



European Association of Sugar Traders

World market and trade flows

Economic Board of
the Sugar Market Observatory

Thursday 12th April 2018

Brazil

- Final C/S 2017/18 production #s just published >>
- C/S 2017/18 was an all-time record C/S sugar production.
- In sugar equivalence terms, Brazil domestic hydrous ethanol values have decreased to ≈ 15.50 ¢/lb.
- As the new harvest begins, millers are maximizing ethanol to the greatest possible extent.
- With a mix of 41% sugar (the minimum possible?), C/S sugar production in 2018/19 is anticipated to be around 31.5m tonnes, a reduction of ≈ 5 m tonnes.

BI-WEEKLY BULLETIN - 2017/2018 SUGARCANE HARVEST IN SOUTH - CENTRAL BRAZIL

Position on April 1, 2018

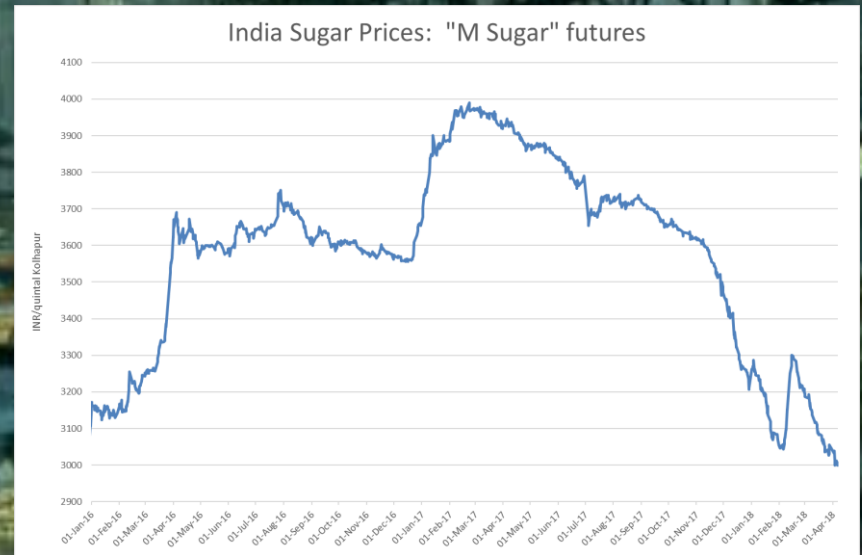
2017/2018 harvest season - BI-WEEKLY values (2nd two-week period of March, 2018)

Products	Crop year		Variation (%)
	2016/2017	2017/2018	
Sugarcane ¹	607,137	596,313	↓ -1.78%
Sugar ¹	35,628	36,059	↑ 1.21%
Anhydrous ethanol ²	10,653	10,420	↓ -2.19%
Hydrous ethanol ²	14,998	15,672	↑ 4.49%
Total ethanol ²	25,651	26,092	↑ 1.72%
TRS ¹	80,768	81,457	↑ 0.85%
TRS/ ton of sugarcane ³	133.03	136.60	↑ 2.68%
Share (%) sugar	46.29%	46.46%	↑
Share (%) ethanol	53.71%	53.54%	↓
Liters of ethanol/ ton of sugar	41.86	42.88	↑ 2.43%
Kilograms of sugar/ ton of sugar	58.68	60.47	↑ 3.05%

Source: UNICA. Note: ¹ - thousand tons; ² - million liters; ³ - kg of TRS/ ton of sugarcane; data subject to minor adjustments; "TRS" is the amount of product obtained per ton of crushed sugarcane; Total Recoverable Sugar (TRS) index was calculated excluding corn ethanol production

India

- Current year Indian sugar production is now seen at 30m tonnes (up 45% on 2017/18), owing to higher yields, maybe more.
- Gol has relaxed rules on sugar exports, allowing mills to sell abroad until the end of the current season, and has scrapped the 20% export tax.
- Gol struggling to manage overflowing domestic stocks, lower domestic prices and cane arrears (now at a record level of Rs 169 bn [\$26bn]).
- Export quota has been set at 2 million tonnes. India has the potential to export as much as 4m tonnes, maybe more, but at current world market prices, exports are unattractive.



