

# Sugar Weekly Report

26 - 30 July 2021



2-Aug-21											
	30-Jul-21	23-Jul-21	30-Jun-21	Weekly Var.	Monthly Var.		30-Jul-21	23-Jul-21	30-Jun-21	Weekly Var.	Monthly Var.
NY #11	17.91	18.17	17.63	↓ -0.26	↑	USD Index	92.09	92.91	92.36	↓ -0.82	↓ -0.27
London #5	445.7	457.7	447.7	↓ -12.0	↓	USDBZL	5.21	5.20	4.97	↑ 0.01	↑ 0.24
NY#16	37.00	36.80	33.62	↑ 0.20	↑	USDINR	74.34	74.43	74.34	↓ -0.09	↓ -0.00
Front White Premium	50.9	57.1	59.0	↓ -6.3	↓	EURUSD	1.19	1.18	1.19	↑ 0.01	↑ 0.00

## Market Situation at a Glance

International Prices			
	30-Jul-21	23-Jul-21	Weekly Var.
<b>Sugar</b>			
NY #11	17.91	18.17	↓ -0.26 cts/lb
Front Spread	-0.52	-0.42	↓ -0.10 cts/lb
London #5	445.7	457.7	↓ -12.00 \$/mt
Front Spread	-19.1	-14.1	↓ -5.00 \$/mt
White Premium	50.9	57.1	↓ -6.27 \$/mt
<b>USD Index</b>	92.09	92.91	↓ -0.82
USDBZL	5.21	5.20	↑ 0.01 R\$/
USDINR	74.34	74.43	↓ -0.09 RUP/\$
RUBUSD	73.09	73.81	↓ -0.72 RUB/\$
EURUSD	1.19	1.18	↑ 0.01 \$/EUR
<b>S&amp;P500</b>	4,395	4,412	↓ -16.53
<b>DJ Industrial Avg</b>	35,085	34,823	↑ 261.18
<b>Light Crude Oil</b>	73.8	72.2	↑ 1.64 \$/Barrel
<b>Corn</b>	546.8	547.0	↓ -0.25 cts/Bushel
<b>Wheat</b>	703.5	679.0	↑ 24.50 cts/Bushel
<b>Coffee (Arabic)</b>	180.4	191.8	↓ -11.35 cts/lb

## Domestic Markets

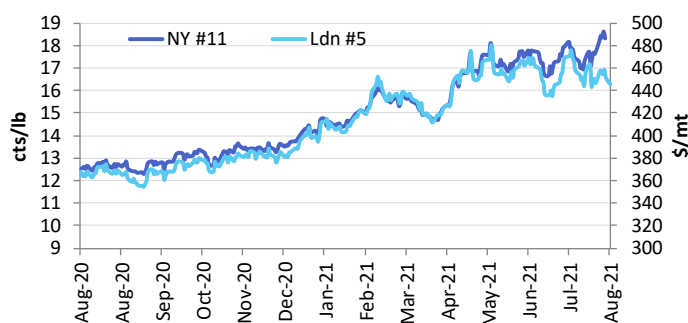
	30-Jul-21	23-Jul-21	Weekly Var.	Unit
<b>Brazil</b>				
NY Front Month in BZL	93.36	94.49	↓ -1.13	R\$ cts/lb
<b>Domestic:</b>				
Esalq Sugar (R\$)	117.48	117.42	↑ 0.06	R\$/50kg
Esalq Sugar (US\$)	22.54	22.58	↓ -0.04	cts/lb
Hydrous Ethanol (NY#11 equiv.)	17.06	16.81	↑ 0.25	cts/lb
Anhydrous Ethanol(NY#11 equiv.)	18.72	18.62	↑ 0.10	cts/lb

	30-Jul-21	23-Jul-21	Weekly Var.	Unit
<b>Ethanol/Gasoline in S. Paolo</b>				
Ethanol	4,099	4,125	↓ -26.00	R\$/l
Gasoline	5,487	5,504	↓ -17.00	R\$/l
<b>Ethanol/Gasoline Parity</b>	74.7%	74.9%	↓ 0%	
<b>Anhydrous from US Parity</b>	-169.81	-169.17	↓ -0.64	USD/M3

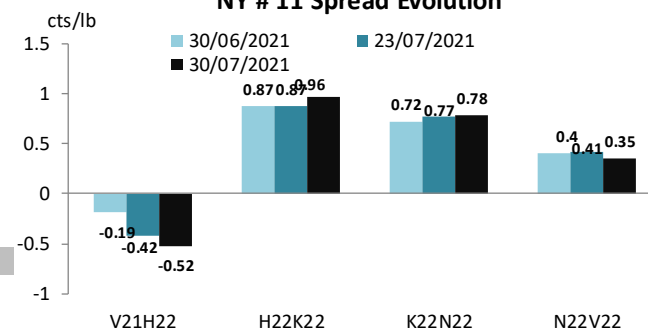
	30-Jul-21	23-Jul-21	Weekly Var.	Unit
<b>India</b>				
S-Grade (Kolhapur)*	31,150	30,670	↑ 480	RUP/mt
M-Grade (Kolkatta)*	34,380	34,285	↑ 95	RUP/mt

