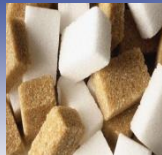




The European Association of Sugar Traders

Situation and prospects for the world sugar market

Brussels, 19 November 2019
Civil Dialogue Group



Global sugar Balance

1.000 tons Raw Value

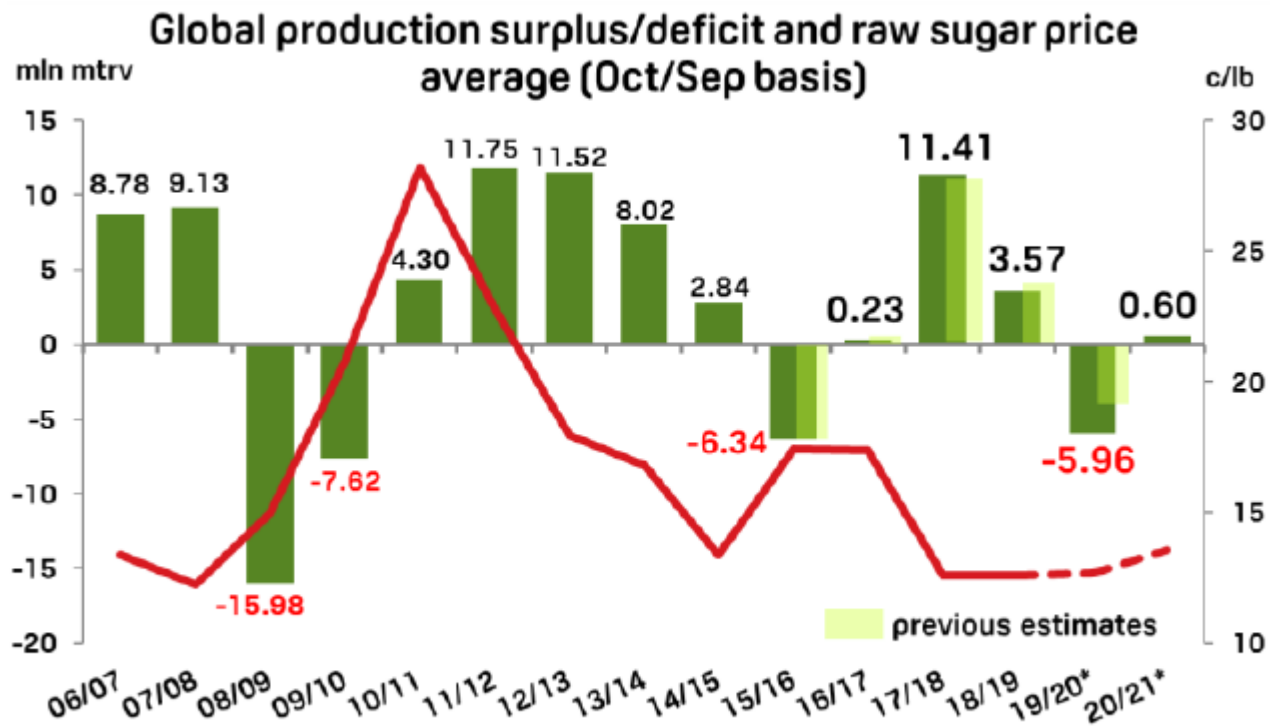
Basis Oct/Sept

	2018/19	2019/20	2020/21
Production	185.611	177.880	186.303
Consumption	<u>182.044</u>	<u>183.840</u> $\triangleq + 1 \%$	<u>185.699</u> $\triangleq + 1 \%$
	+ 3.567	- 5.960	+ 604

Basis Nat-Crop year

Production	186.689	176.223	185.404
Consumption	<u>181.575</u>	<u>182.994</u>	<u>184.524</u>
	+ 5.114	- 6.771	+ 880

Source: Kingsman.



Source: S&P Global Platts Analytics

Differences 2019/20 -v- 2018/19

(1.000 tons Raw value, Basis national Crop Year)

Production	2018/19	186.689	
	2019/20	<u>176.223</u>	
		- 10.466	△ - 5,6 %
Main changes	EU 28	- 451	△ - 2,5 %
	Brasil CS	- 691	△ - 2,5 %
	India	- 6.771	△ - 19,0 %
	Pakistan	- 347	△ - 5,8 %
	Thailand	<u>- 1.797</u>	△ - 11,7 %
		- 10.057	

Source: Kingsman

Differences 2020/21 -v- 2019/20

(1.000 tons Raw value, Basis national Crop Year)

Production 2019/20	176.223	
Production 2020/21	<u>185.404</u>	
	+ 9.181	△ + 5,2 %
Main changes		
EU	+ 758	△ + 4,5 %
UK	+ 144	△ + 12,6 %
Mexiko	+ 495	△ + 7,7 %
Brasil CS	+ 1.256	△ + 4,7 %
South Africa	+ 467	△ + 20,5 %
other SE Africa	+ 505	△ + 18,9 %
China	- 348	△ - 3,0 %
India	+ 4.445	△ + 15,3 %
Thailand	<u>+ 638</u>	△ + 4,7 %
	+ 8.360	