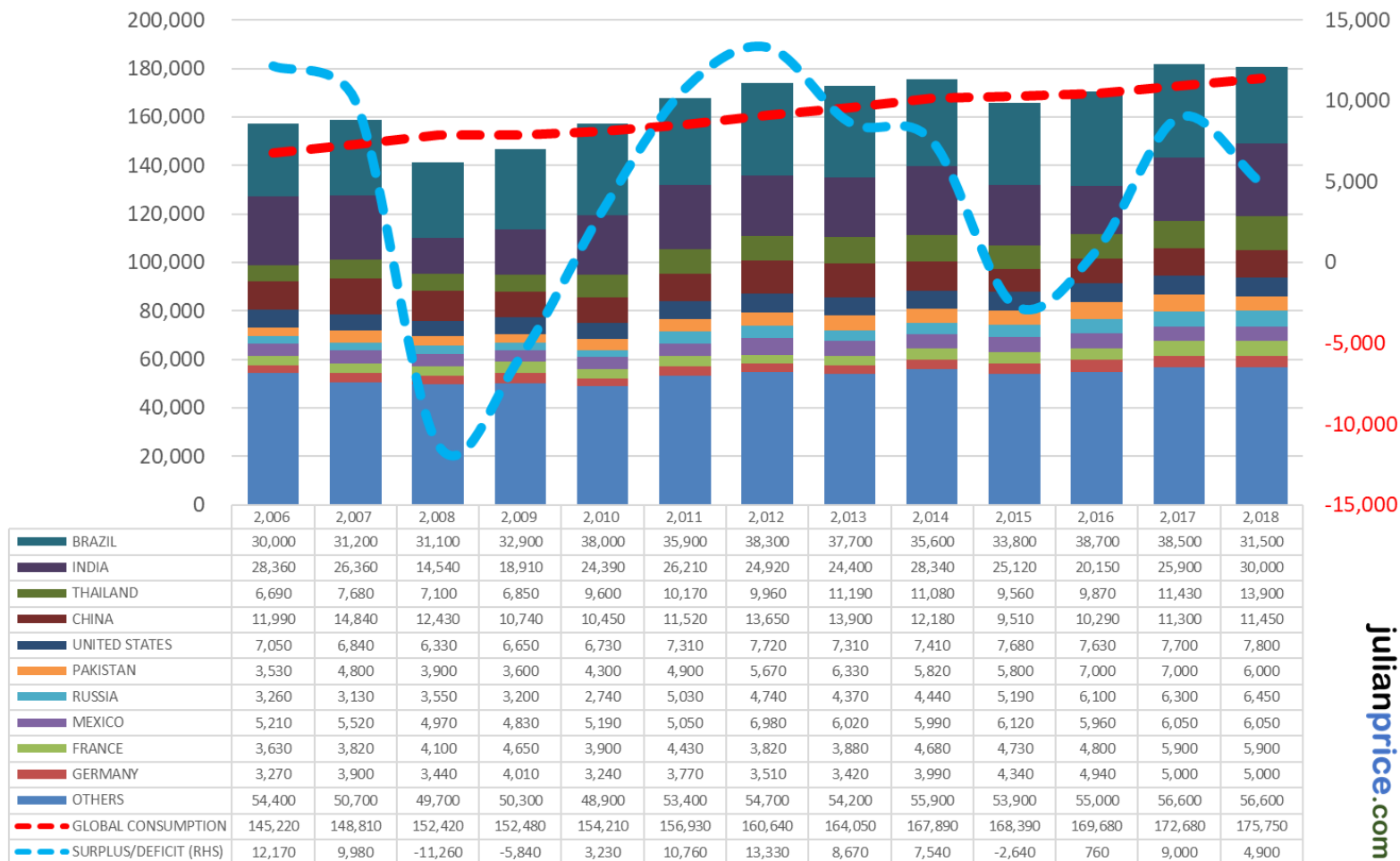
Thailand

- At the end of the first crop under the new sugar policy (quotas abolished, etc.),
- and with very good weather,
- final Thai production in 2017/18 is estimated at ≈ 14 million tonnes.



Global production and consumption

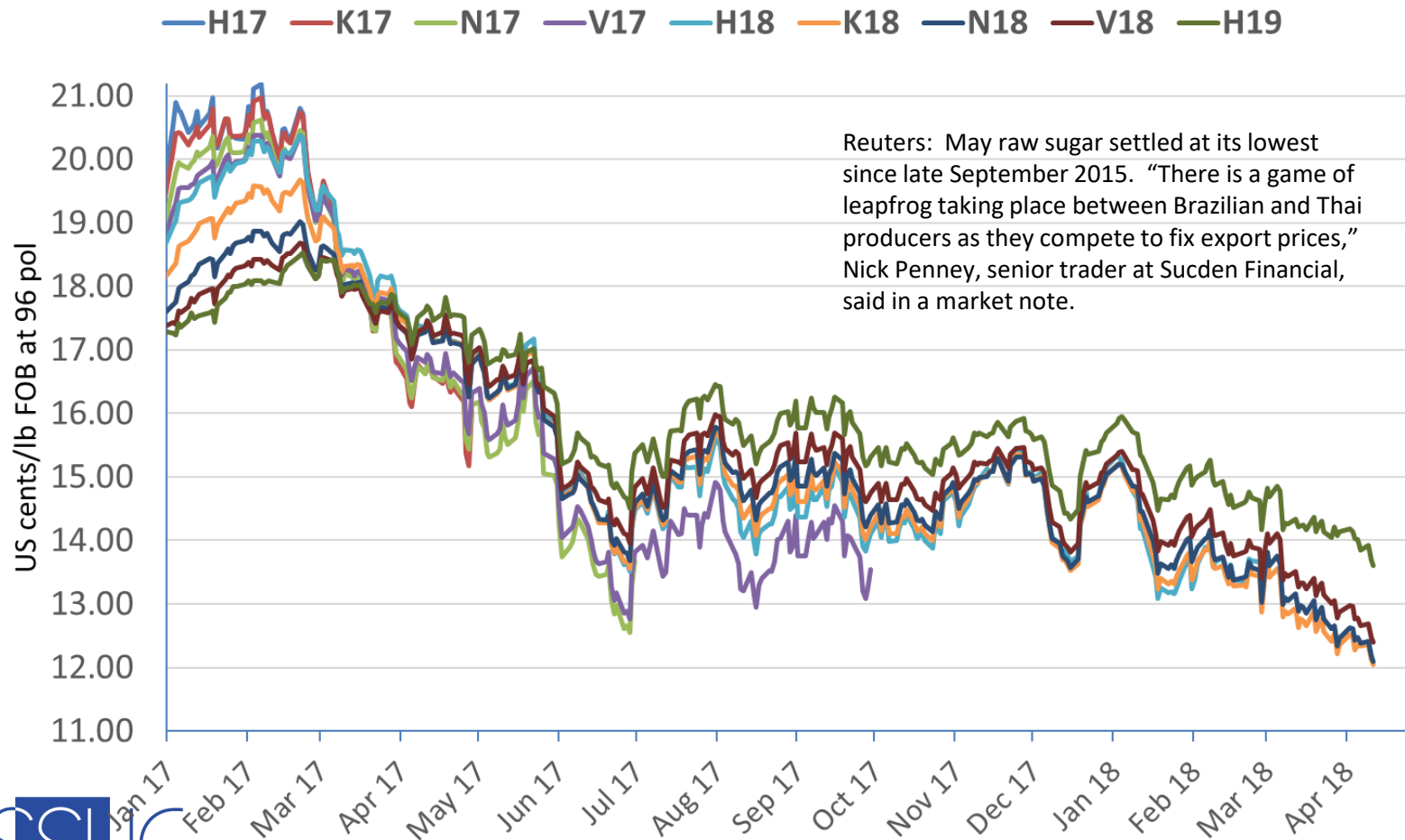
Global supply and demand for sugar (calendar years)('000 tonnes tq)



