

Sugar Weekly Report

5 - 9 July 2021



12-Jul-21										
	9-Jul-21	2-Jul-21	9-Jun-21	Weekly Var.	Monthly Var.	9-Jul-21	2-Jul-21	9-Jun-21	Weekly Var.	Monthly Var.
NY #11	17.28	18.15	17.73	↓ -0.87	↓	USD Index	92.10	92.24	90.13	↓ -0.14
London #5	426.1	450.3	463.0	↓ -24.2	↓	USDBZL	5.26	5.06	5.06	↑ 0.20
NY#16	36.25	34.44	33.50	↑ 1.81	↑	USDINR	74.49	74.51	72.98	↓ -0.02
Front White Premium	45.1	50.2	72.1	↓ -5.0	↓	EURUSD	1.19	1.19	1.22	↑ 0.00

Market Situation at a Glance

International Prices			
	9-Jul-21	2-Jul-21	Weekly Var.
Sugar			
NY #11	17.28	18.15	↓ -0.87 cts/lb
Front Spread	-0.38	-0.22	↓ -0.16 cts/lb
London #5	426.1	450.3	↓ -24.20 \$/mt
Front Spread	-27.9	-20.7	↓ -7.20 \$/mt
White Premium	45.1	50.2	↓ -5.02 \$/mt
USD Index	92.10	92.24	↓ -0.14
USDBZL	5.26	5.06	↑ 0.20 R\$/
USDINR	74.49	74.51	↓ -0.02 RUP/\$
RUBUSD	74.41	73.19	↑ 1.22 RUB/\$
EURUSD	1.19	1.19	↑ 0.00 \$/EUR
S&P500	4,370	4,352	↑ 17.21
DJ Industrial Avg	34,422	34,634	↓ -211.60
Light Crude Oil	74.6	75.2	↓ -0.56 \$/Barrel
Corn	627.0	697.3	↓ -70.25 cts/Bushel
Wheat	608.5	645.8	↓ -37.25 cts/Bushel
Coffee (Arabic)	151.3	152.6	↓ -1.25 cts/lb

Domestic Markets

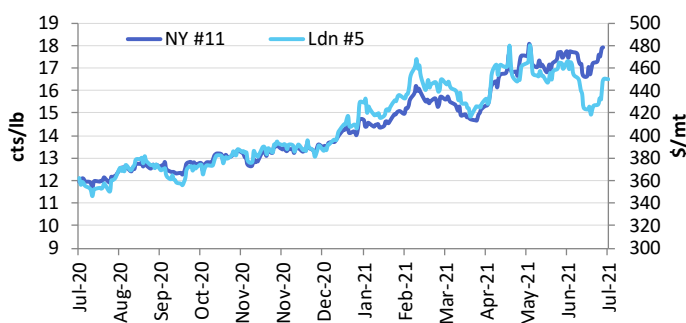
	9-Jul-21	2-Jul-21	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	90.87	91.79	↓ -0.93	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	115.38	115.81	↓ -0.43	R\$/50kg
Esalq Sugar (US\$)	21.94	22.90	↓ -0.96	cts/lb
Hydrous Ethanol (NY#11 equiv.)	16.69	16.85	↓ -0.16	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	18.11	18.35	↓ -0.23	cts/lb

	9-Jul-21	2-Jul-21	Weekly Var.	Unit
Ethanol/Gasoline in S. Paolo				
Ethanol	4,095	4,095	↑ 0.00	R\$/l
Gasoline	5,388	5,388	↑ 0.00	R\$/l
Ethanol/Gasoline Parity	76.0%	76.0%	↑ 0%	
Anhydrous from US Parity	-179.78	-221.41	↑ 41.63	USD/M3

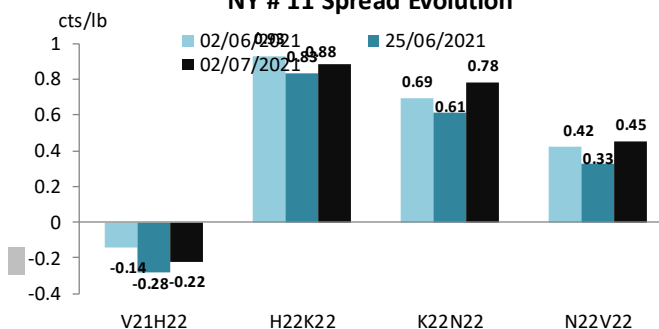
	9-Jul-21	2-Jul-21	Weekly Var.	Unit
India				
S-Grade (Kolhapur)*	30,650	30,675	↓ -25	RUP/mt
M-Grade (Kolkatta)*	34,262	33,620	↑ 642	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