Source: Kingsman

London white sugar spreads

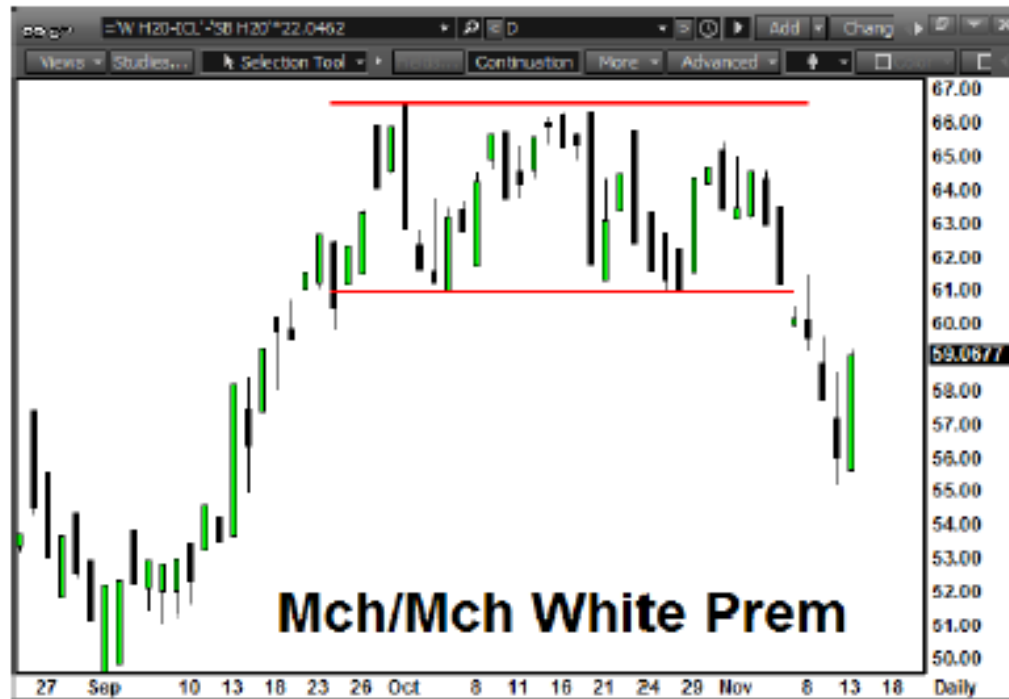
15/9/19 Dec/Mch

13/9/19 Oct/Dec + US-\$ 12,50

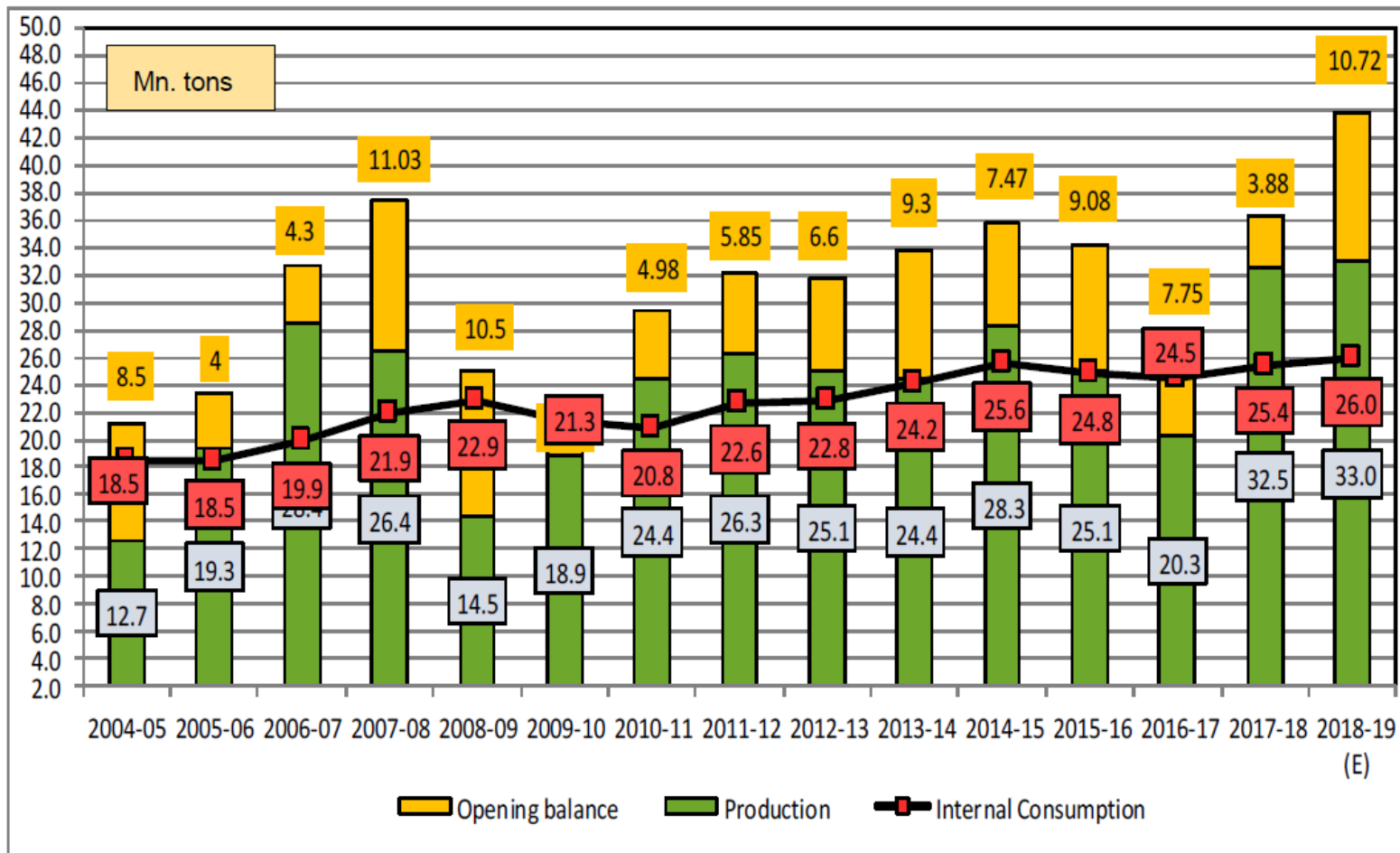
15/7/19 Aug/Oct - US-\$ 22,00

15/4/19 May/Aug - US-\$ 7,20

13/2/19 Mch/May - US-\$ 12,30



Indian production, consumption and opening balance