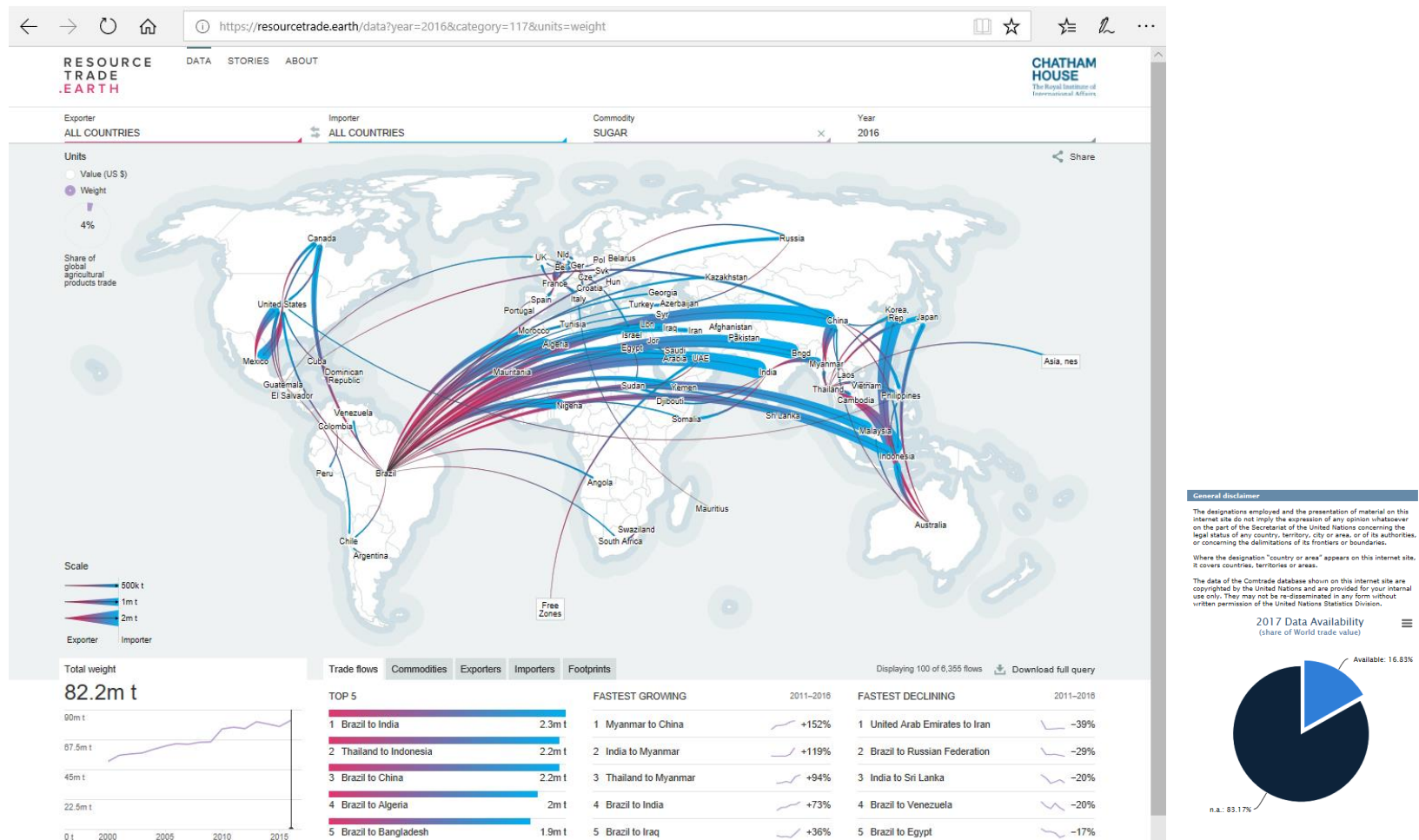
julianprice.com

New York No. 11 Raw Sugar Futures

New York #11 Raw Sugar Futures