\* price does not include GST of 5%

## Sugar Market



## NY # 11 Spread Evolution



	30-Jul-21	23-Jul	Weekly Var.	Unit
<b>China</b>				
ZCE Front Month	5,627	5,599	↑ 28	RMB/mt
ZCE Front Spread	39	38	↑ 1	RMB/mt
Northern Spot Cash	5,715	5,710	↑ 5	RMB/mt
Southern Spot Cash	5,640	5,600	↑ 40	RMB/mt

	30-Jul-21	23-Jul-21	Weekly Var.	Unit
<b>USA</b>				
No #16	37.00	36.80	↑ 0.20	cts/lb
#16/11 Spread	19.09	18.63	↑ 0.46	cts/lb

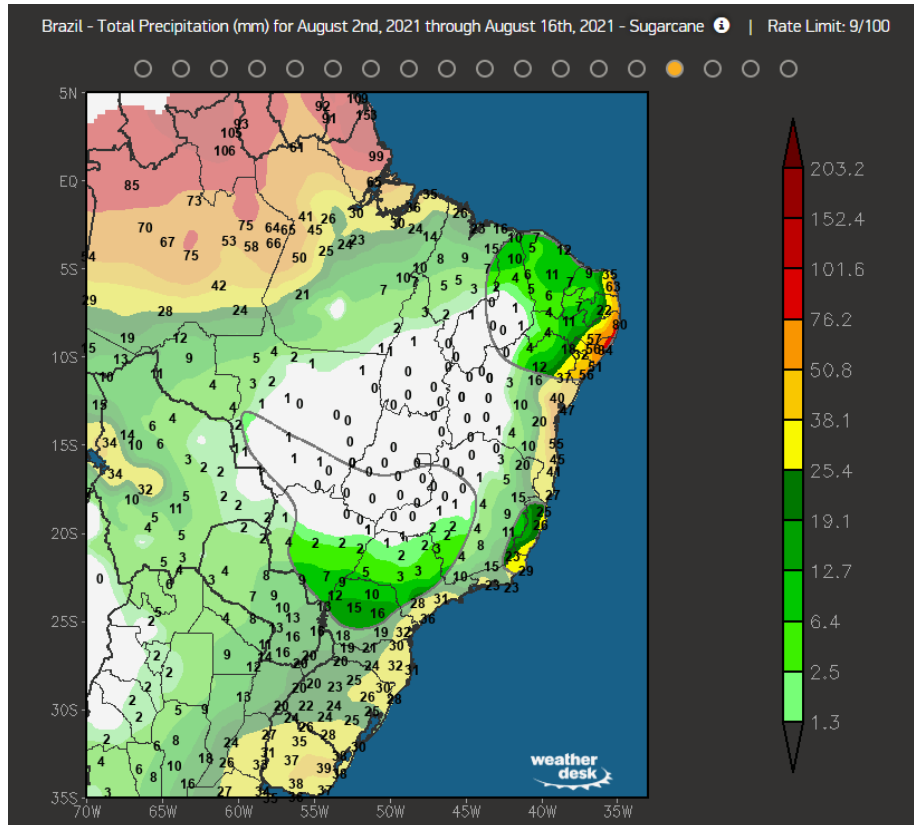
	30-Jul-21	23-Jul-21	Weekly Var.	Unit
<b>EU</b>				
EU 45s containers	45	45	↑ 0.0	\$/mt ov Ldn

	30-Jul-21	23-Jul-21	Weekly Var.	Unit
<b>Russia</b>				
Price in Krasnodar	580	560	↑ 20.0	\$/m3