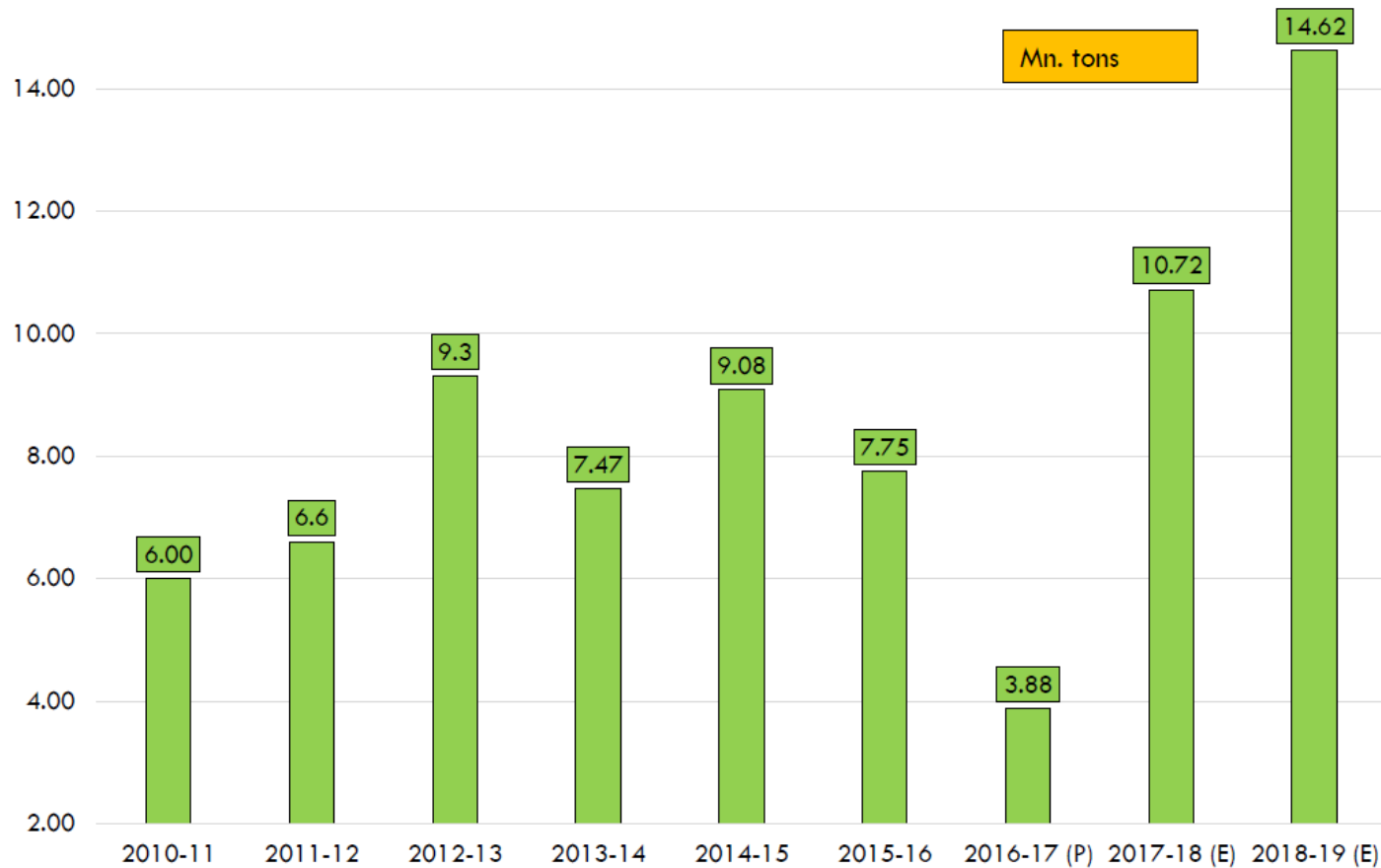


Current year 2018-19 sugar balance sheet

Opening balance (as on 1 st Oct, 2018)	10.72 mn tons
Estimated sugar production	32.90 mn tons
Sugar availability during the season	43.62 mn tons
Estimated sugar consumption	26.00 mn tons
Estimated exports	3.00 mn tons
Closing balance (as on 30th Sept, 2019)	14.62 mn tons

