

Sugar Weekly Report

4 – 8 October 2021



11-Oct-21														
	8-Oct-21	1-Oct-21	8-Sep-21	Weekly Var.	Monthly Var.		8-Oct-21	1-Oct-21	8-Sep-21	Weekly Var.	Monthly Var.			
NY #11	20.29	20.06	19.49	⬆️	0.23	⬆️	USD Index	94.10	94.07	92.70	⬆️	0.03	⬆️	1.40
London #5	519.7	510.9	481.5	⬆️	8.8	⬆️	USDBZL	5.51	5.36	5.32	⬆️	0.15	⬆️	0.19
NY#16	37.47	37.00	35.00	⬆️	0.47	⬆️	USDINR	75.12	74.14	73.84	⬆️	0.98	⬆️	1.28
Front White Premium	72.4	68.7	51.8	⬆️	3.7	⬆️	EURUSD	1.16	1.16	1.18	⬆️	-0.00	⬆️	-0.02

Market Situation at a Glance

International Prices

	8-Oct-21	1-Oct-21	Weekly Var.
Sugar			
NY #11	20.29	20.06	↑ 0.23 cts/lb
Front Spread	0.48	0.53	↓ -0.05 cts/lb
London #5	519.7	510.9	↑ 8.80 \$/mt
Front Spread	4.2	-1.7	↑ 5.90 \$/mt
White Premium	72.4	68.7	↑ 3.73 \$/mt
USD Index	94.10	94.07	↑ 0.03
USDBZL	5.51	5.36	↑ 0.15 R\$/
USDINR	75.12	74.14	↑ 0.98 RUP/\$
RUBUSD	71.81	72.60	↓ -0.79 RUB/\$
EURUSD	1.16	1.16	↓ -0.00 \$/EUR
S&P500	4,391	4,357	↑ 34.30
DJ Industrial Avg	34,755	33,844	↑ 911.02
Light Crude Oil	79.6	75.7	↑ 3.85 \$/Barrel
Corn	530.0	542.0	↓ -12.00 cts/Bushel
Wheat	733.0	757.8	↓ -24.75 cts/Bushel
Coffee (Arabic)	200.7	203.4	↓ -2.70 cts/lb

Domestic Markets

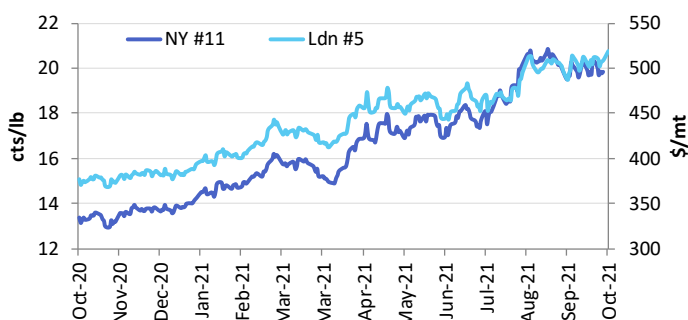
	8-Oct-21	1-Oct-21	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	111.76	107.58	↑ 4.18	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	144.81	142.50	↑ 2.31	R\$/50kg
Esalq Sugar (US\$)	26.29	26.57	↓ -0.28	cts/lb
Hydrous Ethanol (NY#11 equiv.)	18.02	18.25	↓ -0.23	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	19.71	20.08	↓ -0.36	cts/lb

	8-Oct-21	1-Oct-21	Weekly Var.	Unit
Ethanol/Gasoline in S. Paolo				
Ethanol	4,564	4,538	↑ 26.00	R\$/l
Gasoline	5,808	5,792	↑ 16.00	R\$/l
Ethanol/Gasoline Parity	78.6%	78.3%	↑ 0%	
Anhydrous from US Parity	-171.45	-74.66	↓ -96.80	USD/M3

