ASSUC

The European Association of Sugar Traders

Meeting of the Civil Dialogue Group – Sugar Sector

18 November 2020

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ASSUC President

Contents

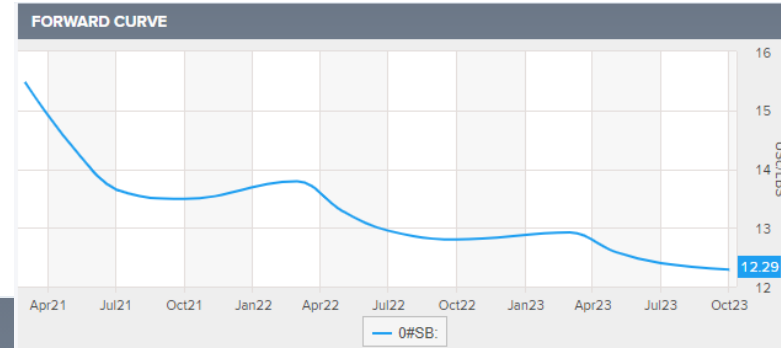
Sources: EDF Man, FO LICHT, Reuters, Czapp, LMC, sugaronline.com, barcharts.com, UNIQUA, USDA Reports, internal resources

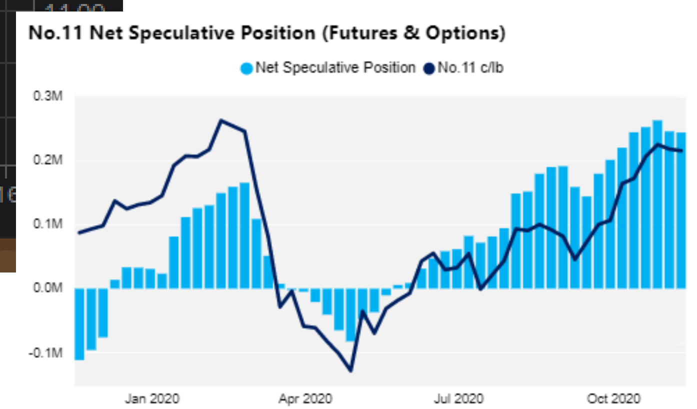