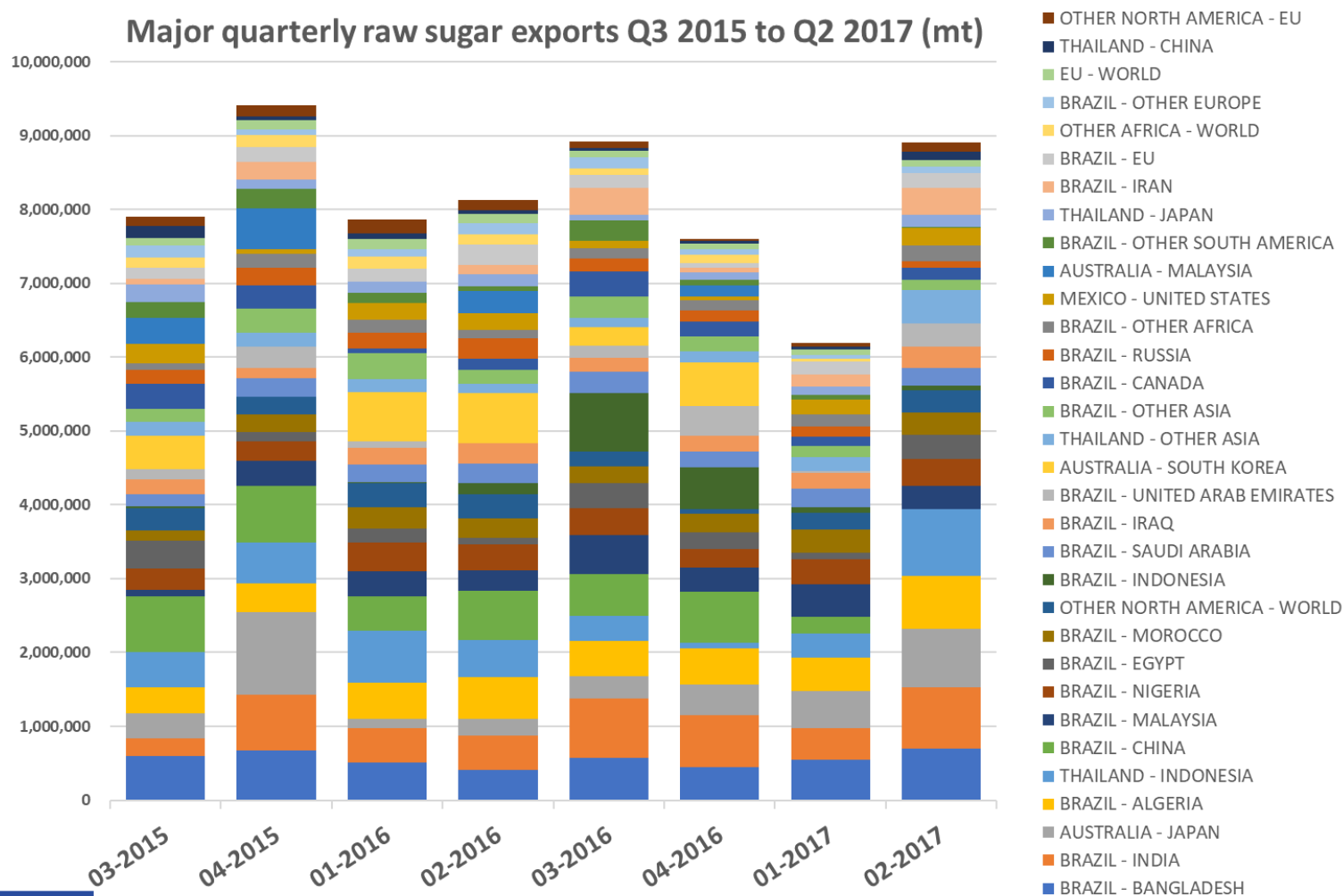


Trade flow estimates



Principal raw sugar export flows

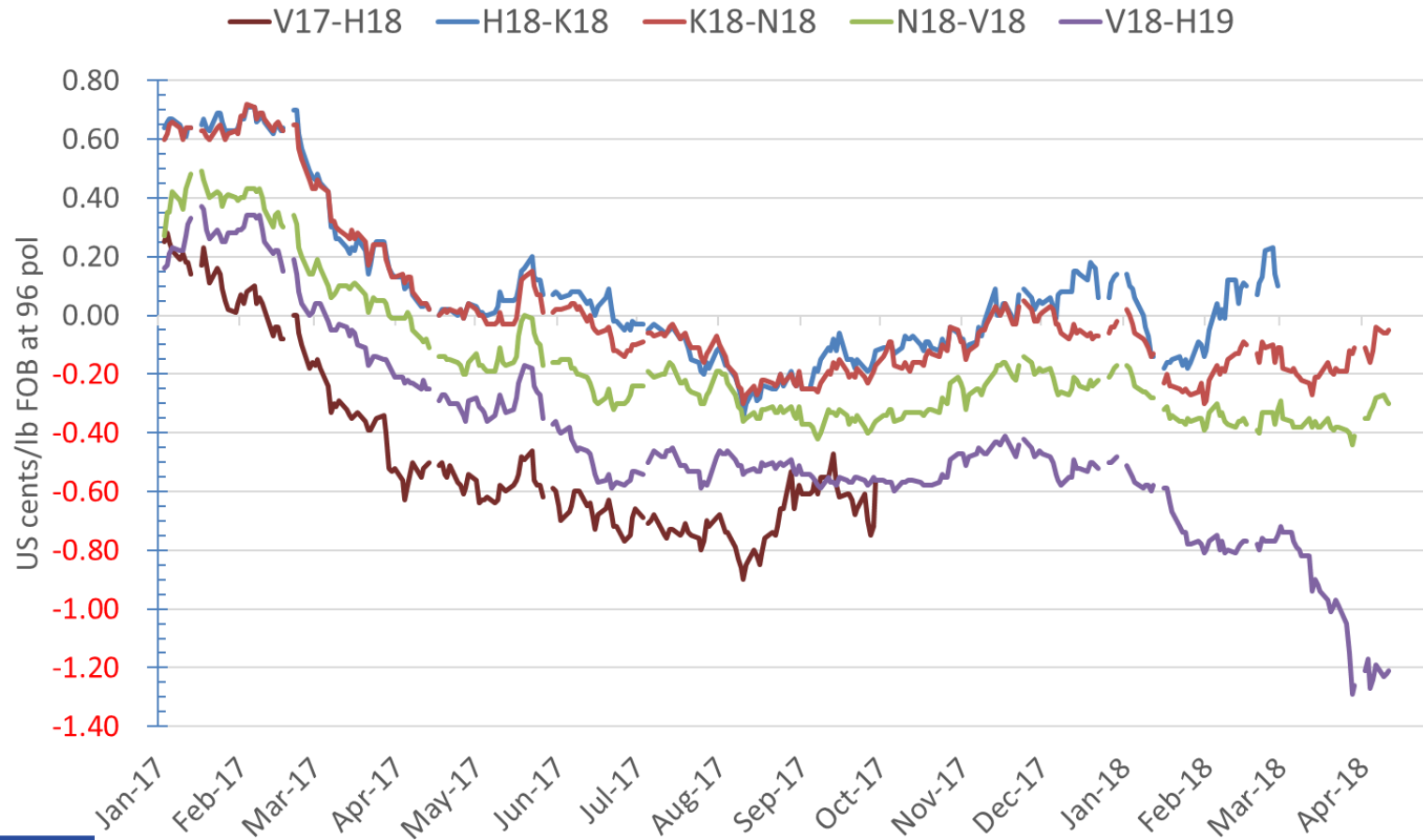