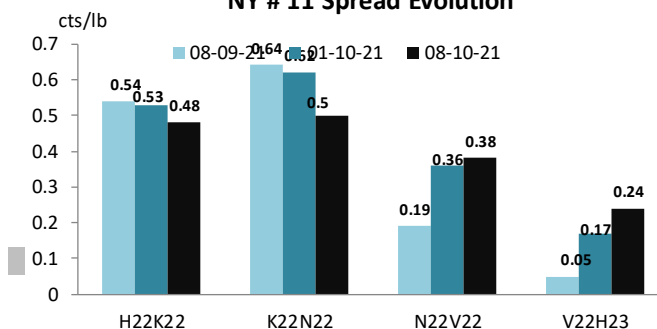
	8-Oct-21	1-Oct-21	Weekly Var.	Unit
India				
S-Grade (Kolhapur)*	33,500	33,500	0	RUP/mt
M-Grade (Kolkatta)*	37,905	37,905	0	RUP/mt

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution

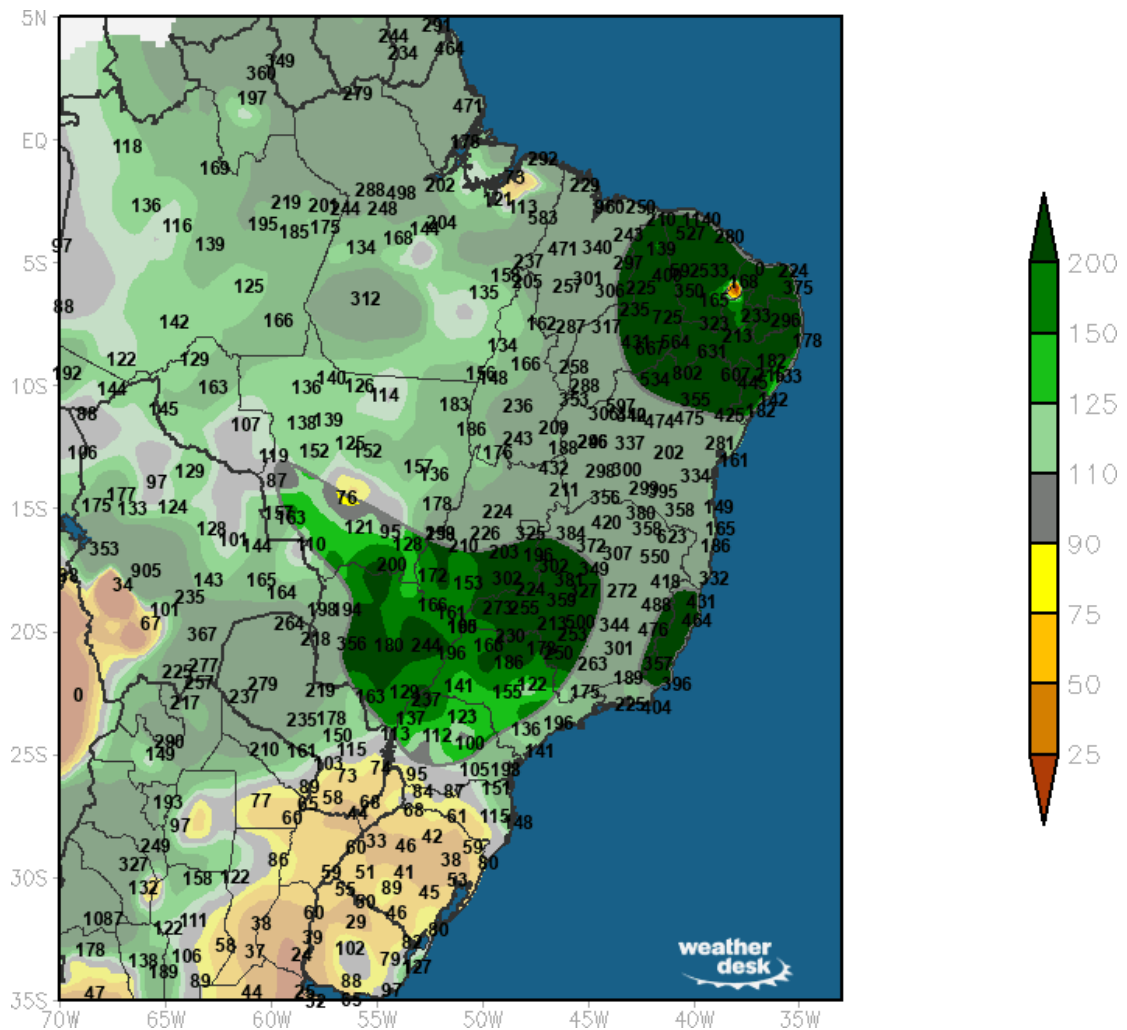


	8-Oct-21	01-Oct	Weekly Var.	Unit
China				
ZCE Front Month	5,546	5,520	↑ 26	RMB/mt
ZCE Front Spread	317	270	↑ 47	RMB/mt
Northern Spot Cash	5,745	5,745	0	RMB/mt
Southern Spot Cash	5,610	5,610	0	RMB/mt