World Market Evolution

RAW SUGAR #11 – LAST TWELVE MONTHS

Thai Crop

EMERGENCE OF WORLD PANDEMIC COVID 19

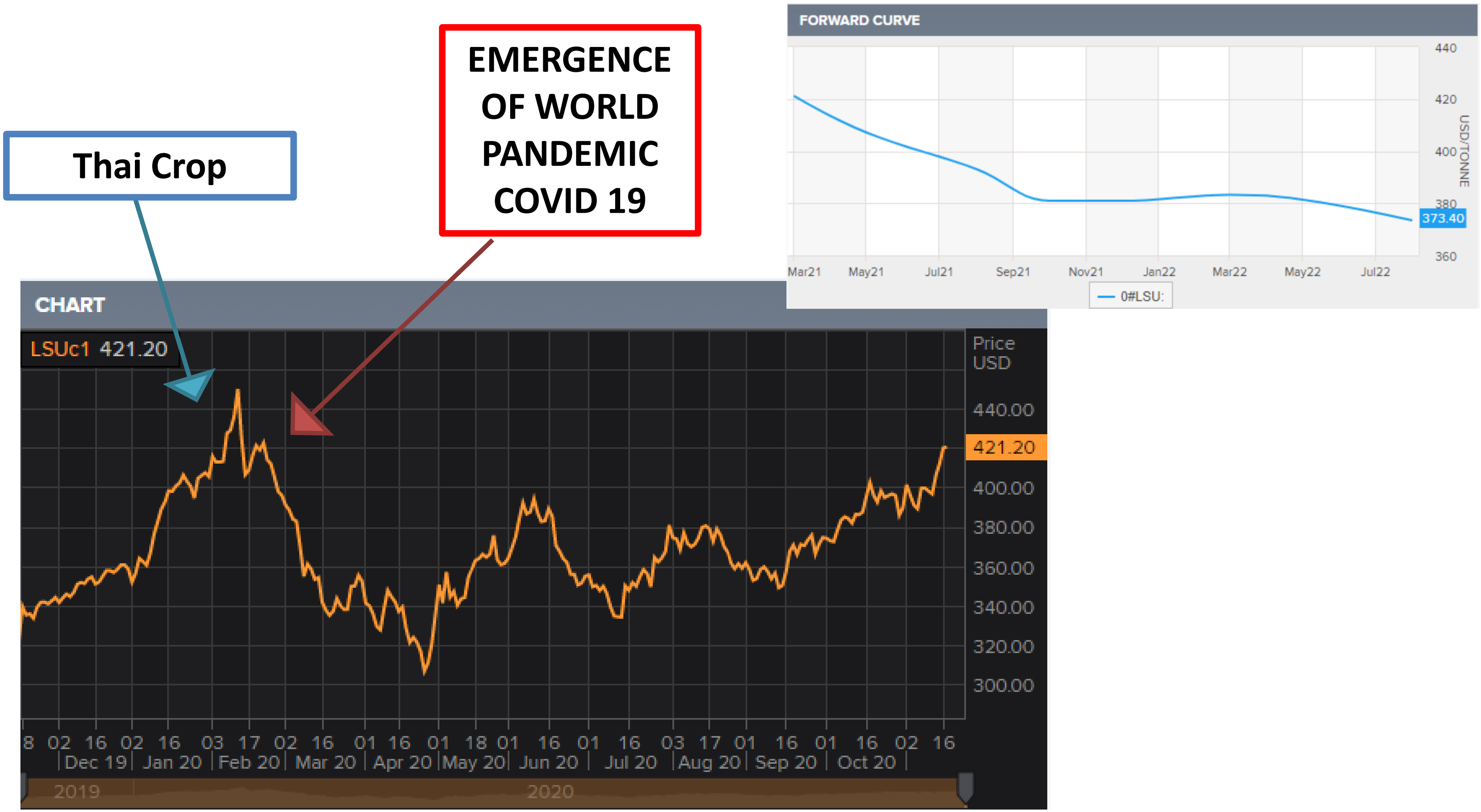




Source: Reuters, CZAPP

World Market Evolution

WHITE SUGAR #11 – LAST TWELVE MONTHS

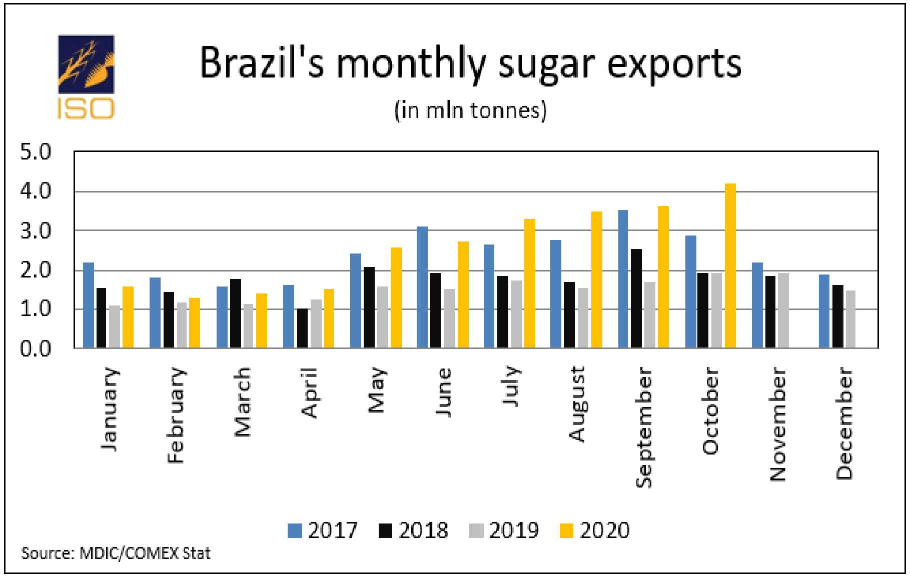


Source: Reuters

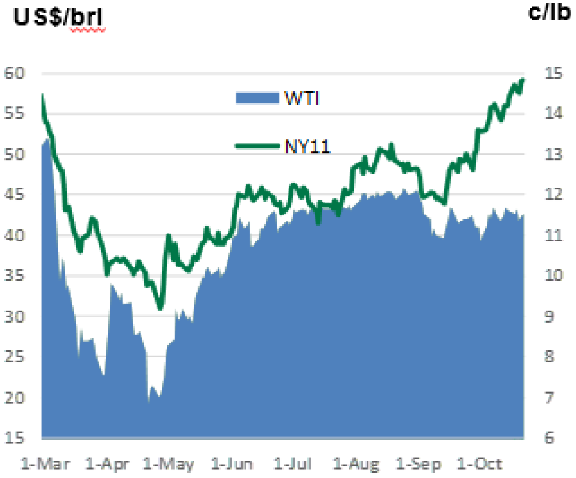
Brazil C/S update

FH of Oct cumulative results