Major quarterly raw sugar exports Q3 2015 to Q2 2017 (mt)



julianprice.com

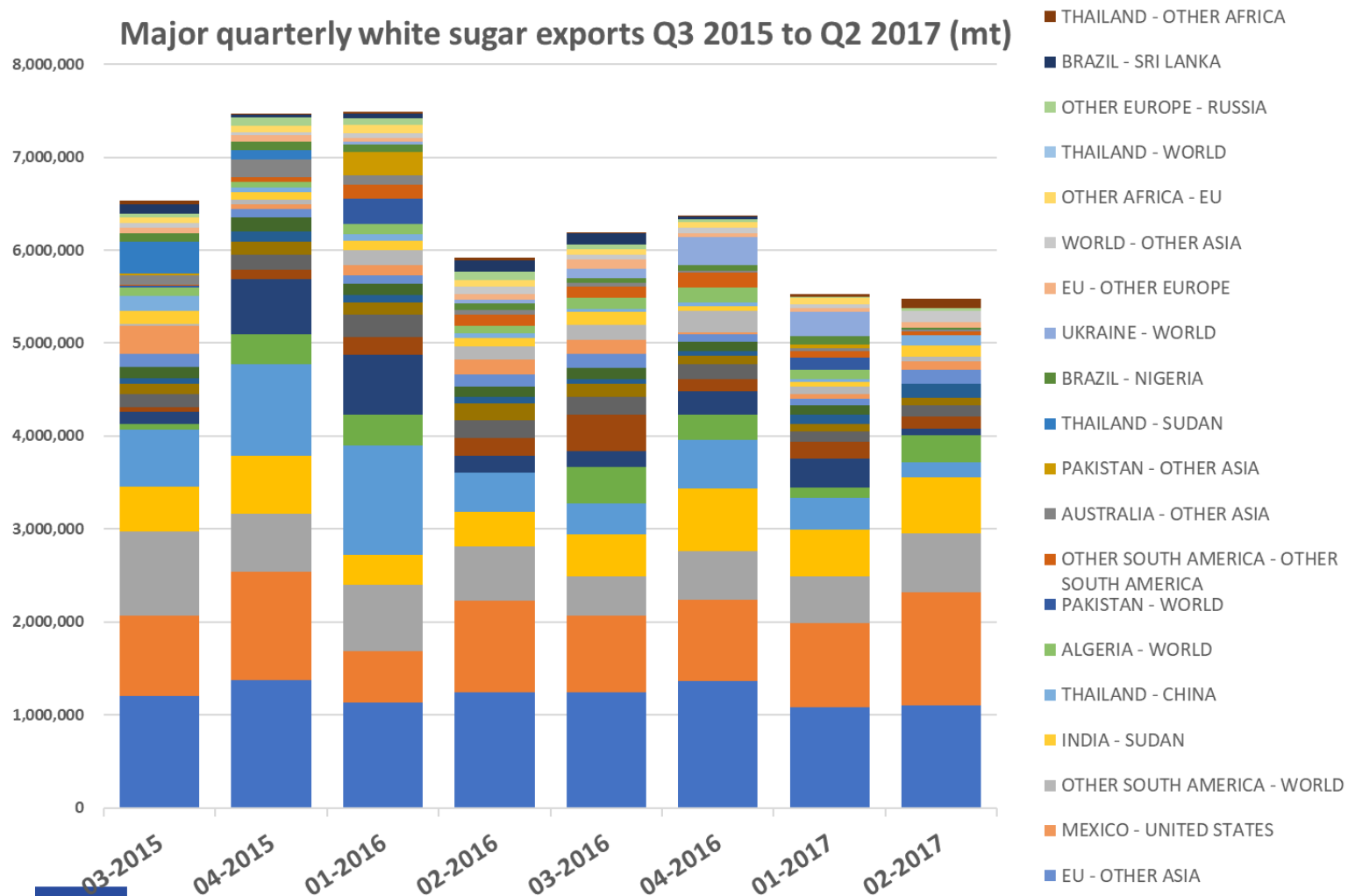
#11 raw sugar “spreads”