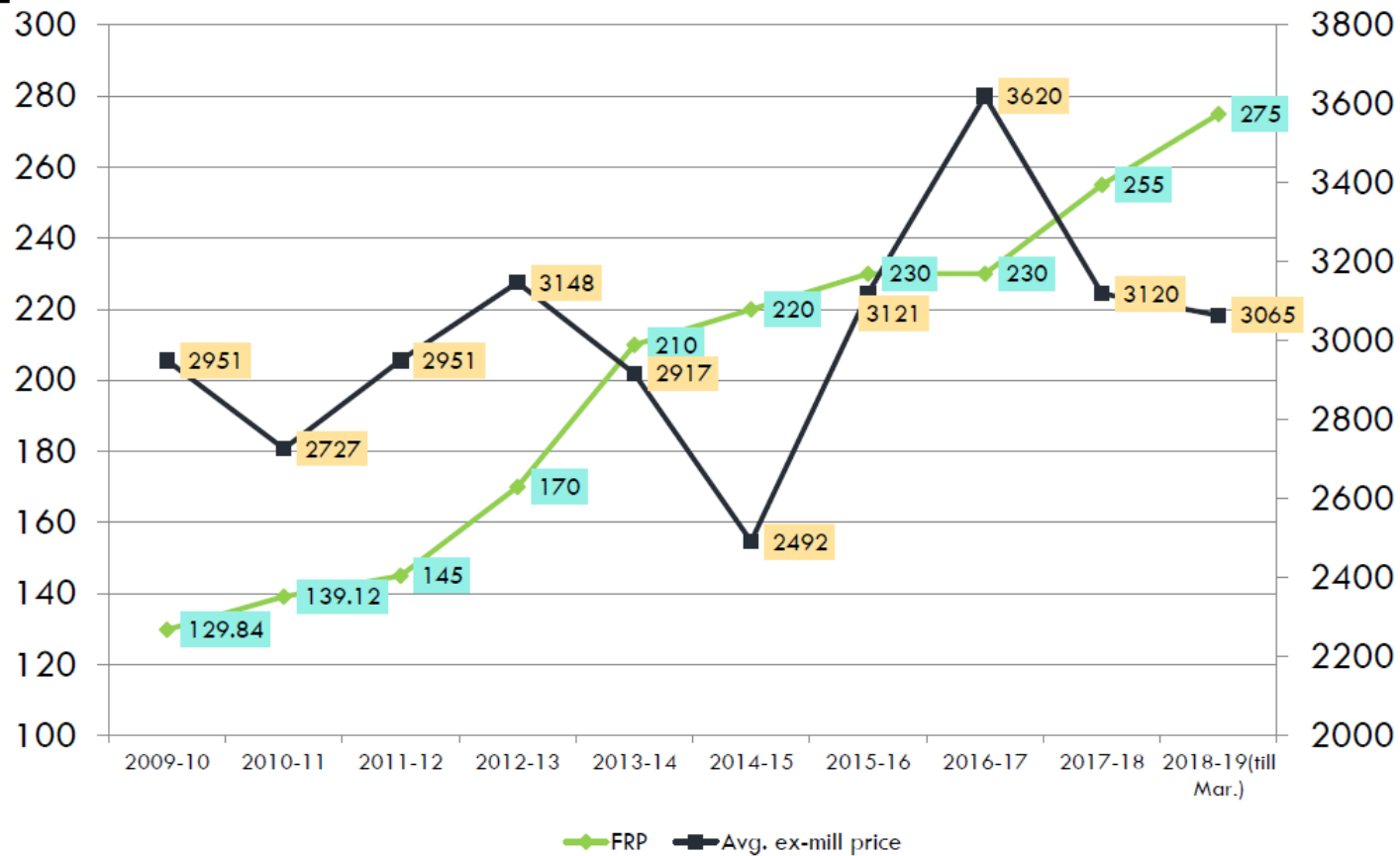
At the min. price of Rs.31 per kilo, Rs.45,300 crore of funds will be blocked

CB on 30 Sept this year unprecedented !!!