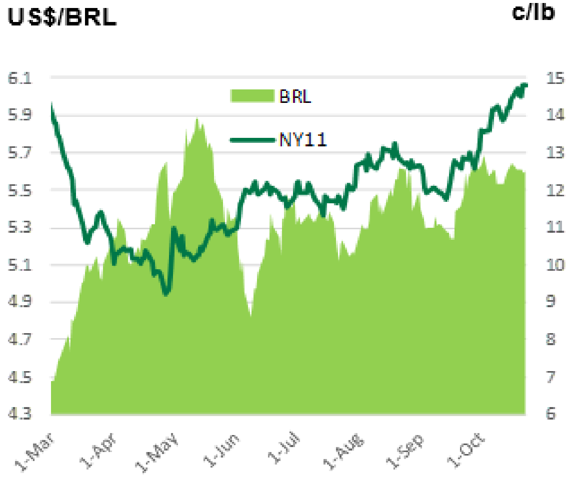
	Units	19/20	20/21	Change/dif.
Cane crush	*mln ton*	512.2	538.1	5.1%
Sugar	*mln ton*	23.8	34.7	45.9%
Ethanol	*mln liters*	27,639	25,567	-7.5%
Anhydrous		8,315	7,913	-4.8%
Hydrous		19,324	17,654	-8.6%
ATR	*kg/ton*	138.1	144.3	4.5%
Sugar mix	*%*	35.3%	46.9%	11.6%
Ethanol sales*	*mln liters*	17,503	14,430	-17.6%
Anhydrous		4,788	4,456	-6.9%
Hydrous		12,715	9,974	-21.6%