#11 raw sugar spreads



Principal white sugar export flows

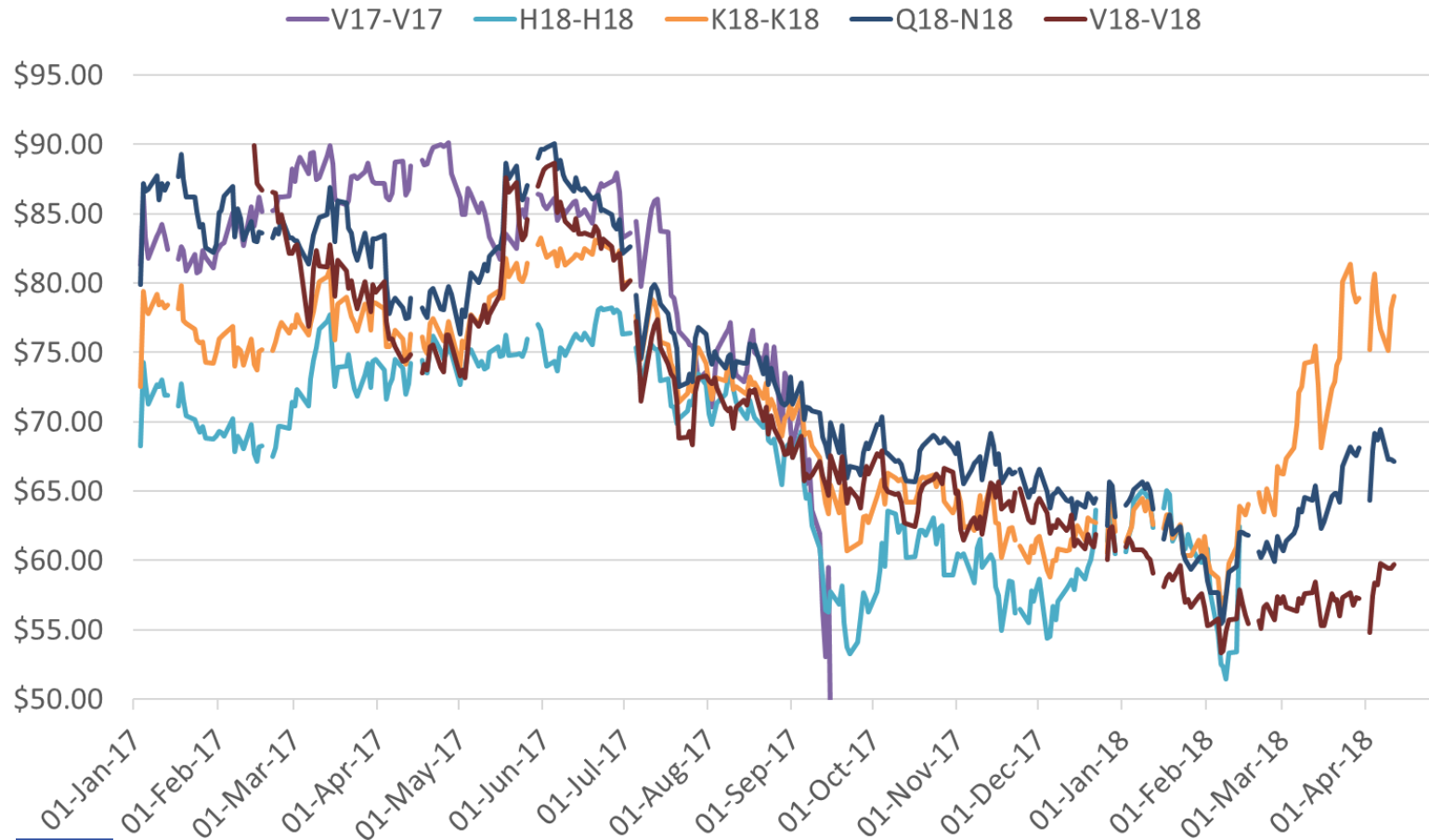
Major quarterly white sugar exports Q3 2015 to Q2 2017 (mt)



