

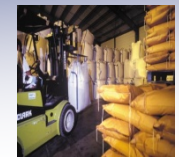
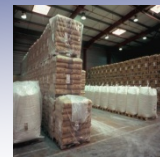
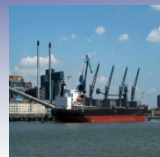
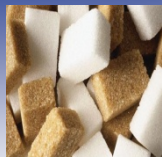


The European Association of Sugar Traders

Meeting of the Civil Dialogue Group – Sugar Sector

19 April 2021

*Daniël Kerkhof
ASSUC President*

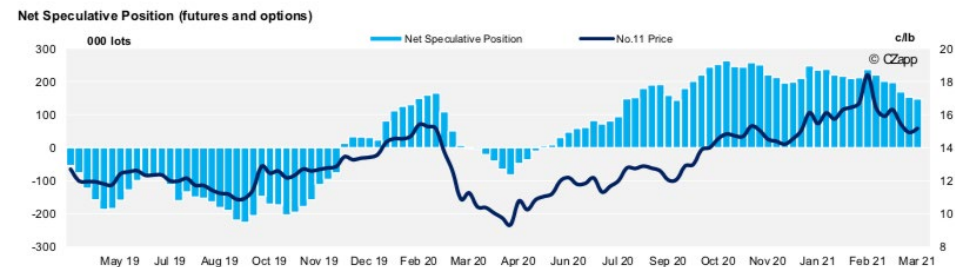


Contents

1. World market evolution
2. Disturbed global supply chain
3. Brazil update
4. India update
5. Thailand update
6. Production
7. Consumption
8. World Sugar Balance

RAW SUGAR #11

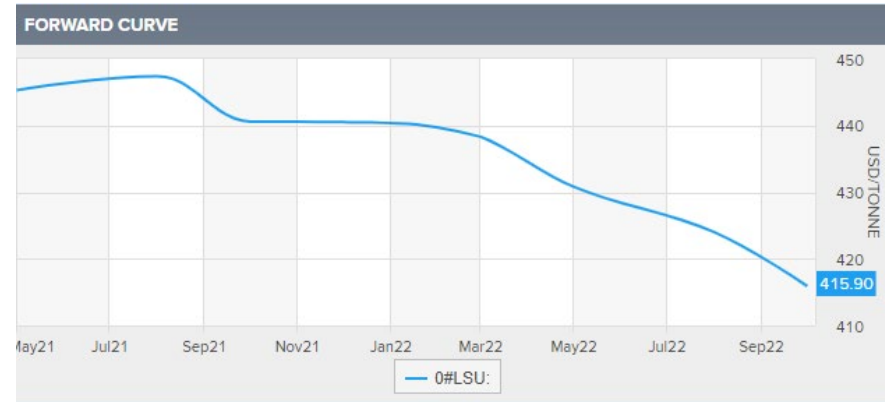
**EMERGENCE
OF WORLD
PANDEMIC
COVID 19**



Source: Reuters, CZAPP

WHITE SUGAR #11

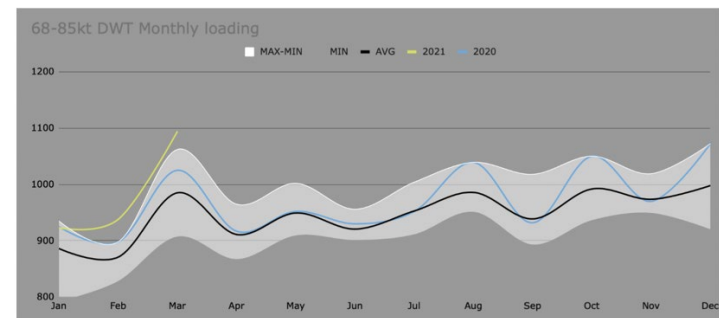
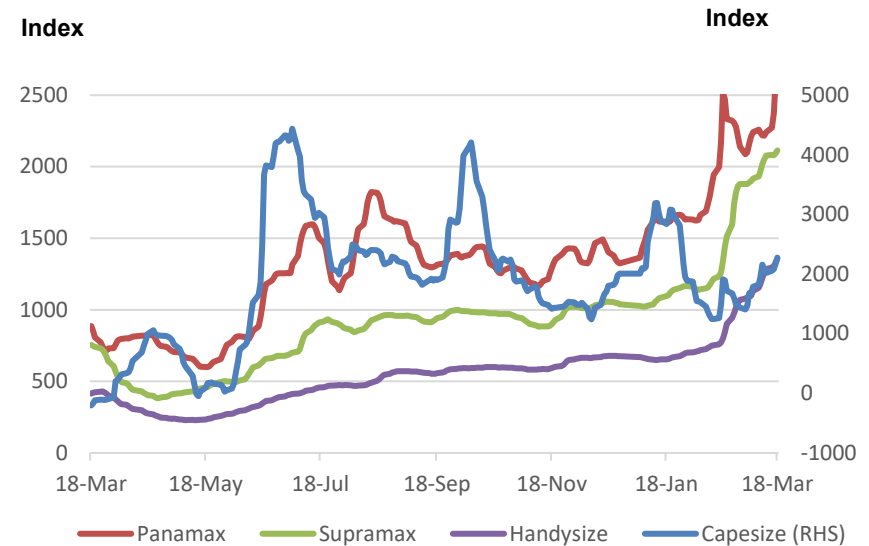
**EMERGENCE
OF WORLD
PANDEMIC
COVID 19**