Oil vs. NY11



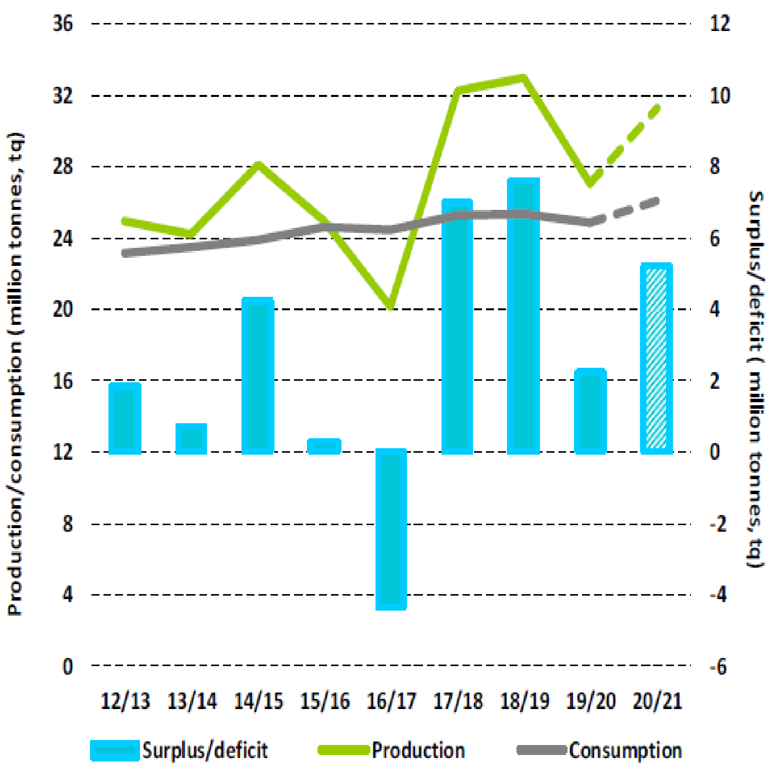
BRL vs. NY11



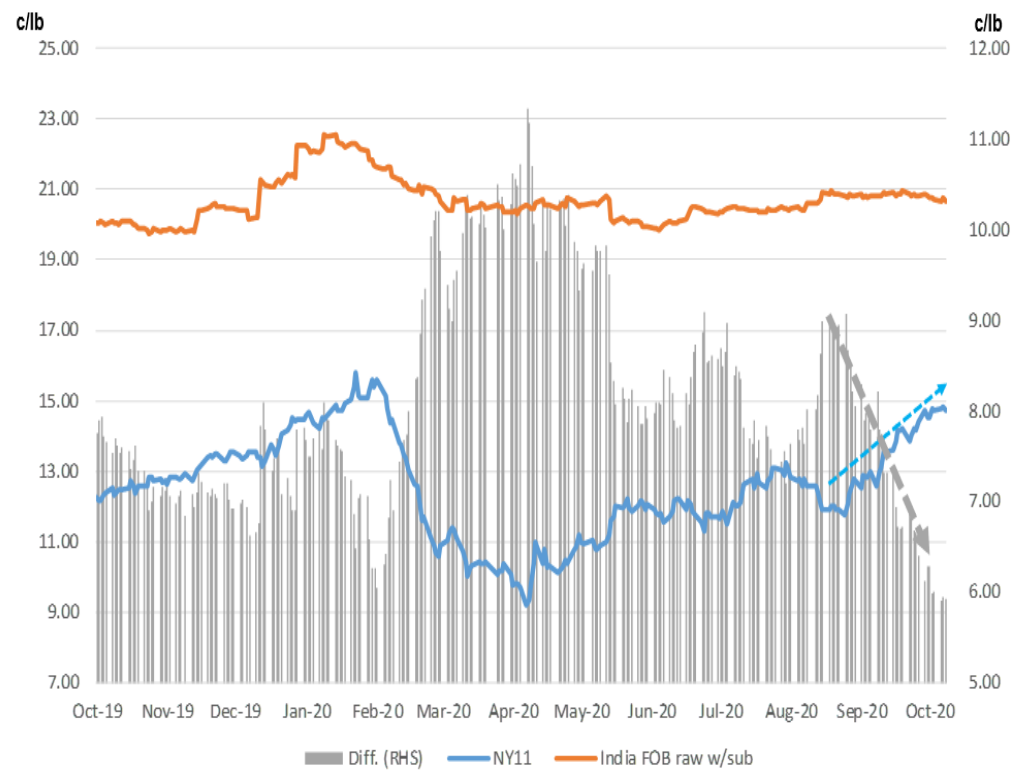
Source: Reuters, ISO and ED&F Man Research.