	9-Jul-21	02-Jul	Weekly Var.	Unit
China				
ZCE Front Month	5,460	5,596	↓ -136	RMB/mt
ZCE Front Spread	40	42	↓ -2	RMB/mt
Northern Spot Cash	5,675	5,725	↓ -50	RMB/mt
Southern Spot Cash	5,565	5,610	↓ -45	RMB/mt

	9-Jul-21	2-Jul-21	Weekly Var.	Unit
USA				
No #16	36.25	34.44	↑ 1.81	cts/lb
#16/11 Spread	18.97	16.29	↑ 2.68	cts/lb

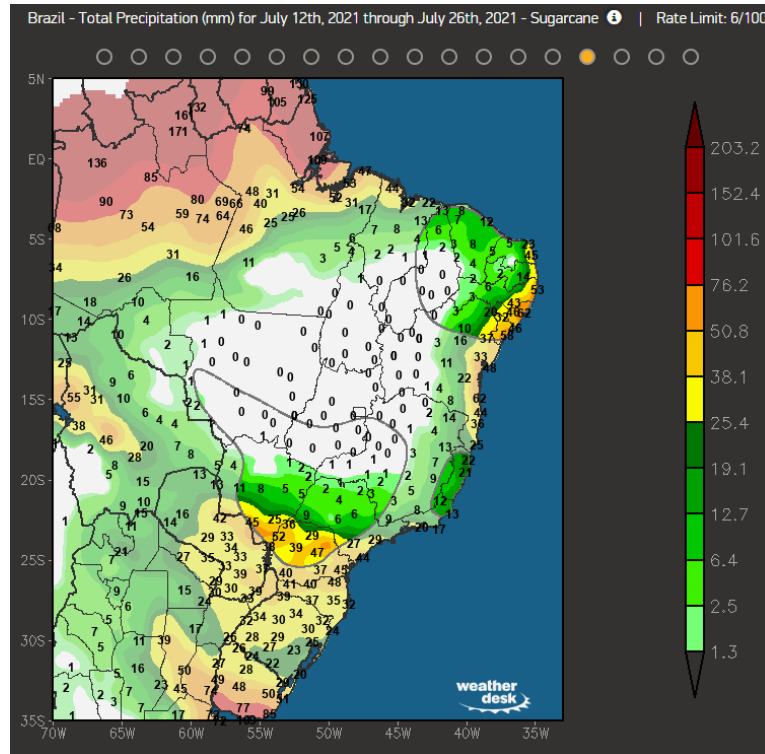
	9-Jul-21	2-Jul-21	Weekly Var.	Unit
EU				
EU 45s containers	45	45	↑ 0.0	\$/mt ov Ldn

	9-Jul-21	2-Jul-21	Weekly Var.	Unit
Russia				
Price in Krasnodar	585	602	↓ -17.0	\$/m3

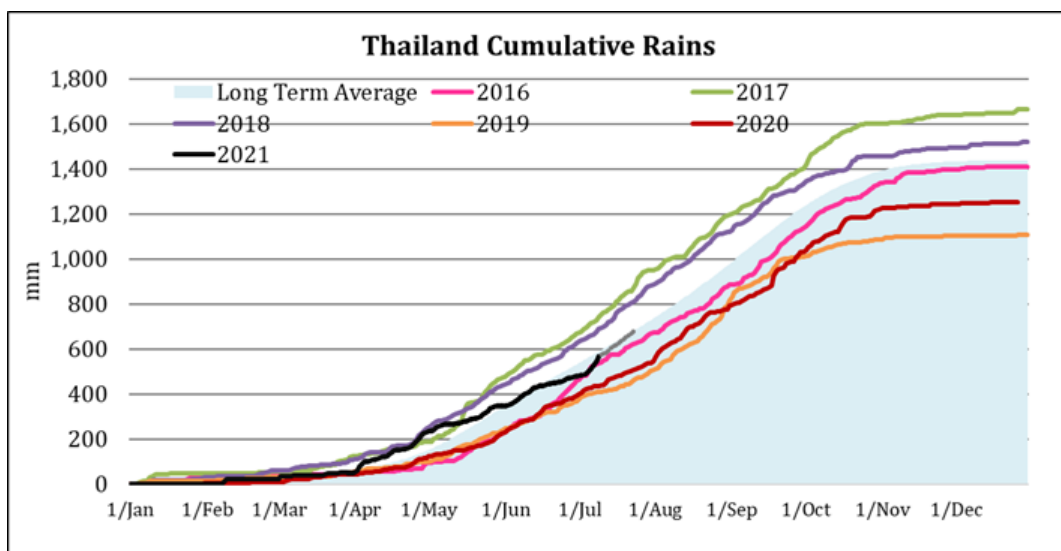
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CS Brazil rain:



Thai Rain:



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- NY Flat Price:** NY#11 sugar market has cooled down against Brazilian sugarcane frost news. Most active October contract weakened from 18.35 cts/lb to 17.28 cts/lb, losing 107 points over last trading week and erasing all the price gain from one week before.
- NY Spread:** Nearby NY#11 October21/March22 spread marked most recent lows of -0.38 cts/lb carry. October21/March22 spread is now testing -0.40 cts/lb support, which is lowest level during last trading year.
- London Market:** London white sugar market is following NY#11 market. Nearby August21 contract is going to expire this week. Nearby August/October21 spread remains in wide carry of -26 USD/mt.
- COT Report (06/07/2021):** Overall specs net long position further increased from 190.4k lots to 222.8k lots, adding 32.4k lots over last week. Commercials shorts have been selling into the rally. Commercials have increased their shorts positions from 692k lots to 735k lots.



BULL

- ▶ Petrobras increased Brazil's domestic gasoline price by 6.3%. Potentially further increasing the demand for ethanol.
- ▶ Further easing of restrictions by the Sao Paulo government, should see improvement in fuel demand.



BEAR

- ▶ India has been continuing to sell 20/21 crop white sugar. According to local sources, India might be exporting 700k mt sugar under Open General Licences for 20/21 season, of which 430k mt sugar might have been contracted.

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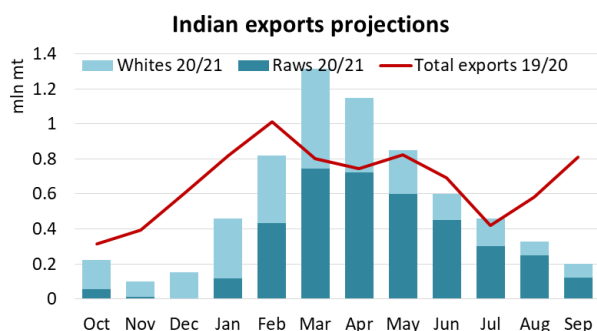


Mexico: Production Update

CUMULATIVE PRODUCTION			
Mexican crush update			
	2019/20	2020/21	y-o-y
Harvest (Ha)	784	788	↑ 4
Cane yield (Mt/Ha)	62.9	65.0	↑ 2.1
Crushing cane (Mt)	49,281	51,180	↑ 1,899
Sugar (Mt)	5,278	5,706	↑ 427
Sugar extraction (%)	10.71%	11.15%	↑ 0.44%

- ▶ 20/21 Mexico domestic sugarcane crushing campaign is coming to its end. As of 3rd July, there is only 1 mill that remains crushing in sugarcane field.
- ▶ Mexico is finishing tail of its sugarcane crop. Cumulative sugarcane crush has reached 51.2 million mt and cumulative sugar production have reached 5.706 million mt.
- ▶ World Market tonnage is estimated to have all shipped (at around 330k).
- ▶ Mexico is on track to fulfil the requirement to the USA.

India: Export Update



- ▶ India have continued to export raws and whites sugar in good progress in May 21.
- ▶ For May 21 exports, Indian has exported 475k mt raws to the international market, 52k mt to coastal refineries and 250k mt LQWs to the world market.
- ▶ Potentially there is more domestic market contracted without subsidy (OGL) in Q3 with 200k upside to our initial assumption (500k).

