)*	30,600	30,600	0	RUP/mt
M-Grade (Kolkatta)*	34,000	34,000	0	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



	12-Mar-21	05-Mar	Weekly Var.	Unit
China				
ZCE Front Month	5,412	5,483	↓ -71	RMB/mt
ZCE Front Spread	48	49	↓ -1	RMB/mt
Northern Spot Cash	Rizhao 5,450	5,500	↓ -50	RMB/mt
Southern Spot Cash	Liuzhou 5,400	5,420	↓ -20	RMB/mt

	12-Mar-21	5-Mar-21	Weekly Var.	Unit
USA				
No #16	30.45	29.95	↑ 0.50	cts/lb
#16/11 Spread	14.32	13.55	↑ 0.77	cts/lb

	12-Mar-21	5-Mar-21	Weekly Var.	Unit
EU				
EU 45s containers	50	50	0.0	\$/mt ov Ldn

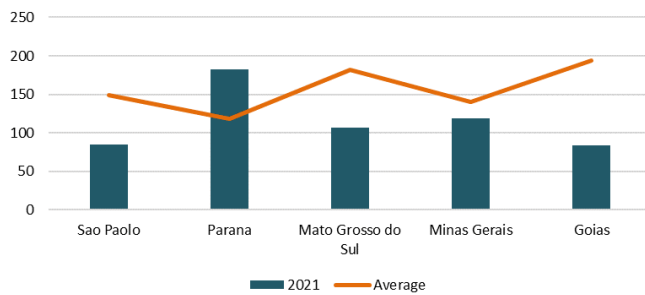
	12-Mar-21	5-Mar-21	Weekly Var.	Unit
Russia				
Price in Krasnodar	627	611	↑ 16.0	\$/m3

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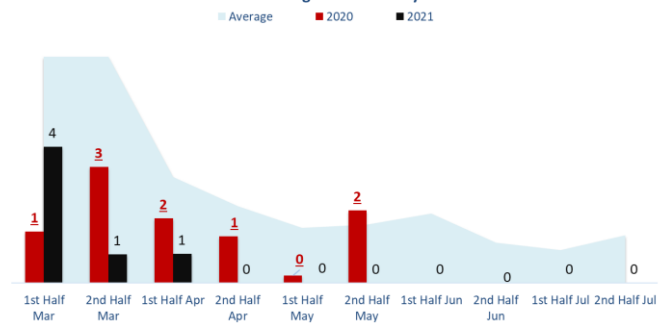


CS Brazil Rains:

March rains in CS Brazil



CS Brazil Weighted Crush day loss



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- **NY Flat price:** May contract closed the week at 16.13 cts/lb, down from 16.4 cts/lb a week earlier.
- **NY spread:** May/July spread also weakened further and closed the week at 41 points inverse, down 56 points inverse a week earlier.
- **London market:** May/May white premium closed the week at \$104/mt vs \$102/mt a week earlier. Front month spread lost a couple of dollars, closing at \$12.9/mt Friday.
- **COT report 09/03/2021:** Specs were reported net-long 201k lots, down 19k lots week on week. Index trade positions decreased by 8k lots to 245k lots of net-longs. Finally, commercials bought net 27k lots and now hold 446k lots of net-shorts.



BULL

- ▶ CS Brazil is expecting below average rains in March, mainly in Sao Paulo region, and this won't help the agricultural yields.
- ▶ Ethanol prices in Brazil remain high, however import parity is negative (particularly in CS and NNE) so the situation is rather tight.



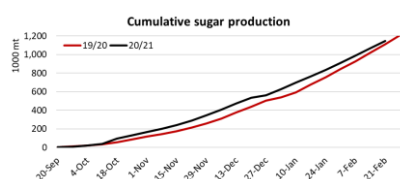
BEAR

- ▶ The 2 week lockdown occurring in Brazil will likely result in lower fuel consumption, and thus lower ethanol sales as well.
- ▶ Sugar consumption in Mexico is 7% lower year on year so far, added to a low US quota allocation, and it is likely that there would be more export availability.

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Philippines: Production Update



- ▶ Philippines produced 1.15 million mt of sugar by 21 February, up from 1.1 last season.
- ▶ Total production could reach only 2.1-2.2 million mt and maybe they will import around 100k of sugar later into the year.

Thailand: Production Update

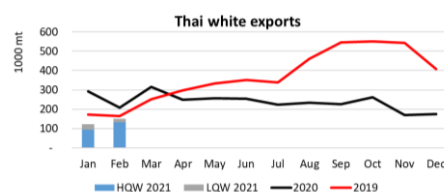
	09.03.21 2019/20	2020/21	VAR	
Cane crush	74,547,367	65,194,355	↓	9,353,012
Total sugar	8,228,349	7,353,203	↓	875,146
Whites	1,023,758	954,435	↓	69,323
Refined	1,127,111	979,253	↓	147,858
Raws	5,846,432	5,032,552	↓	813,880
other sugars	231,048	386,963	↑	155,915
Extraction rate	11.04%	11.28%	↑	0.24%
Mills operating	37	31	↓	-6

- ▶ By March 9 mills in Thailand crushed 65.2 million mt of cane, down 9.4 million mt year on year. There were still 31 mill running compared with 37 a year earlier.
- ▶ Production reached 7.4 million mt, down 900k mt year on year.
- ▶ The most decrease was on the raws side: the produced 5 million mt so far vs 5.85 last year.