India update

India's supply/demand balance



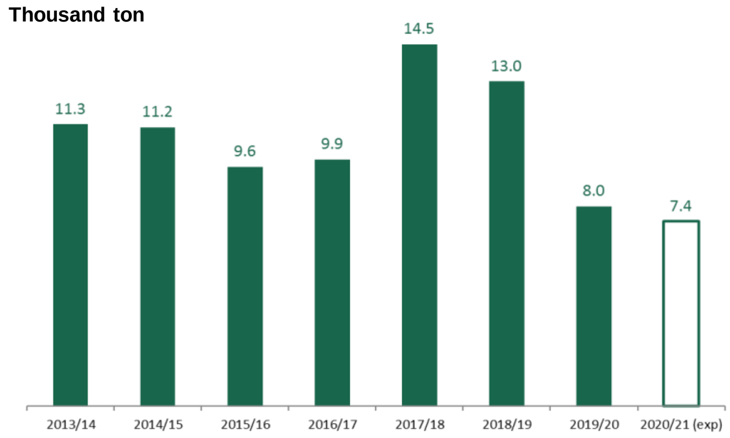
India FOB prices vs. NY11



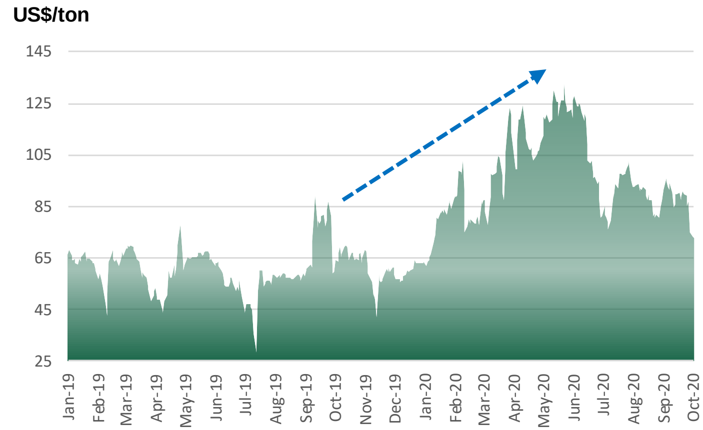
 Source: LMC, Reuters and ED&F Man Research..

Thailand production and WP implications

Thailand sugar production



White Premium (front month)



Lowest crop of the past 10 years

- Thailand crop ended being 8.1mmt, 4mmmt less than the market was expecting in De/19, lowest crop since crop 2009/10.
- Despite the poor crop, exports were still strong till Jul/20 given high stocks generated in the crops 17/18 and 18/19.

Revival!