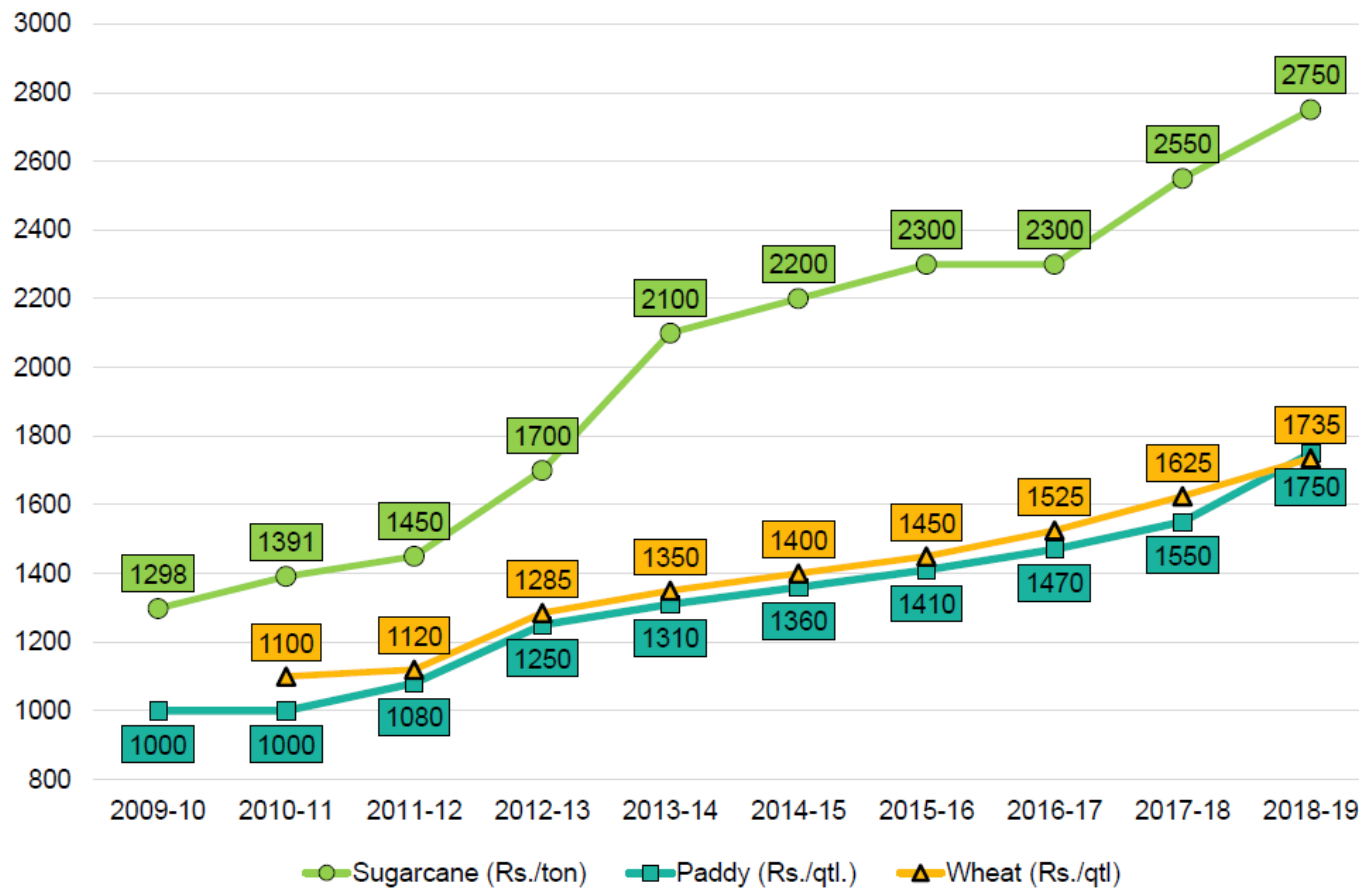


**Problems mainly because of very high
cane price & the mismatch with sugar price**

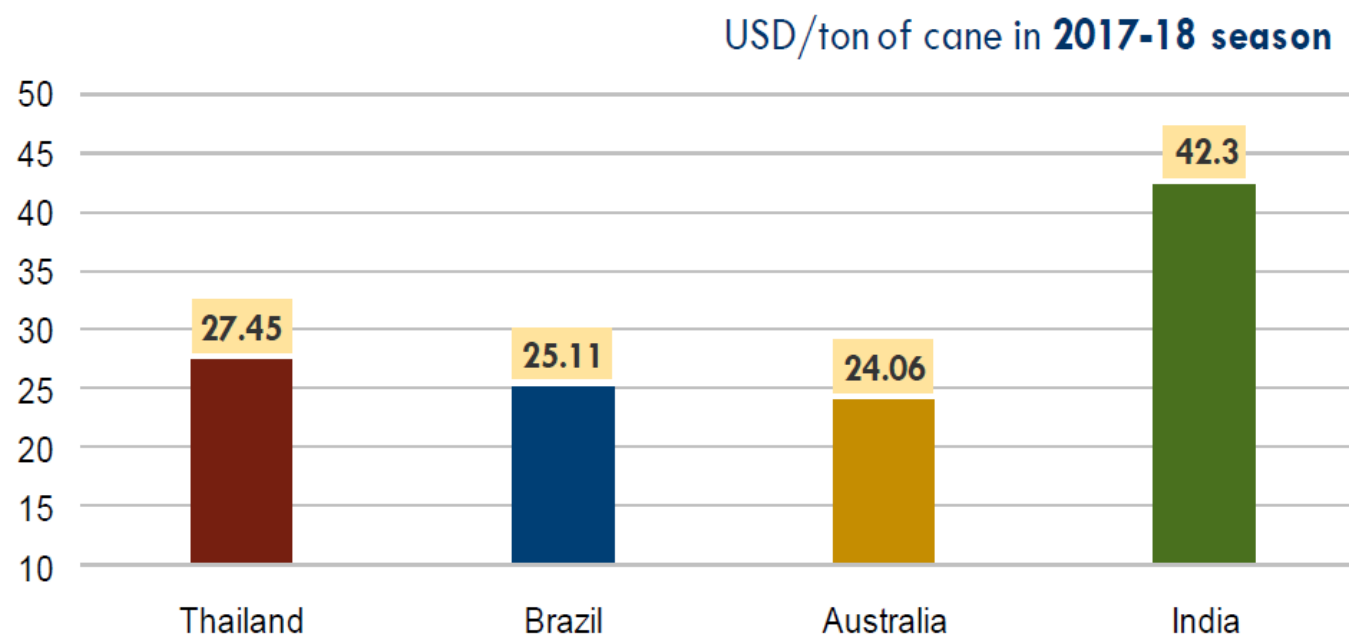
FRP Vs Ex-mill sugar prices



Revenue from sugarcane substantially higher than competing crops



Amongst large producers, India pays the highest cane price



Note: Prices include cost of harvesting & transportation

Source: Australia – Queensland Sugar Ltd.