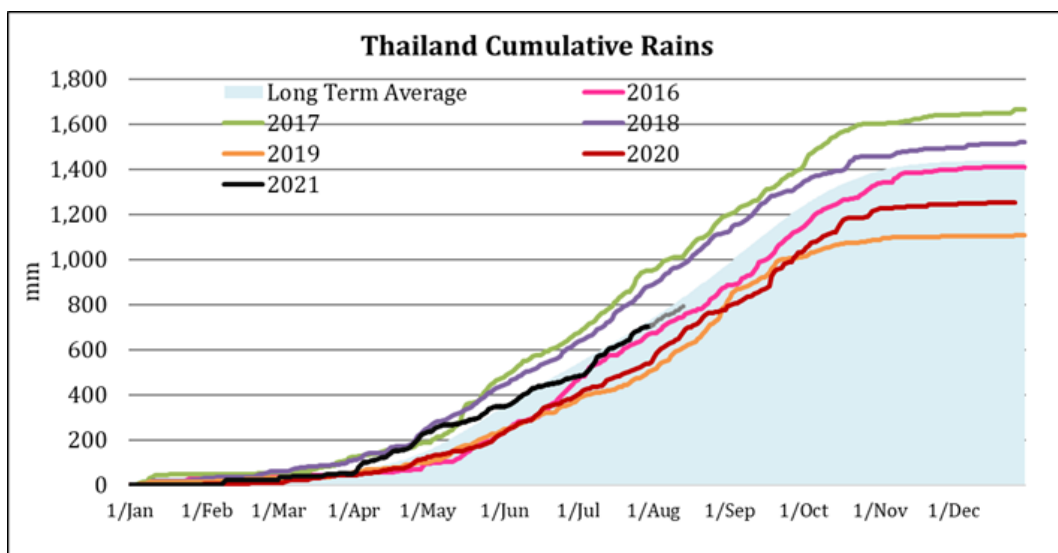
# Sugar Weekly Report



## CS Brazil rain:



## Thai Rain:



# Sugar Weekly Report



- **NY Flat Price:** NY#11 sugar market continues to trade volatile over the past week. Most active October 21 contract hit lows on Monday of 17.77 cts/lb and touched its weekly high on Thursday at 18.81 cts/lb, on the back of a 3rd wave of frost arriving in CS Brazil over the weekend. Market closed lower on Thursday and Friday, together with other soft commodities (coffee and orange juice) due to the easing of severe crop damage concerns.



- **NY Spread:** Unlike strong flat price performance, NY#11 spread continue to be weak. Nearby October/March spread further weakened from -43 points carry to -50 points carry.
- **London Market:** London white sugar market continue to perform weaker than NY#11 raw sugar market. London#5 October contract opened at 458 USD/mt and closed at 445 USD/mt, dropping -13 USD/mt. October/October white premium also further weakened from 57 USD/mt to 50 USD/mt.
- **COT Report (27/07/2021):** Overall speculation increased their net long position from 198k lots to 225k lots, increase 27k lots week on week. Commercials have taken the opportunity to sell in this rally. Commercials added back 39k lots shorts, making total commercials shorts 751k lots.



**BULL**

- CS Brazil has experienced a 3<sup>rd</sup> wave of frost. The sugarcane areas of Sao Paulo, Parana and Minas Gerais were hit with this most recent cold front. The lowest temperature has touched below zero degrees in Sao Paulo on 30<sup>th</sup> July. Mills in these regions are currently assessing damage to the cane.

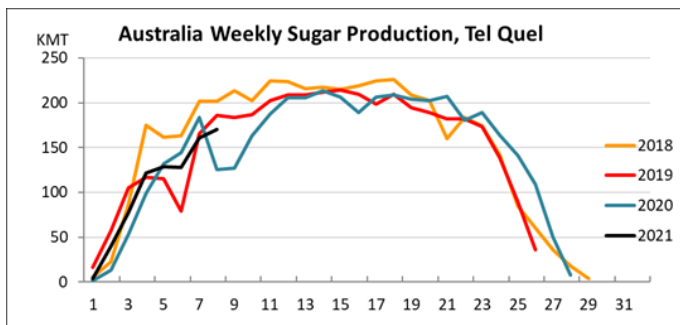
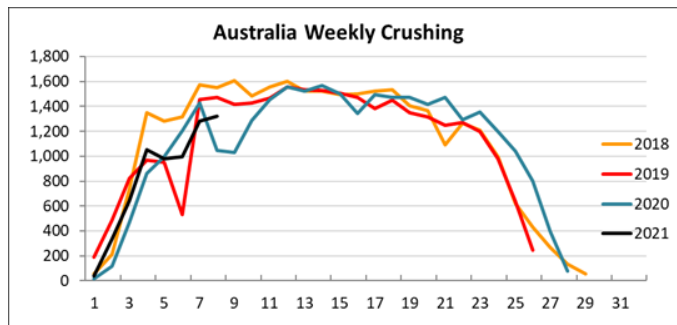


**BEAR**

- According to market news, it is likely that around 500k of the Indian crop in Dec/Jan 2022 period has already been contracted. This sugar will compete against Brazil origin sugar to Middle Eastern/Asian destinations due to the strong freight spread.