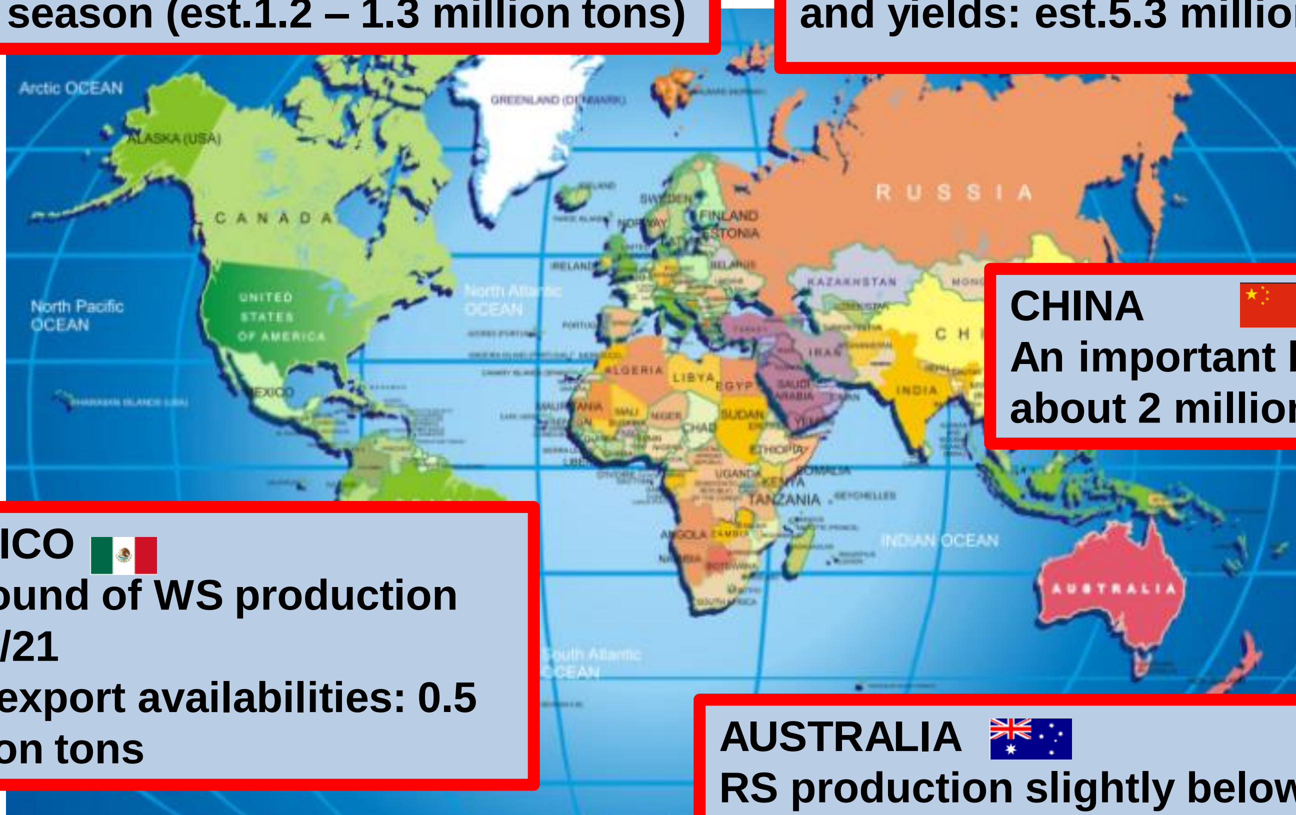
- Thailand, being the second biggest exporter of sugar and the biggest exporter of refined sugar changed considerably the market dynamic.
- White Premiums stood above US$100/ton for the first time since Jul/2017.

Source: The Ice and ED&F Man Research..

OTHERS

UKRAINE
- 15% less sugar production versus last season (est.1.2 – 1.3 million tons)