Brazil SH June UNICA

Cane (1000 mt) Fortnight	2018/19	2019/20	2020/21	2021/22 *	Variation Y-o-Y
Cane (1000 mt)	45,537	46,481	43,067	45,012	↑ 1,945
Sugar (1000 mt)	2,287	2,212	2,739	2,892	↑ 153
Ethanol (1000 M3)	2,360	2,333	1,963	2,080	↑ 117
ATR (kg/mt)	139.8	134.7	140.7	141.8	↑ 1.1
Sugar mix (%)	37.69%	37.09%	47.42%	47.56%	↑ 0.1%

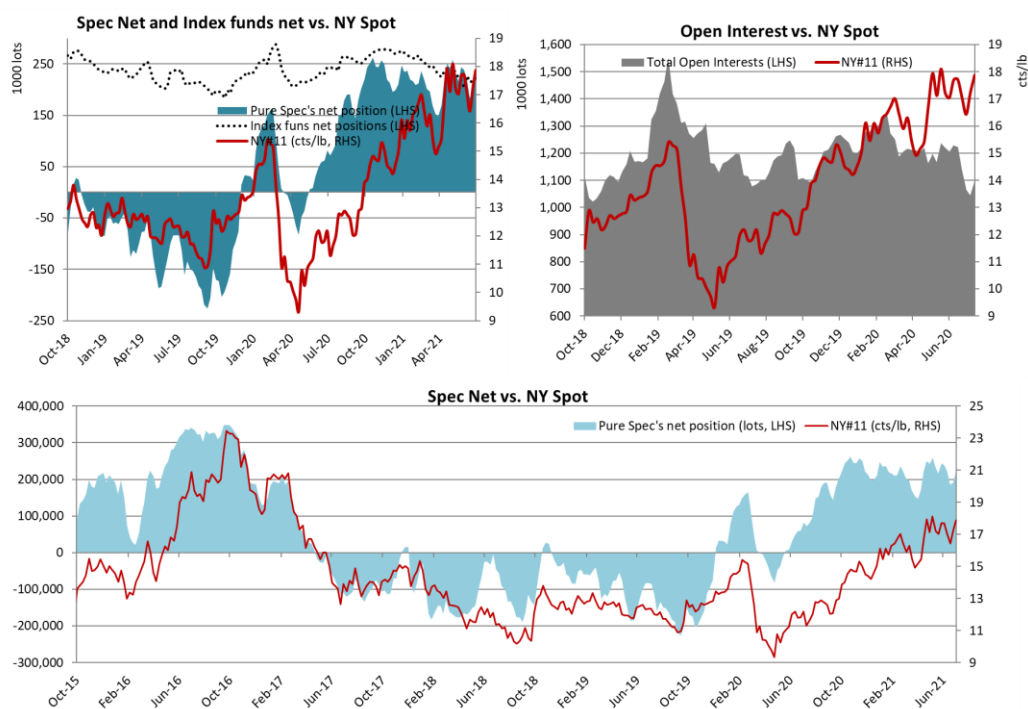
- ▶ The second half June crush shows year-on-year higher cane crushed at 45 million mt vs 43.07 last year as mills are maximizing capacity.
- ▶ ATR at 141.8 kg is quite good, with improvement over first half June, and over same time period for the previous 3 years; dryness has helped the concentration of ATR.
- ▶ Sugar mix is high compared to the previous year; hence sugar production is quite high at 2.89 million mt.
- ▶ Crush activities are to be watched for next 2 weeks to see the impact of the frost.

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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
18/05/2021	17.21	232,974	309,925	76,951	233,264	-466,236	356,266	822,502	1,221,164
25/05/2021	17.04	216,943	293,476	76,533	224,790	-441,732	358,990	800,722	1,206,010
01/06/2021	17.69	244,102	318,540	74,438	214,534	-458,636	357,152	815,788	1,227,921
08/06/2021	17.71	237,946	314,595	76,649	203,413	-441,359	359,504	800,863	1,223,131
15/06/2021	17.05	220,220	301,921	81,701	226,338	-446,558	328,067	774,625	1,139,139
22/06/2021	16.43	184,912	272,686	87,774	215,165	-400,077	306,823	706,900	1,065,849
29/06/2021	17.23	190,419	271,458	81,039	217,145	-407,564	285,426	692,990	1,045,294
06/07/2021	17.87	222,875	293,218	70,343	222,845	-445,719	289,664	735,383	1,093,942
Lastet Change	0.64	32,456	21,760	-10,696	5,700	-38,155	4,238	42,393	48,648



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