

Sugar Weekly Report

13 – 17 December 2021



20-Dec-21											
	17-Dec-21	10-Dec-21	17-Nov-21	Weekly Var.	Monthly Var.		17-Dec-21	10-Dec-21	17-Nov-21	Weekly Var.	Monthly Var.
NY #11	19.11	19.71	20.42	⬇️ -0.60	⬇️	USD Index	96.67	96.05	95.81	⬆️ 0.62	⬆️ 0.86
London #5	498.0	511.4	524.7	⬇️ -13.4	⬇️	USDBZL	5.69	5.61	5.53	⬆️ 0.08	⬆️ 0.16
NY#16	36.40	37.15	37.50	⬇️ -0.75	⬇️	USDINR	75.98	75.70	74.25	⬆️ 0.28	⬆️ 1.73
Front White Premium	76.7	76.9	74.5	⬇️ -0.2	⬆️	EURUSD	1.12	1.13	1.13	⬇️ -0.01	⬇️ -0.01

Market Situation at a Glance

International Prices			
	17-Dec-21	10-Dec-21	Weekly Var.
Sugar			
NY #11	19.11	19.71	↓ -0.60 cts/lb
Front Spread	0.39	0.39	0.00 cts/lb
London #5	498.0	511.4	↓ -13.40 \$/mt
Front Spread	3.2	3.0	↑ 0.20 \$/mt
White Premium	76.7	76.9	↓ -0.17 \$/mt
USD Index	96.67	96.05	↑ 0.62
USDBZL	5.69	5.61	↑ 0.08 R\$/
USDINR	75.98	75.70	↑ 0.28 RUP/\$
RUBUSD	74.20	73.75	↑ 0.45 RUB/\$
EURUSD	1.12	1.13	↓ -0.01 \$/EUR
S&P500	4,621	4,712	↓ -91.38
DJ Industrial Avg	35,898	35,755	↑ 142.95
Light Crude Oil	70.3	72.0	↓ -1.67 \$/Barrel
Corn	592.5	588.5	↑ 4.00 cts/Bushel
Wheat	774.8	783.3	↓ -8.50 cts/Bushel
Coffee (Arabic)	236.2	232.7	↑ 3.45 cts/lb

Domestic Markets

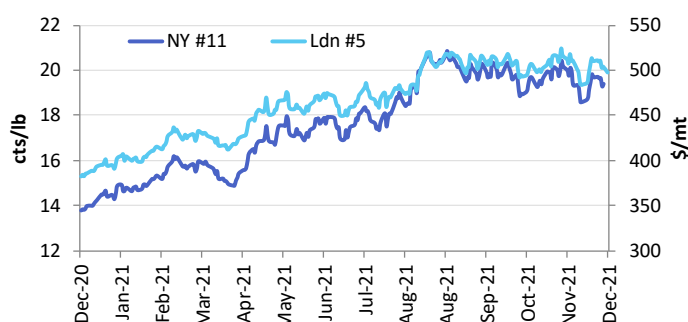
	17-Dec-21	10-Dec-21	Weekly Var.	Unit
Brazil				
NY Front Month in BZL	108.76	110.57	↓ -1.80	R\$ cts/lb
Domestic:				
Esalq Sugar (R\$)	154.46	153.36	↑ 1.10	R\$/50kg
Esalq Sugar (US\$)	27.14	27.34	↓ -0.20	cts/lb
Hydrous Ethanol (NY#11 equiv.)	17.53	17.60	↓ -0.07	cts/lb
Anhydrous Ethanol (NY#11 equiv.)	19.25	19.34	↓ -0.10	cts/lb

Ethanol/Gasoline in S. Paolo			
	17-Dec-21	10-Dec-21	Weekly Var.
Ethanol	4,938	5,038	↓ -100.00
Gasoline	6,351	6,390	↓ -39.00
Ethanol/Gasoline Parity	77.8%	78.8%	↓ -1%
Anhydrous from US Parity	-390.05	-377.65	↓ -12.40

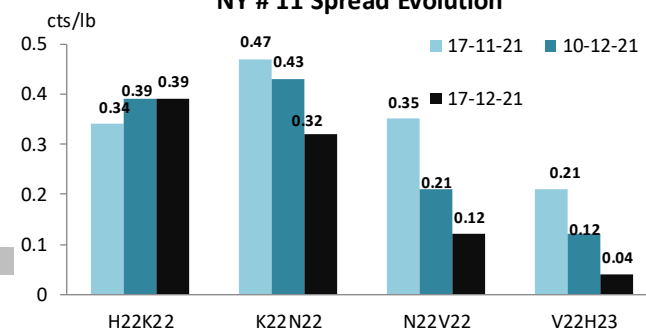
India			
	17-Dec-21	10-Dec-21	Weekly Var.
S-Grade (Kolhapur)*	33,525	32,466	↑ 1,060
M-Grade (Kolkatta)*	37,047	36,572	↑ 476