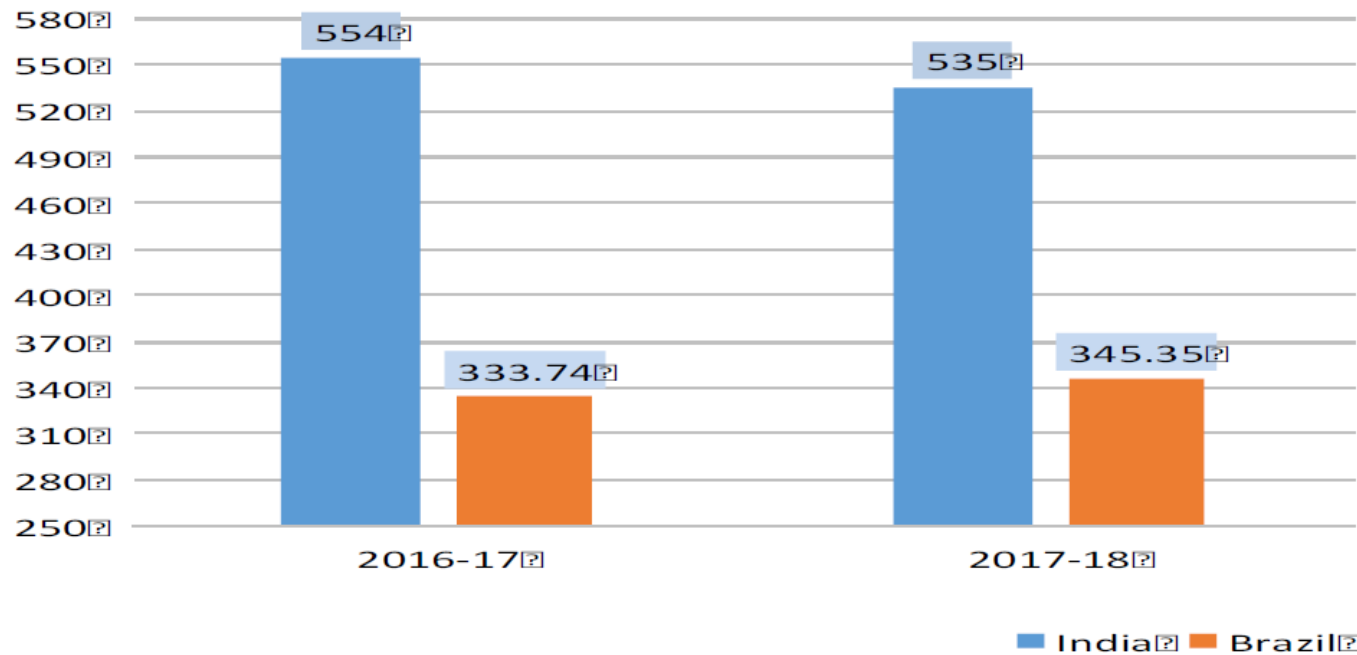
Thailand – Office of Cane and Sugar Board