RUSSIA
- Much lower output due to lower acreage and yields: est.5.3 million tons

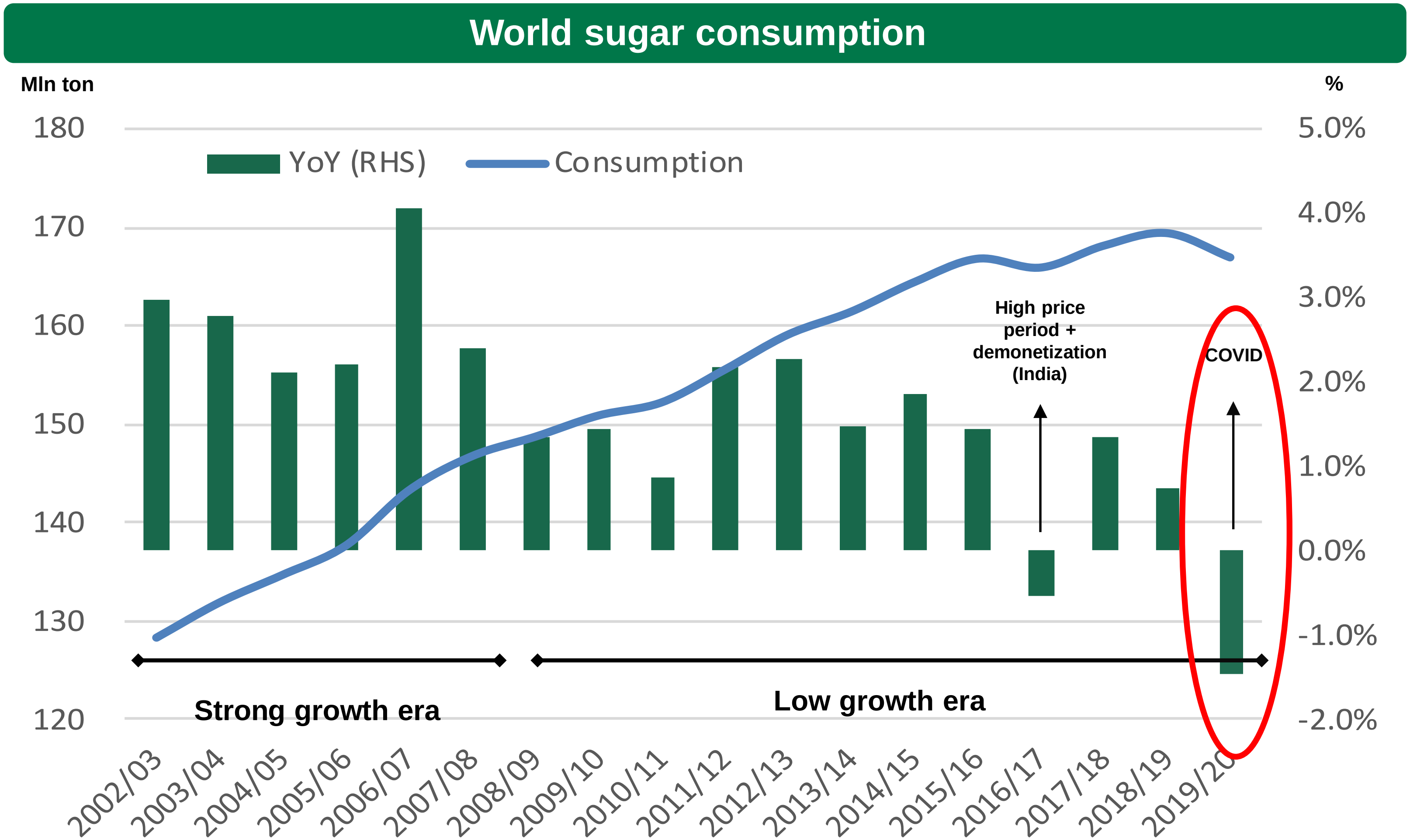


CHINA
An important buyer of sugar – about 2 million tons from Brazil

MEXICO
Rebound of WS production 2020/21
Est. export availabilities: 0.5 million tons

AUSTRALIA
RS production slightly below last campaign: est.4.3 million tons (yet 30% of harvest is still on fields)