Source: Reuters

- Global imbalance of empty containers, caused by COVID & Asian demand for containers
- >80 % of vessels are not arriving on time
- Above average cargo demand
- Lack of vessel space
- Freight quotes are close to record values

Freight



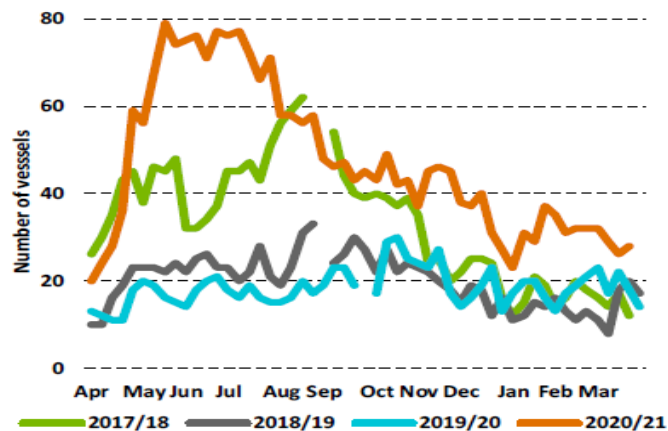
NY11 in BRL terms



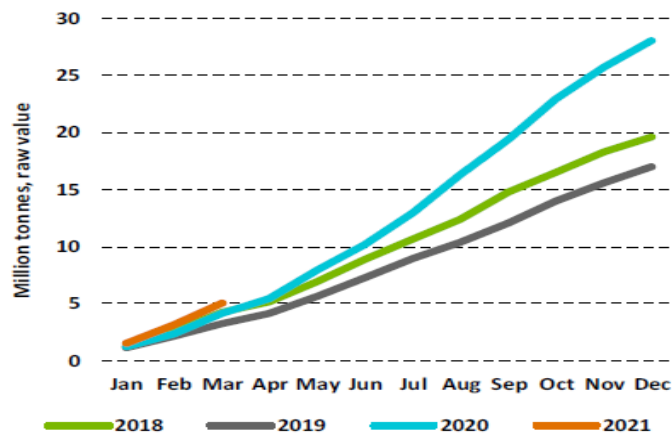
CROP 20/21 RESULT

CS BRASIL	19/20	20/21
Cane	590.4	605.5
Sugar	26.8	38.5
Total Ethanol	33.2	30.3
Anhydrous	9.8	9.6
Hydrous	23.3	20.7
ATR	138.6	144.7
Sugar Mix	34.3%	46.1%