Brazil – CONSECANA

India – Average FRP at all India average recovery of 10.77%

Indian cost of sugar production is very high

USD/ton

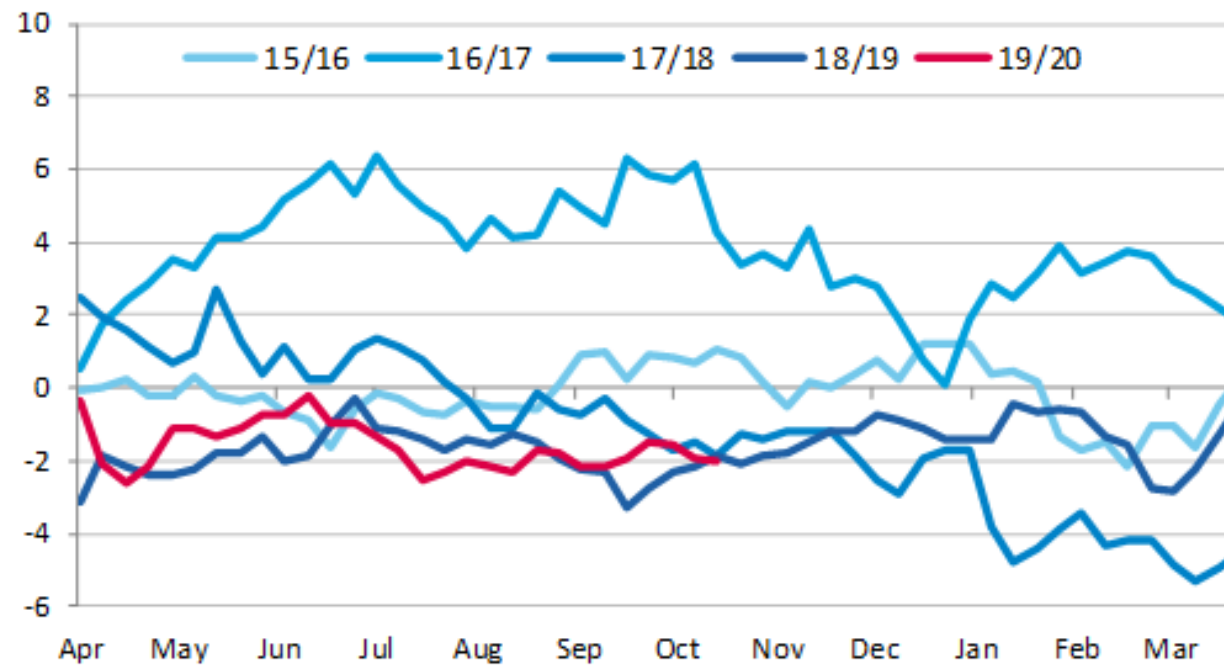
CoP India / s Brazil

BRAZIL (Center/South)

	2nd Half of Oct				Crop through Oct		
	2019-20	2018-19	YoY%		2019-20	2018-19	YoY%
Total cane (tons)	32,635	24,979	30.65%		542,889	510,950	6.25%
Sugar (tons)	1,514	960	57.77%		25,223	24,417	3.30%
Ethanol (liters)	2,046	1,408	45.35%		29,562	27,385	7.95%
Percent of total cane:							
Used for sugar	32.14%	30.13%	n/a		35.10%	35.83%	n/a
Used for ethanol	67.86%	69.87%	n/a		64.90%	64.17%	n/a
Sucrose per ton							
of cane in kg's	151.49	133.83	13.19%		138.92	139.96	-0.74%

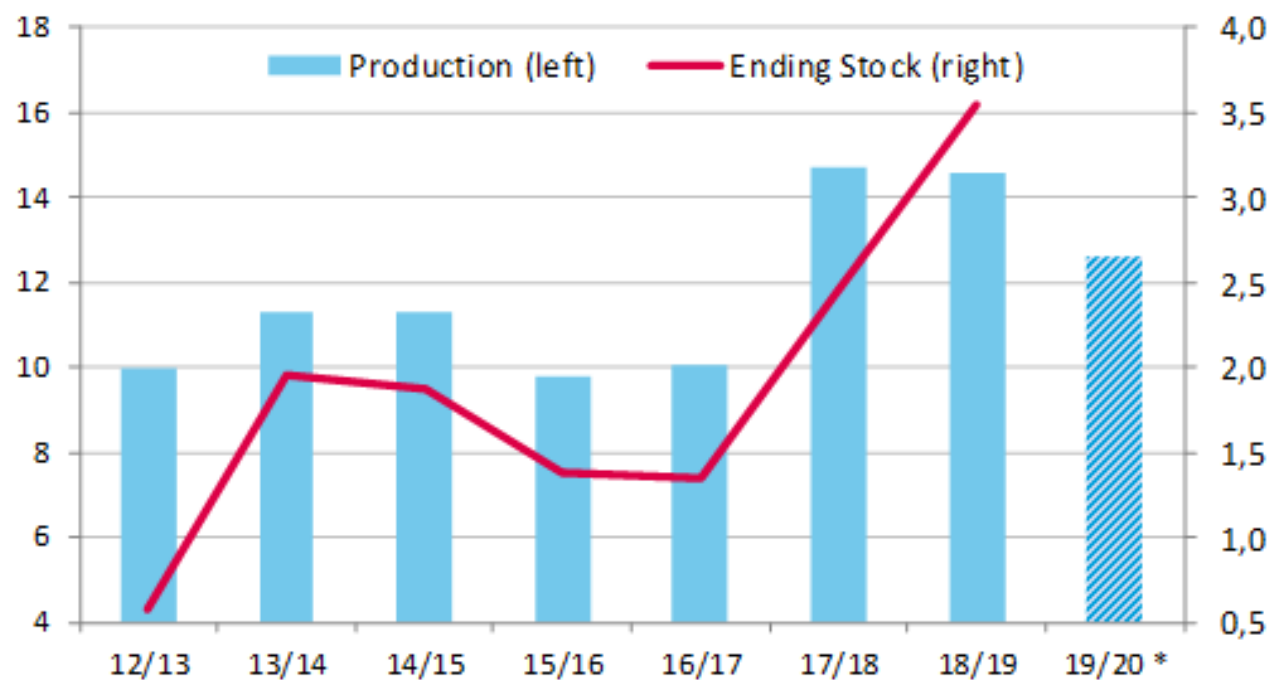
Source: UNICA

Brazilian Sugar/Ethanol parity per crop year
[c\$/lb, *positive parity = sugar more remunerative*]