	8-Oct-21	1-Oct-21	Weekly Var.	Unit
USA				
No #16	37.47	37.00	↑ 0.47	cts/lb
#16/11 Spread	17.18	16.94	↑ 0.24	cts/lb

	8-Oct-21	1-Oct-21	Weekly Var.	Unit
EU				
EU 45s containers	45	45	0.0	\$/mt ov Ldn

	8-Oct-21	1-Oct-21	Weekly Var.	Unit
Russia				
Price in Krasnodar	624	623.9	↓ -0.1	\$/m3



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- **NY Flat Price:** March contract closed the week at 20.4 cts/lb, up from 20.06 cts/lb a week earlier.

- **NY Spreads:** March/May spread weakened slightly during the week, closing at 48 points inverse Friday.

- **London Market:** March/March white premium was lost a couple of dollars, closing Friday at \$68.2/mt, May/May white premium closed at \$86.8/mt, down from \$89.3/mt a week earlier.

- **COT Report:** Specs were 209k lots net-long, 2.5k lots higher than a week earlier. Commercials cut their net-shorts by 1k lot and held 398k lots of net-shorts. Index funds sold net 3.4k lots and were holding 189k lots of net-longs.



BULL

- ▶ CS Brazil has experienced well above average rains in October and this will impact the end of the crop.
- ▶ Indian exports in 2021/22 season will drop significantly if prices drop below 19 cts/lb.
- ▶ An increase in energy prices will support commodities prices.

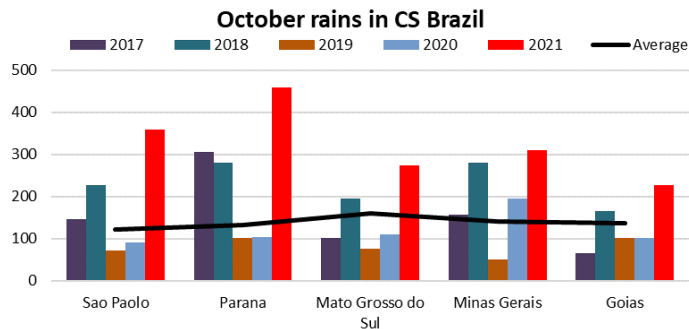


BEAR

- ▶ Smuggling demand is struggling due to the increased and stricter borders control across regions due to Covid-19.
- ▶ Increasing freight costs continue to have an effect on demand - consumers are not building stocks, preferring to only buy what is needed.



CS Brazil: Weather Update



- ▶ With the current forecast, the rains in October are going to be the highest over the past 5 years.
- ▶ Such heavy rains could be a relief for the next seasons cane.
- ▶ At the same time, heavy rains during October could mean a lower ATR. As we are coming to the tail of the crop some mills could decide to close earlier as it's less costly to stop, instead of crushing low quality cane (low sucrose).
- ▶ By the middle of September mills crushed 431 million mt of cane, down 30 million mt year on year; sugar production reached 26.8 million mt, 2.4 million mt down year on year.
- ▶ Last year there was still 145 million mt of cane to be crushed, this year we expect around 80 million mt, still to be crushed, but with such heavy rains it might be less.