Vessel line up — Centre/South Brazil



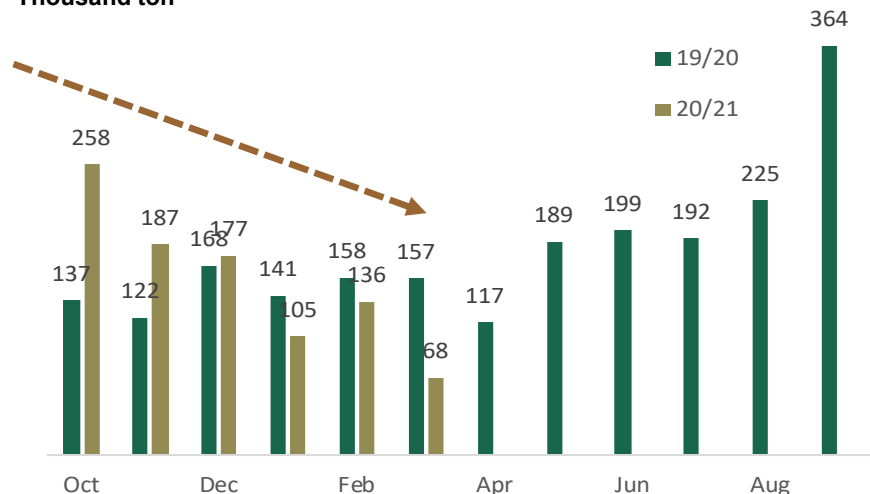
Raw sugar exports — Brazil



Container availability dictating refined sales while bulk raw sales have just started

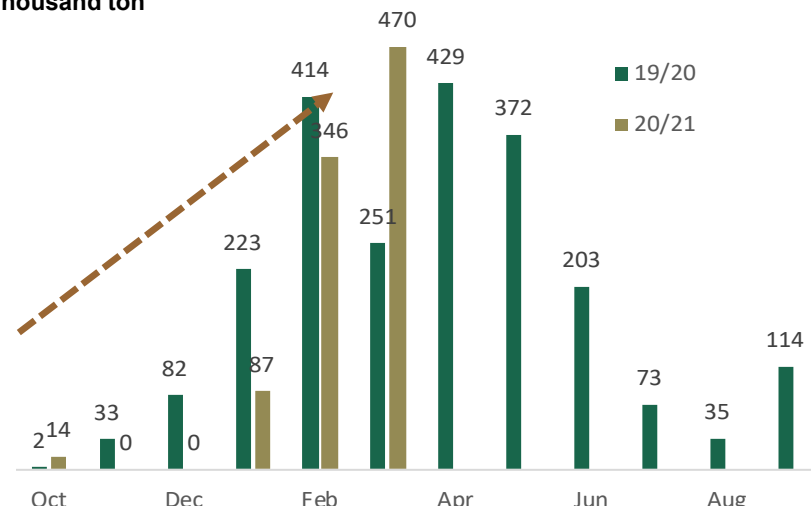
45s exports

Thousand ton



Raw exports

Thousand ton



Strong start

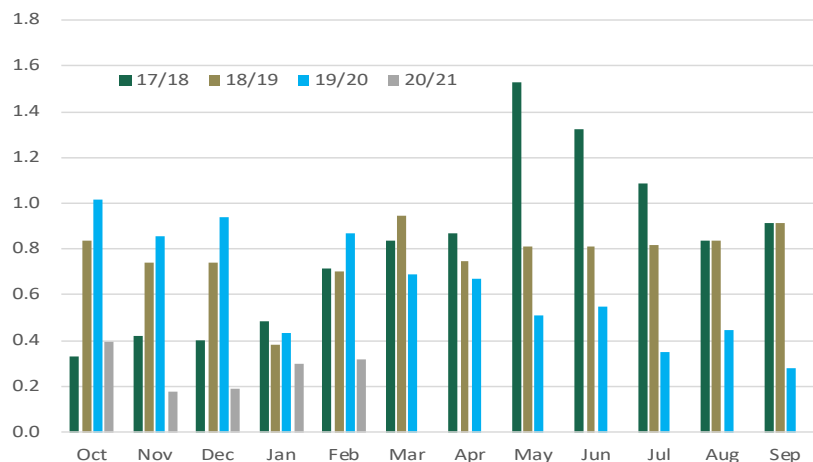
- Up to half of Mar, sugar production totaling 25.9mmt (vs. 21.6mmt in 19/20).
- The low availability of containers has certainly impacted the pace of the refined sugar exports.
- On the other hand, India has been present in all the latest 45s contracts deliveries which represents the greatest part of 45s exports

Improving

- The late resolution of the Indian subsidies has pushed raw sales to Q1/21, delaying exports.
- Nevertheless, the big crop (30.4mmt) is resulting in strong sales, preventing higher market quotes and attending Asian demand.
- Rumors of additional 1-2mmt export quota.