julianprice.com

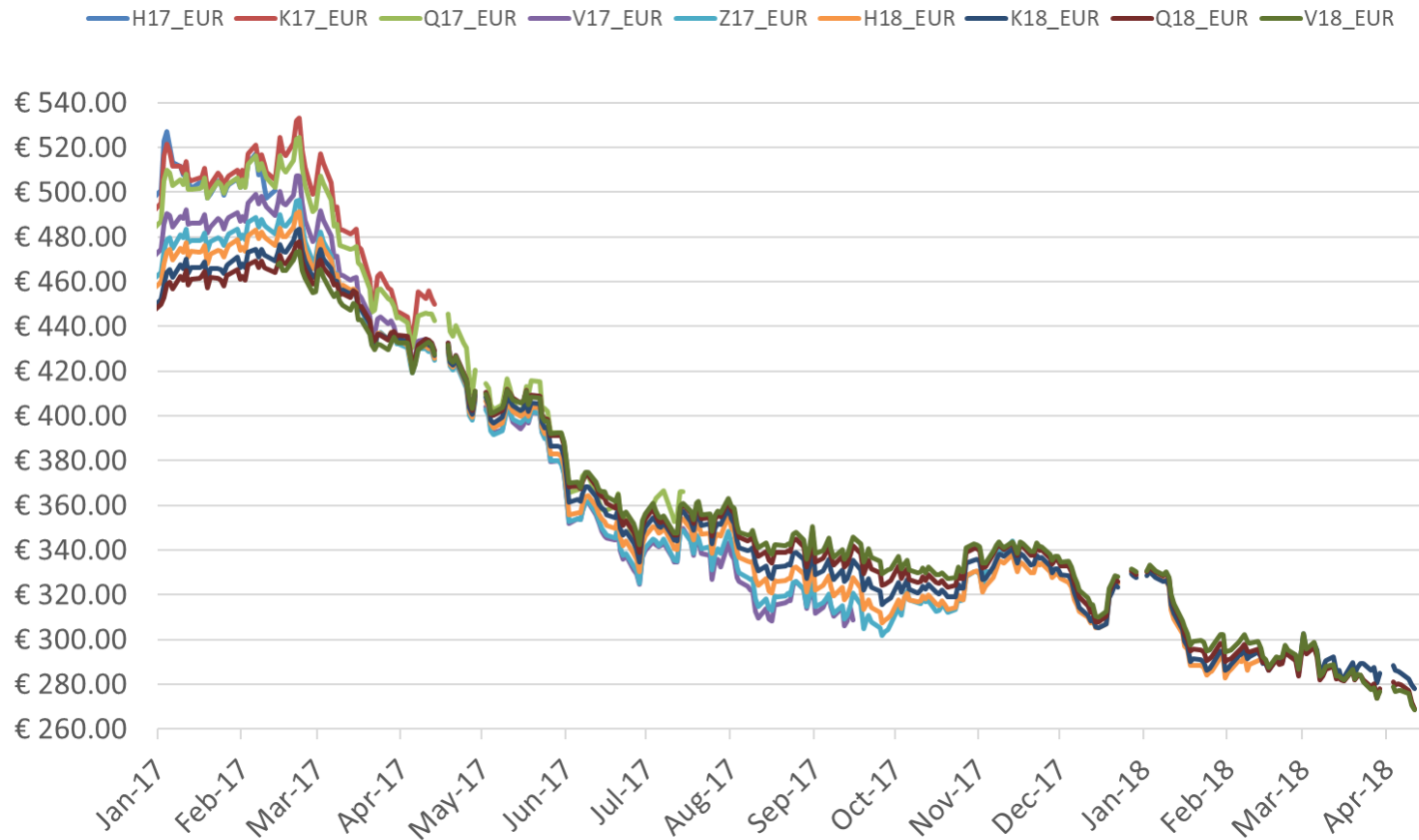
White premiums = White prices less raws prices