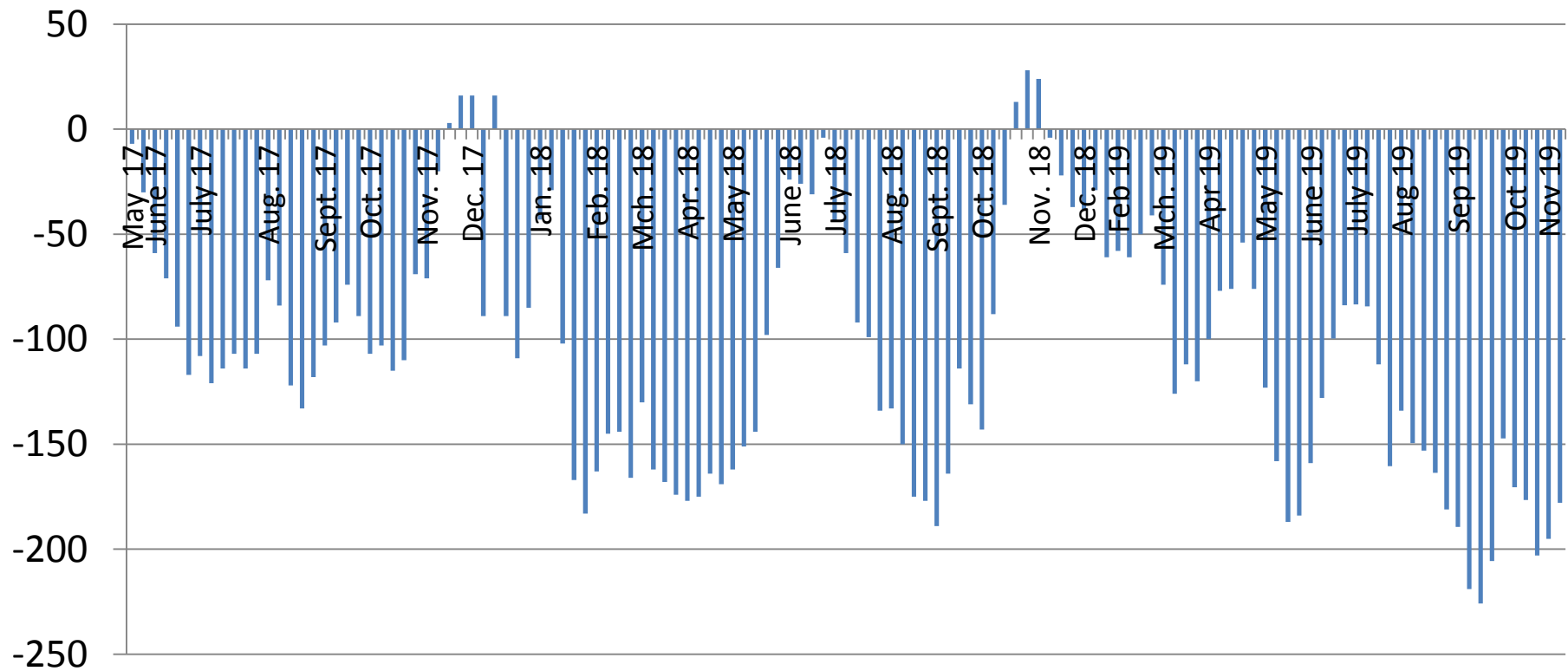


Thai sugar production and ending stock

[Dec/Nov, Left: Production Mt - Right: Stock Mt]



Net spec position



USA

=====					
Item	2017/18	2018/19 Est.	2019/20 Proj.	2019/20 Proj.	2019/20 Proj.
			Oct	Nov	
=====					
		1000 Short Tons, Raw Value			
Beginning Stocks	1876	2008	1725		1779
Production 2/	9293	8994	9184		8612
Beet Sugar	5279	4937	5055		4588
Cane Sugar	4014	4057	4129		4024
Florida	1983	2005	2096		2096
Hawaii	0	0	0		0
Louisiana	1862	1904	1900		1794
Texas	169	147	134		134
Imports	3277	3070	3165		3159
TRQ 3/	1663	1541	1627		1621
Other Program 4/	326	438	350		350
Other 5/	1287	1092	1188		1188
Mexico	1223	1000	1118		1118
Total Supply	14445	14072	14074		13550
Exports	170	35	35		35
Deliveries	12185	12231	12255		12230
Food	12048	12106	12150		12125
Other 6/	137	126	105		105
Miscellaneous	82	27	0		0
Total Use	12438	12292	12290		12265
Ending Stocks	2008	1779	1784		1285
Stocks to Use Ratio	16.1	14.5	14.5		10.5
=====					

Source: USDA



EU BALANCE SHEET FOR SUGAR AND ISOGLUCOSE

<i>million tonnes wse September 2019</i>	2018/19 (EU28) (provisional)		2019/20 (EU28) (forecast)	
	Sugar	Isoglucose	Sugar	Isoglucose
Beginning stocks	2.42	0.03	1.73	0.03
Production	17.62	0.60	17.50	0.60
Imports	2.43	0.01	2.58	0.01
as such	1.85		2.00	
in processed products	0.58		0.58	
Total availability	22.5	0.64	21.8	0.64
Consumption/disappearance	17.50	0.57	17.50	0.56
Exports	3.25	0.05	3.05	0.05
as such	1.60		1.40	
in processed products	1.65		1.65	
End stocks	1.73	0.03	1.26	0.03
Total outlets	22.5	0.64	21.8	0.64

Source : DG AGRI, EUROSTAT

Bullish

Global Deficit forecast in 2019/20

Lower Production

India

Thailand

Brazil

EU

Speculative Funds
short position

Anti-Bullish

Mix-Option Brazil

Stocks release India

Bearish

Production recovery in 2019/20

Higher Production

India

Thailand

Brazil

EU

High Stocks

**Bulls & Bears****Anti-Bearish**

Low prices

“A Bull needs to eat daily – The Bear only needs to eat once a month“.

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