Sugar exports evolution

Mln ton

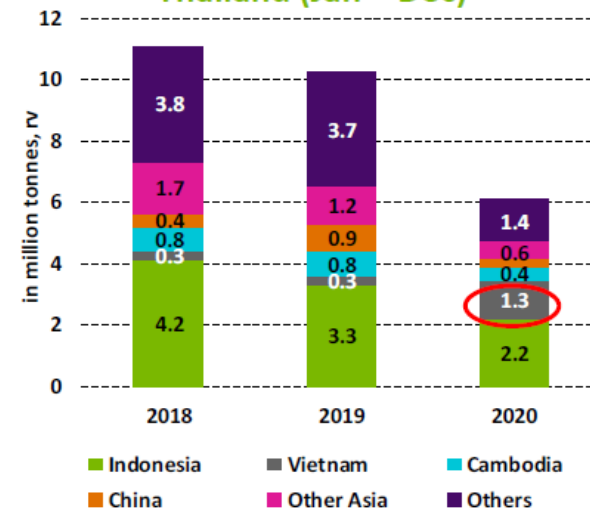


Thai Sugar Production

m tonnes



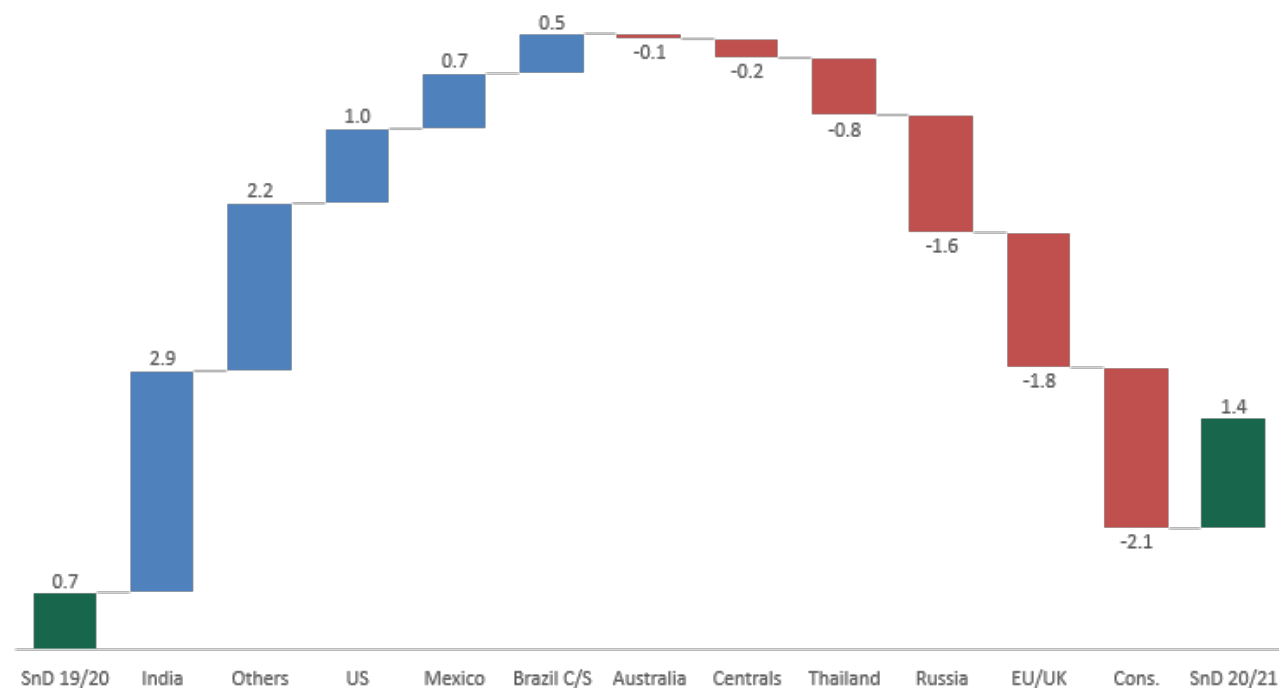
Sugar exports by destination - Thailand (Jan – Dec)