* price does not include GST of 5%

Sugar Market



NY # 11 Spread Evolution



China				
	17-Dec-21	10-Dec	Weekly Var.	Unit
ZCE Front Month	5,735	5,766	↓ -31	RMB/mt
ZCE Front Spread	28	26	↑ 2	RMB/mt
Northern Spot Cash	5,935	5,896	↑ 39	RMB/mt
Southern Spot Cash	5,700	5,740	↓ -40	RMB/mt

USA			
	17-Dec-21	10-Dec-21	
No #16	36.40	37.15	↓ -0.75 cts/lb
#16/11 Spread	17.29	17.44	↓ -0.15 cts/lb

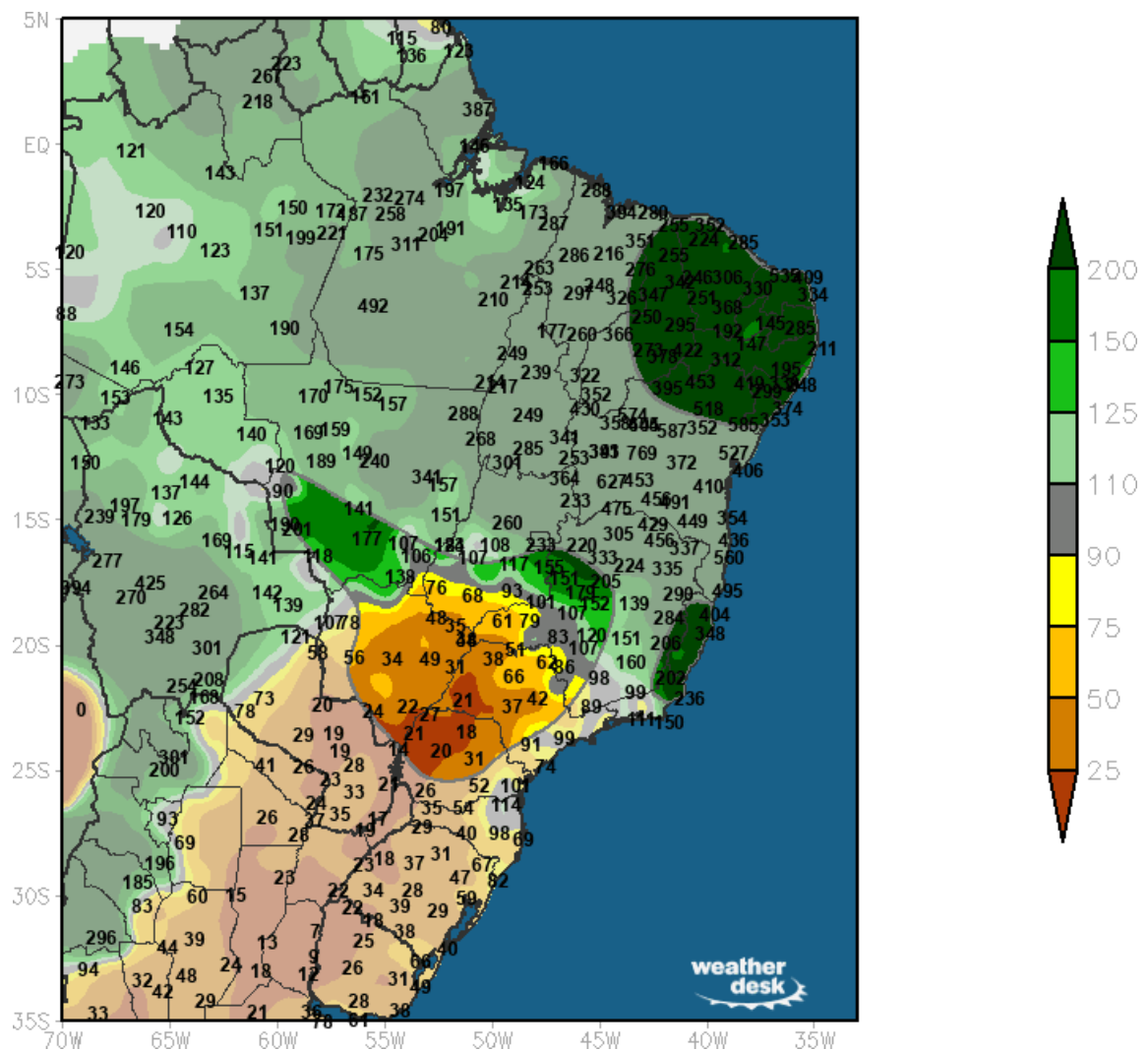
EU			
EU 45s containers	60	60	0.0 \$/mt ov Ldn

