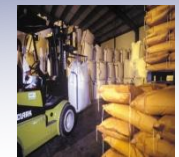
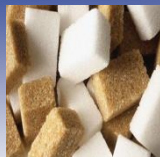




**The European Association of Sugar Traders**

## Meeting of the Expert Group on Sugar Market Observatory

*9 FEBRUARY 2021*



## MARKET DEVELOPMENTS

### SUGAR PRICES REGAINED GROUND

March'21 (LDN#5:472USD/TO, NY#11: 16.3 C/LB)

- oil prices reached pre-pandemic levels,
- lower production in some key producing countries
- strong demand from ASIA
- long term futures on commodities

## BRAZIL

- sugar/ethanol ratio: 46% / 54% (last year: 34.48%)
- CS production: 38.2 million tons (+44%)
- rains below normal levels – exp. low yields in 2021/22
- ethanol prices may divert sugar cane from sugar
- weak REAL push up export volumes

## INDIA

- sugar production: 30.2 million tons (slightly lower)
- late export subsidies: 35 million rupees (475 mill. USD)
- export: 6 million tons (2.5 million contracted)
- delivery issues – containers' availability
- strong demand from ASIA's markets (Indonesia, China)
- production increase in 2021/22: 36.5 million tons (?)
- ethanol prices may divert sugar cane from sugar

## THAILAND

- lowest output in decade: 7 million tons
- good premises for next crop: + 30 MMT of cane
- higher cane prices => higher acreage in view

# WORLD MARKET DRIVERS

- ✓ IMPROVED VACCINATION RATE
- ✓ CONSUMPTION'S RECOVERY
- ✓ INVESTORS LONG SALES ON COMODITIES
- ✓ BRENT QUOTATIONS
- ✓ ETHANOL DEMAND
- ✓ TRANSPORT AVAILABILITIES
- ✓ PRODUCTION NEGATIVELY IMPACTED BY WEATHER/PEST
- ✓ SUGAR CONSUMPTION
- ✓ ASIA'S DEMAND
- ✓ THIRD OR FOURTH COVID'S WAVES
- ✓ NEW MUTATIONS OF VIRUS
- ✓ SEVERE CONTAINMENT AND QUARANTINE
- ✓ REVIVAL OF THAILAND'S OUTPUT
- ✓ INCREASE OF SUPPLY IN INDIA
- ✓ SPECULATIVE FUNDS DUMP LONG POSITION
- ✓ WEAK REAL/STRONG USD
- ✓ MILD "LA NINA"



## 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.