EU, Russia and Thailand falling while India and NAFTA are increasing

Country YoY changes (Oct/Sep) – 19/20x20/21

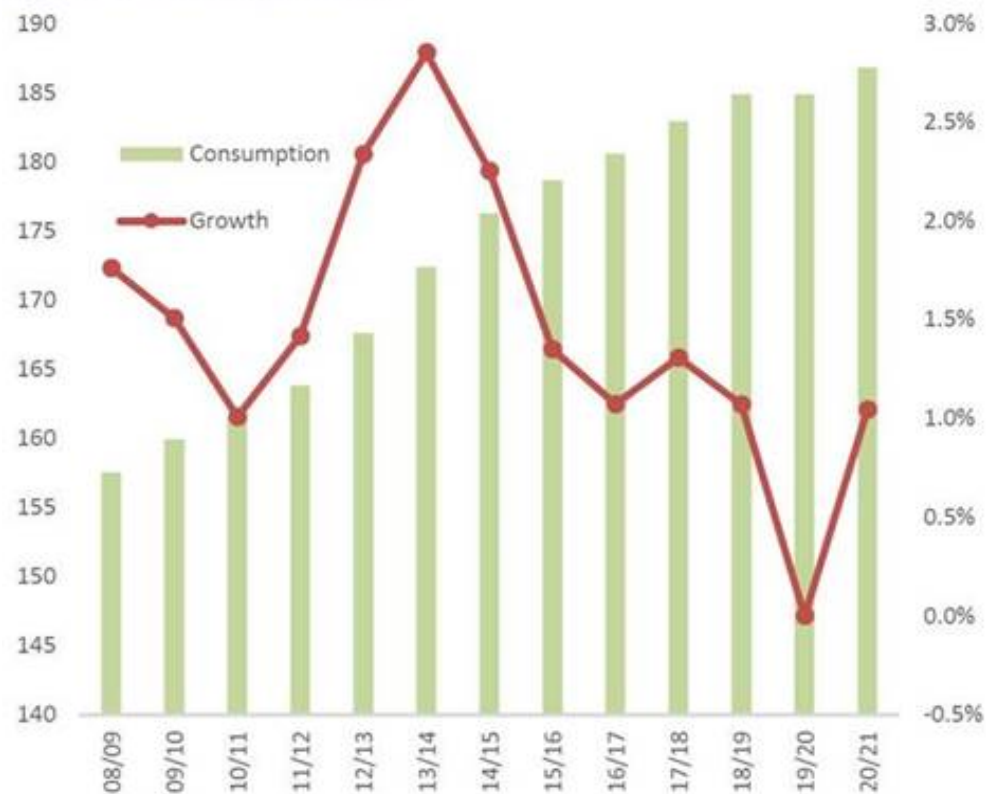
Mln ton



MMT	19/20	20/21
India	27.4	30.4
US	7.0	8.0
Mexico	5.3	6.0
C/S	37.0	37.5
Australia	4.2	4.1
Centrals	5.1	4.8
Thailand	8.0	7.2
Russia	7.0	5.5
EU/UK	15.9	14.1
N/NE	2.9	3.0
Pakistan	4.8	5.6
Iran	1.5	1.0
China	10.5	10.6
C/S (Apr/Mar)	26.8	38.5