Russia			
Price in Krasnodar	646	643	↑ 3.0 \$/m3

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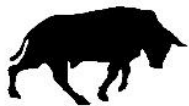
CS Brazil Rainfall Outlook: next 15 days % of normal



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- **NY Flat Price:** March contract closed the week at 19.11 cts/lb, down from 19.71 cts/lb last week.
- **NY Spreads:** March/May spread closed the week unchanged at 39 points inverse.
- **London Market:** March/March white premium closed the week at 76.7 cts/lb – barely changed week on week.
- **COT Report (14/12):** Specs increased net-longs by 35k lots, they held 165k net-long as of last Tuesday. Index funds positions reduced by 2k lots: they held 182.4k lots. Commercials net shorts positions reached 347.1k lots, down 32.6k lots week on week.



BULL

- Rain during November and December in CS Brazil was not ideal, with below average rainfall across the cane regions.

Indian domestic prices rebounded slightly over the past week, although they never approached a minimum price of 31k.



BEAR

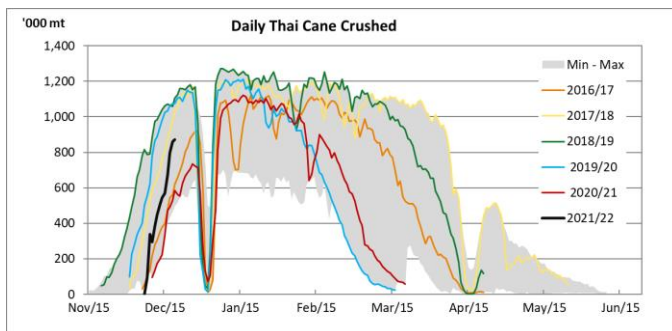
- Indonesian licenses are still yet to be issued, despite the recommendation coming out.
- Thai production has started and is going very well – much higher year on year so far.



Thailand: production update

19.12.21	2020/21	2021/22	VAR
Cane crush	3,240,453	6,469,655	↑ 3,229,202
Total sugar	224,614	491,430	↑ 266,816
Whites	16,488	12,228	↓ 4,260
Refined	8,848	18,127	↑ 9,278
Raws	194,104	449,889	↑ 255,785
Other Sugars	5,173	11,187	↑ 6,013
Extraction rate	6.93%	7.60%	↑ 0.66%
Mills operating	41	54	↑ 13

- ▶ Thai mills started crushing on December 7 with 54 mills operating by December 19 (out of 57).
- ▶ Cane crush reached 6.5 million mt, up 3.2 million mt year on year.
- ▶ Sugar production reached 490k mt, up 267k mt year on year; most of the produced sugar was raws: 450k mt produced vs 194k mt last year.
- ▶ Extraction rate was at 7.6%, up from 6.9% last season.
- ▶ Daily cane crushing is within average from the past 10 years (black line on the graph below).



CS Brazil: production update

- ▶ CS Brazil mills crushed 4 million mt of cane by mid-November, down from 8.7 million mt last season.
- ▶ Sugar production was at 159k mt, down from 434k mt last year, while ATR was at 133.7 kg/mt, down 10 kg/mt last year.

- ▶ Sugar mix stood at 32.5% vs 35.6% last season.