Thailand: Export Update

- ▶ In February Thailand exported 133k mt of refined sugar, up from 94k mt last season.
- ▶ Most of the sugar was exported to the Far-East region – 129k, with main destinations being Vietnam who imported 45k mt, Cambodia – 22k mt.

- ▶ Overall refined availability this season would be around 1.8-1.9 million mt, which is similar to last season.
- ▶ Vietnam demand is expected to slow down from March onwards due to the duty introduced for imports of Thai sugar.



Mexico: Production Update

	2019/20	2020/21	Y-o-Y
Harvest (Ha)	401	432	↑ 31
Cane yield (Mt/Ha)	68.9	72.4	↑ 3
Crushing cane (Mt)	27,645	31,289	↑ 3,643
Sugar (Mt)	2,800	3,371	↑ 571
Sugar extraction (%)	10.13%	10.77%	↑ 0.6%

- ▶ By March 6, mills harvested 432k ha, 31k ha higher year on year. Cane yields remained higher than last season – 72.4 mt/ha vs 68.9.
- ▶ Cane crush reached 31 million mt, up 3.6 million mt year on year. Sugar production reached 3.4 million mt, up 570k mt year on year.
- ▶ Sugar production hit 3.1 million mt, up 550k mt year on year. Total production would be around 6.1 million mt this season, up from 5.4 last year.
- ▶ February balance sheet issued by the government showed that consumption recovered slightly in February vs last season – it was at 375k mt vs 368k mt last season.
- ▶ Cumulative consumption since October is now 7% down year on year at 1.7 million mt.

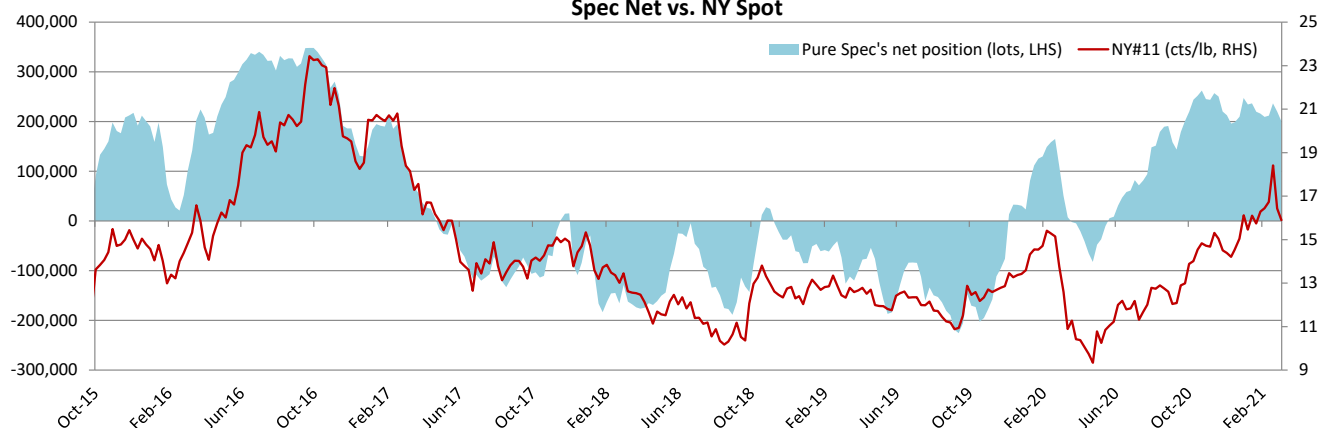
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COT RECAP

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
19-01-21	16.1	236,786	324,614	87,828	266,522	-503,307	410,049	913,356	1,298,903
26-01-21	15.74	219,809	313,069	93,260	265,735	-485,545	425,252	910,797	1,302,237
02-02-21	16.29	216,277	311,024	94,747	261,849	-478,126	438,569	916,695	1,318,432
09-02-21	16.44	209,284	304,849	95,565	259,286	-468,569	469,120	937,689	1,355,888
16-02-21	16.73	212,075	306,098	94,023	266,684	-478,759	431,092	909,851	1,273,244
23-02-21	18.41	236,589	313,957	77,368	256,724	-493,313	389,177	882,490	1,250,897
02-03-21	16.43	219,720	297,706	77,986	252,714	-472,433	351,564	823,997	1,187,494
09-03-21	15.9	200,673	289,376	88,703	245,156	-445,828	372,188	818,016	1,205,721
Lastet Change	-0.53	-19,047	-8,330	10,717	-7,558	26,605	20,624	-5,981	18,227

Spec Net vs. NY Spot



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