## Australia: Production Update



- ▶ As of 25<sup>th</sup> July, Australia harvested 6.68 million mt sugarcane. Harvest progress have been faster than 2020, similar to 2019.
- ▶ Cumulative Australian sugar production have reached 830 kmt, which is more than 2020, also similar to 2019.

- ▶ Weather forecast shows dry weather in Queensland over next week. Light rain (+10 mm) is expected in two weeks
- ▶ We are currently forecasting in 21/22, Australia will produce around 4.20 million mt sugar.

## UNICA: 1H July Update

Product	South-Central region		
	2020/2021	2021/2022	Var. (%)
Sugarcane <sup>1</sup>	277,149	256,750	↓ -7.36%
Sugar <sup>1</sup>	16,375	15,203	↓ -7.16%
Anhydrous ethanol <sup>2</sup>	3,498	4,312	↑ 23.25%
Hydrous ethanol <sup>2</sup>	8,690	7,496	↓ -13.75%
Total ethanol <sup>2</sup>	12,189	11,807	↓ -3.13%
TRS <sup>1</sup>	36,842	34,617	↓ -6.04%
TRS/ ton of sugarcane <sup>3</sup>	132.93	134.83	↑ 1.43%
Share % sugar	46.65%	46.09%	↓
Share % ethanol	53.35%	53.91%	↑
Liters of ethanol/ ton of sugarcane	41.79	42.67	↑ 2.10%
Kg of sugar/ ton of sugarcane	59.08	59.21	↑ 0.21%

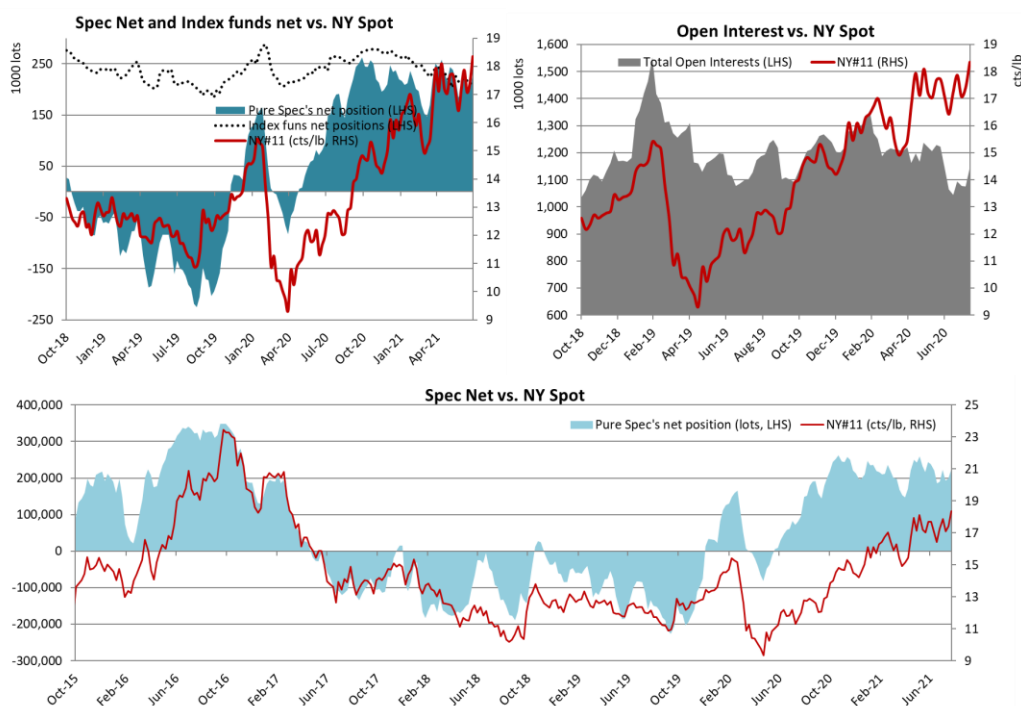
- ▶ Sugarcane crush have reached 256 million mt, 7.3% lower than same time of last year.
- ▶ Cumulative sugar production reached 15.2 million mt, 7.16% lower than same time of last year.
- ▶ ATR is higher year on year by 1.13%. ATR continues to perform well year on year due to prolonged dryness.
- ▶ Sugar mix has begun to drop year on year.

# Sugar Weekly Report



## 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)	
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
13/07/2021	17.08	193,554	274,916	81,362	216,505	-410,059	302,119	712,178	1,077,341
20/07/2021	17.41	197,918	276,231	78,313	210,286	-408,204	303,719	711,923	1,075,686
27/07/2021	18.35	225,702	305,470	79,768	217,145	-442,846	308,360	751,206	1,139,810
Lastet Change	0.94	27,784	29,239	1,455	6,859	-34,642	4,641	39,283	64,124



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