Russia: Production Update

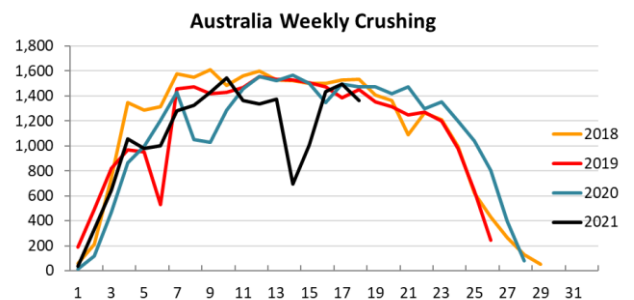
4-Oct	2020/21	2021/22	Var
Beet stored up	12,720	12,304	↓ - 416
Beet processed	11,248	10,767	↓ - 481
Beet in stocks	1,348	1,440	↑ 92
Sugar produced	1,637	1,394	↓ - 243
Extr. rate	14.6	12.9	↓ - 1.6
Factories	67	66	↓ - 1

- ▶ Russian factories processed 10.8 million mt of beets, slightly lower than last season.
- ▶ Sugar production was at 1.4 million mt, 240k mt down year on year.
- ▶ Extraction rate continued to be disappointing – 12.9% vs 14.6% last season.

Australia: Crushing Update

Cumulative Crushing - Australia			
03-Oct-21	2020	2021	Δ
Cane Crushed (000 Mt)	20,553	19,884	↓ 669
Extraction Rate(%)	13.0%	13.0%	↑ 0.0%
Sugar (000 Mt)	2,665	2,586	↓ 79

- ▶ By October 3, mills in Australia crushed 20 million mt of cane, 700k mt lower year on year.
- ▶ Sugar production reached 2.6 million mt, 80k mt down year on year.

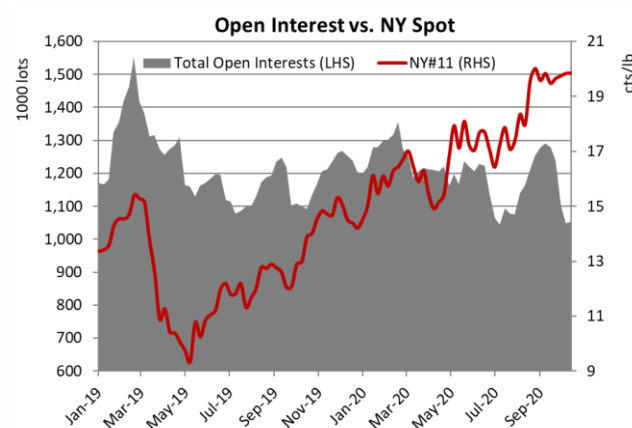
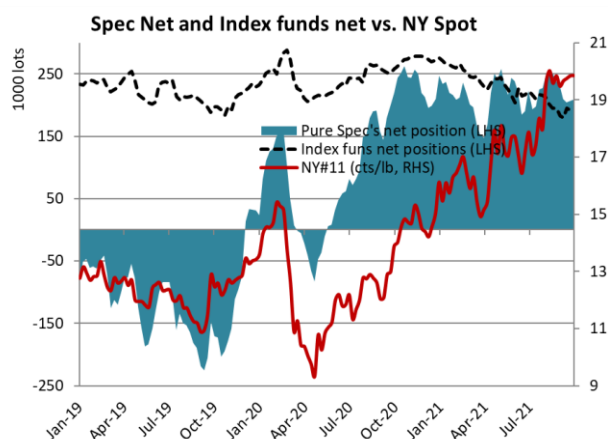


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COT RECAP

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)	
17-08-21	20.02	256,617	334,674	78,057	201,263	-457,881	359,838	817,719	1,254,203
24-08-21	19.58	250,795	335,332	84,537	195,471	-446,267	375,070	821,337	1,279,609
31-08-21	19.84	238,755	328,358	89,603	194,807	-433,563	389,112	822,675	1,290,057
07-09-21	19.48	231,604	319,685	88,081	183,346	-414,950	397,575	812,525	1,278,236
14-09-21	19.66	209,459	304,638	95,179	180,038	-389,498	387,898	777,396	1,239,038
21-09-21	19.75	204,426	291,007	86,581	194,715	-399,140	333,231	732,371	1,101,439
28-09-21	19.84	206,541	290,292	83,751	192,262	-398,802	285,915	684,717	1,049,261
05-10-21	19.85	209,059	294,509	85,450	188,874	-397,934	277,998	675,932	1,051,640
Lastet Change	0.01	2,518	4,217	1,699	-3,388	868	-7,917	-8,785	2,379



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