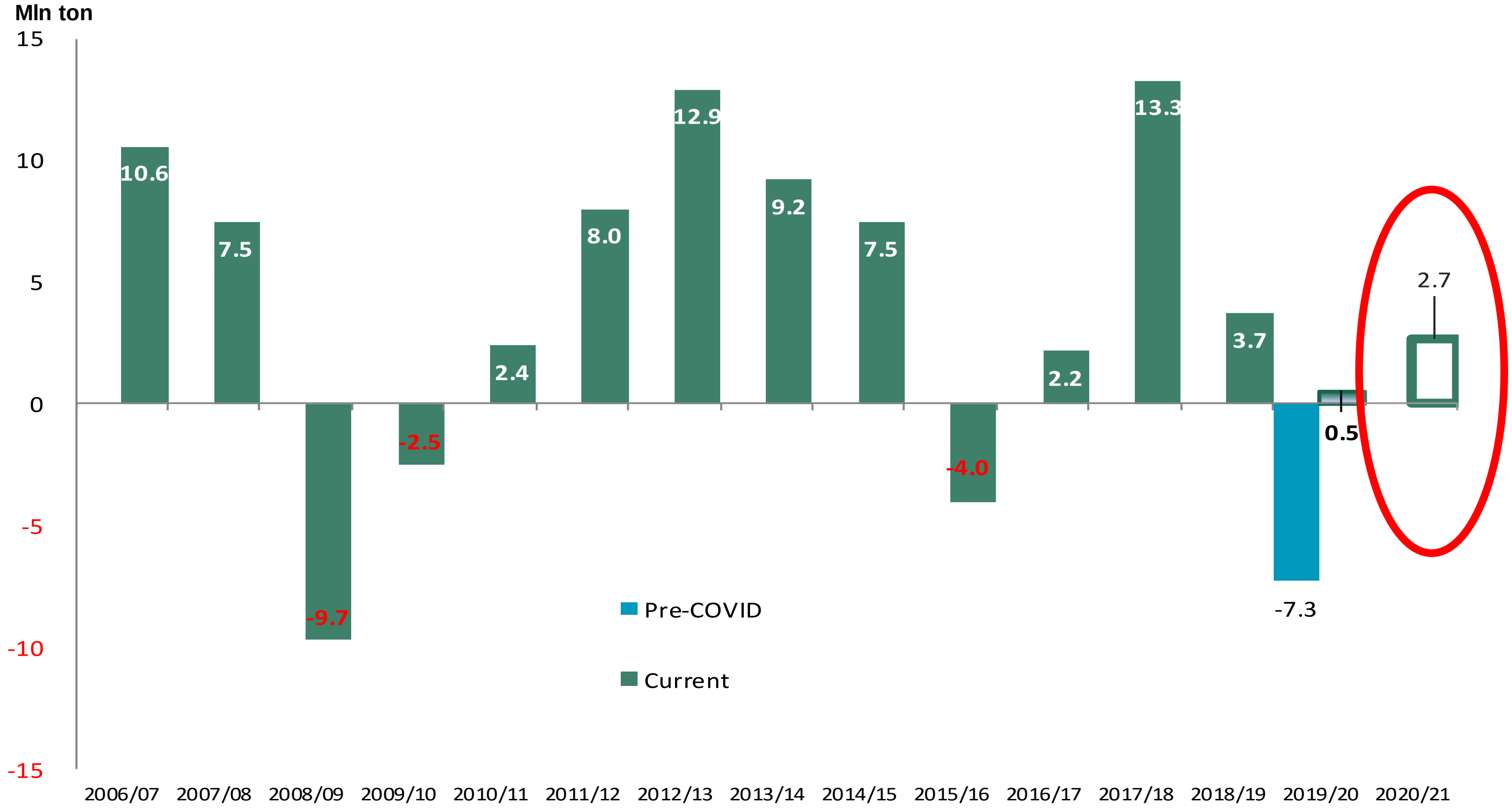
Post-COVID – Consumption



Source: ED&F Man Research..

World Market balance – Post-COVID

World Market balance – (Oct/Sep basis)



Source: ED&F Man Research..

WORLD MARKET DRIVERS in 2020/21 – COVID19&Co.

- ✓ COVID19 EFFECTS ON SUGAR TRADE
- ✓ RECOVERY OF EU/ WORLD ECONOMY
- ✓ CHINA DEMAND AND RECOVERY
- ✓ SUGAR OUTPUT IN IMPORTANT PRODUCING AREAS: EU, THAILAND, RUSSIA
- ✓ La Niña / WEATHER
- ✓ OIL PRICES/PRODUCTION

- ✓ EXCHANGE RATES
- ✓ US TRADE POLICY
- ✓ SPECULATIVE FUNDS

- ✓ COVID19 EFFECTS ON CONSUMPTION
- ✓ INDIA'S EXPORT SUPPORT
- ✓ SUGAR CONSUMPTION
- ✓ SUGAR = HEALTH RISK
- ✓ CLOSURES OF MILLS/ PRODUCTION SITES
- ✓ ………….

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