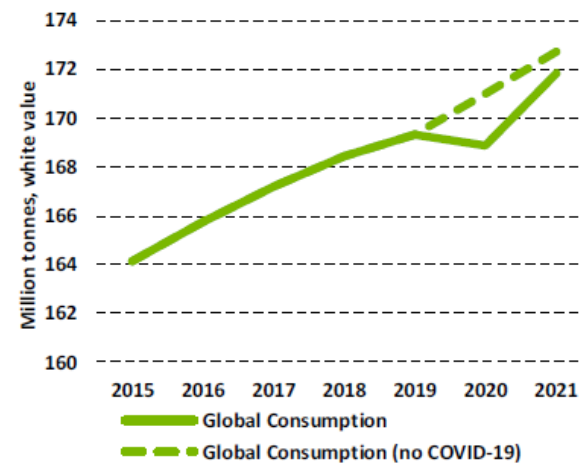
World Sugar Consumption

Million metric tons, raw value



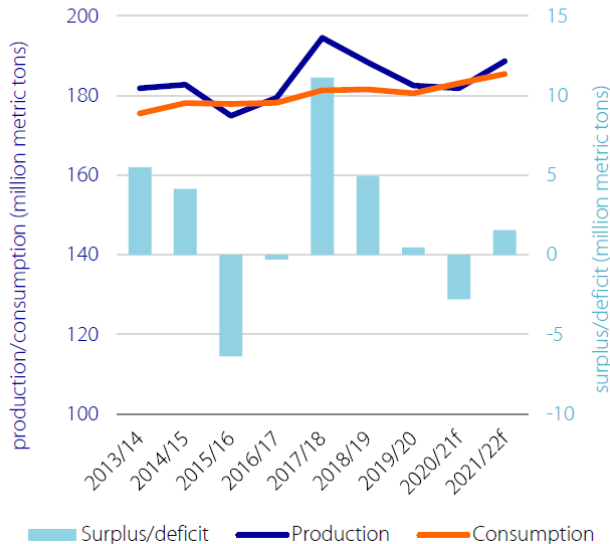
Source: DATAGRO

Global consumption trends

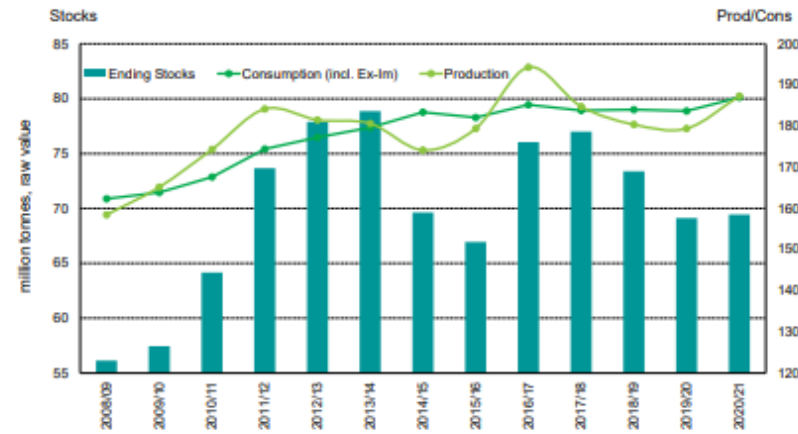


World Market balance

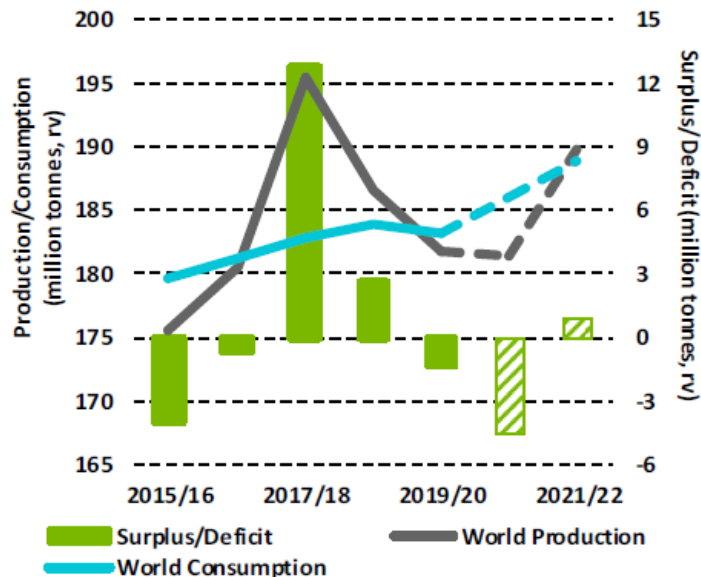
Global sugar supply/demand balance
2013/14 – 2021/22f



World Sugar Balance



Licht Interactive Data



¹¹ Source: LMC/ FO Licht.

WORLD MARKET DRIVERS in 2020/21 – beyond.

- ✓ COVID19 EFFECTS ON SUGAR TRADE
- ✓ EXCHANGE RATES
- ✓ COVID19 EFFECTS ON CONSUMPTION
- ✓ RECOVERY OF EU/ WORLD ECONOMY
- ✓ US TRADE POLICY
- ✓ SPECULATIVE FUNDS
- ✓ INDIA'S EXPORT SUPPORT
- ✓ CHINA DEMAND
- ✓ SUGAR OUTPUT IN IMPORTANT PRODUCING AREAS: EU, THAILAND, RUSSIA
- ✓ SUGAR CONSUMPTION
- ✓ SUGAR = HEALTH RISK
- ✓ La Niña / WEATHER
- ✓ CLOSURES OF MILLS/ PRODUCTION SITES
- ✓ OIL PRICES/PRODUCTION
- ✓ ETHANOL INITIATIVES



Disclaimer

- The opinions, views and forecasts expressed herein reflect the personal views of the author and do not necessarily reflect the views of ASSUC.
- Any comments or opinions in this report are not intended to be an offer to buy or sell commodities or futures and options thereon as they merely state our views and carry no guarantee as to their accuracy.
- We make no representation or warranty that the information contained herein is accurate, complete, fair or correct.
- All information, prices or projections are subject to change without notice.
- This information is not intended to be construed as investment advice.
- We do not accept any liability or loss or damage arising from any inaccuracy or omission in or the use of or reliance on the information in this document.