Cane (1000 mt)	2019/20	2020/21	2021/22 *	Variation Y-o-Y
Fortnight	2H Nov			
Cane (1000 mt)	10,840	8,736	3,932	↓ -4,804
Sugar (1000 mt)	337	434	159	↓ -275
Ethanol (1000 M3)	771	590	549	↓ -41
ATR (kg/mt)	140.7	144.2	133.7	↓ -10
Sugar mix (%)	23.85%	35.55%	32.45%	↓ -3.1%

Cumulative	2019/20	2020/21	2021/22 *	Variation Y-o-Y
2H Nov				
Cane (1000 mt)	575,257	594,878	520,900	↓ -73,978
Sugar (1000 mt)	26,409	38,095	32,000	↓ -6,095
Ethanol (1000 M3)	31,727	28,910	26,390	↓ -2,520
ATR (kg/mt)	139.2	145.1	142.9	↓ -2
Sugar mix (%)	34.59%	46.30%	45.11%	↓ -1.2%

- ▶ Cumulative cane crush reached 521 million mt, down 74 million mt year on year.
- ▶ Sugar production reached 32 million mt with sugar mix at 45.1%, down from 46.3% last season.
- ▶ Currently ethanol equivalent in sugar is around.

India: production update

FH Dec	2019/20	2020/21	2021/22	Var
MH	766	2,696	3,190	↑ 494
UP	2,125	2,260	1,860	↓ -400
Karnataka	1,062	1,665	1,790	↑ 125
Tamil Nadu	73	80	50	↓ -30
Total India	4,581	7,377	7,500	↑ 123
#mills	412	460	471	

- ▶ Indian production by mid-December reached 7.5 million mt, up 100k mt year on year.
- ▶ Maharashtra production was half a million higher year on year at 3.2 million mt.
- ▶ Uttar Pradesh production reached 1.9 million mt, down 400k mt lower year on year.
- ▶ Karnataka production was at 1.8 million mt, up 125k mt year on year.

We estimate production to reach 32 million mt, up from 31 million mt last season.

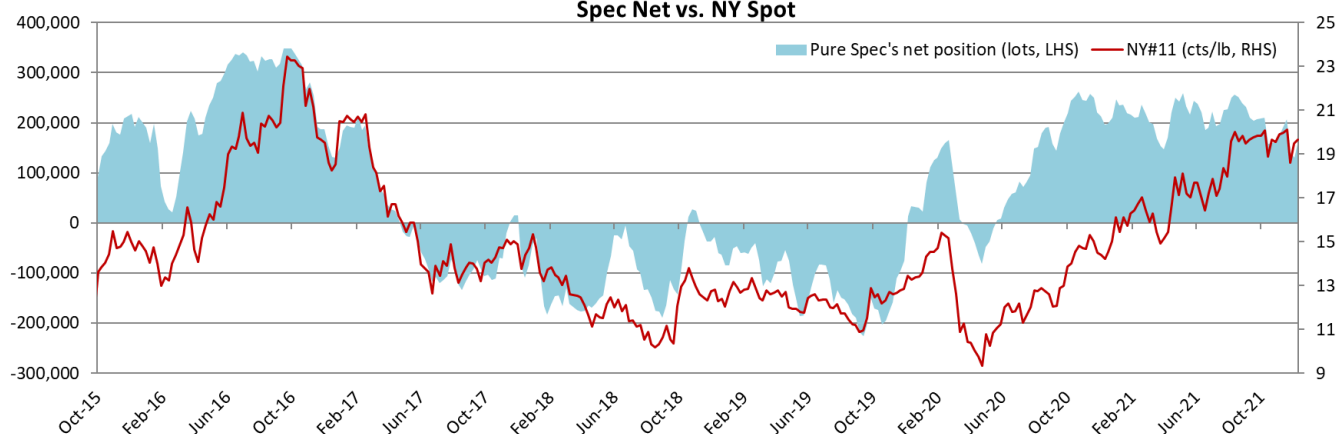
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COT RECAP

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
26-10-21	19.66	159,136	263,558	104,422	187,033	-346,169	301,970	648,139	1,051,847
02-11-21	19.54	162,533	267,413	104,880	186,671	-349,204	304,224	653,428	1,059,937
09-11-21	19.9	173,835	276,540	102,705	190,953	-364,789	301,300	666,089	1,076,071
16-11-21	19.99	189,594	287,221	97,627	191,771	-381,366	293,404	674,770	1,074,429
23-11-21	20.11	206,824	301,840	95,016	194,715	-401,539	303,184	704,723	1,099,101
30-11-21	18.6	140,792	253,016	112,224	192,490	-333,283	317,101	650,384	1,049,970
07-12-21	19.48	130,183	236,458	106,275	184,288	-314,471	329,879	644,350	1,033,296
14-12-21	19.65	164,700	253,786	89,086	182,412	-347,114	322,533	669,647	1,049,772
Lastet Change	0.17	34,517	17,328	-17,189	-1,876	-32,643	-7,346	25,297	16,476

Spec Net vs. NY Spot



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