White premiums



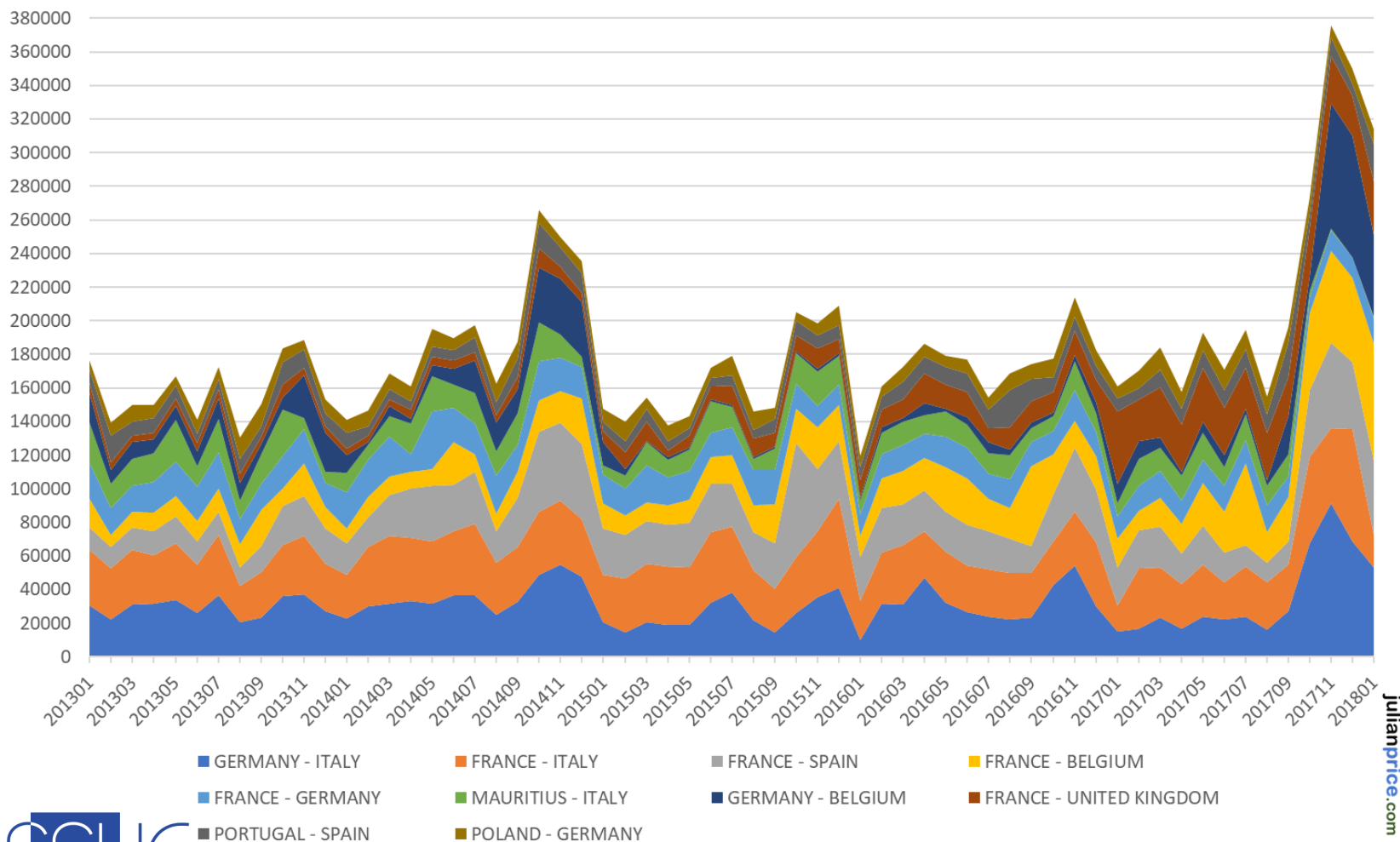
#5 white sugar prices in €/t FOB

#5 whites in EUR/tonne FOB

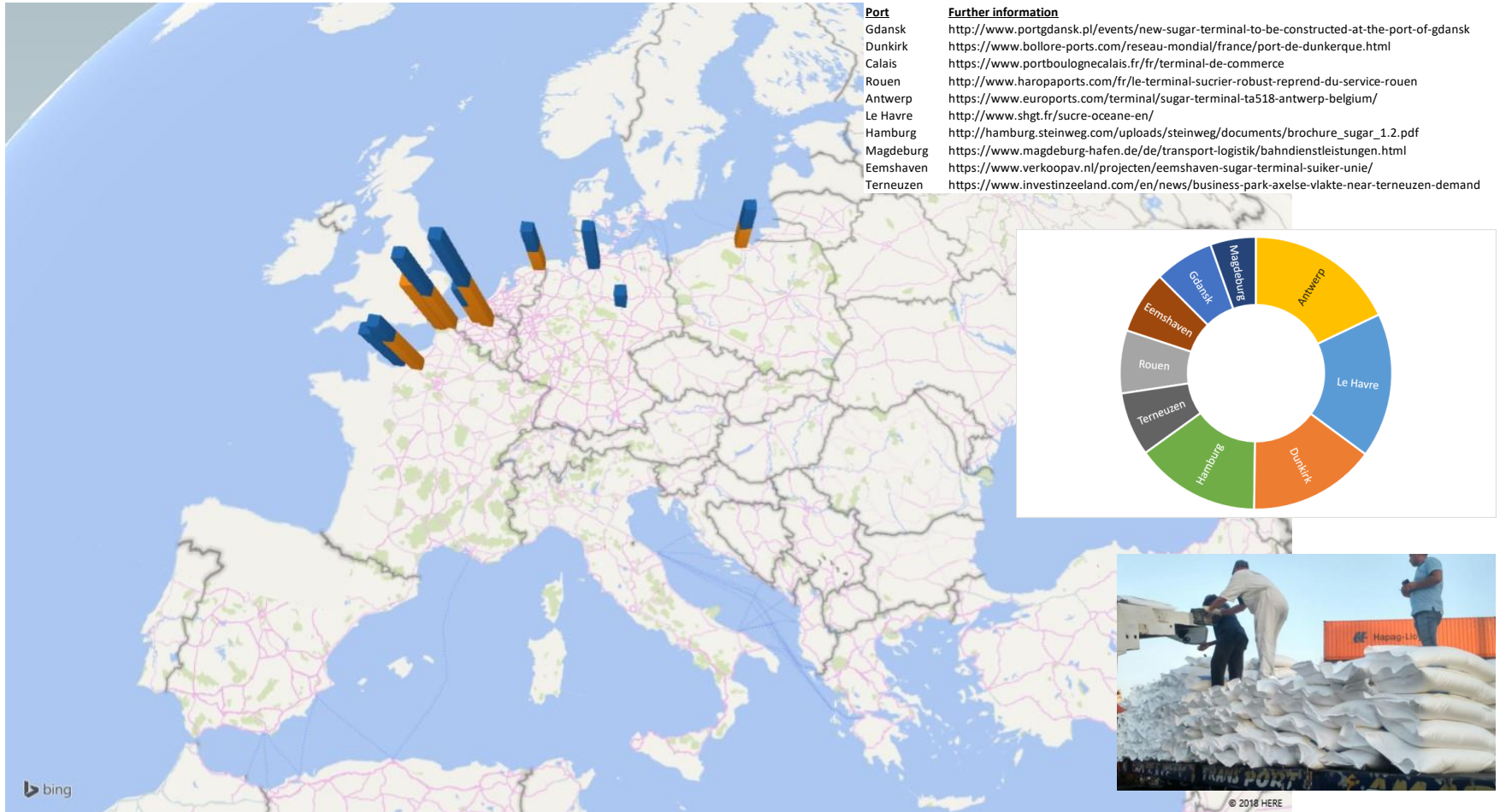


Principal EU trade flows

Ten principal EU white sugar trade flows Jan 2013 to Jan 2017

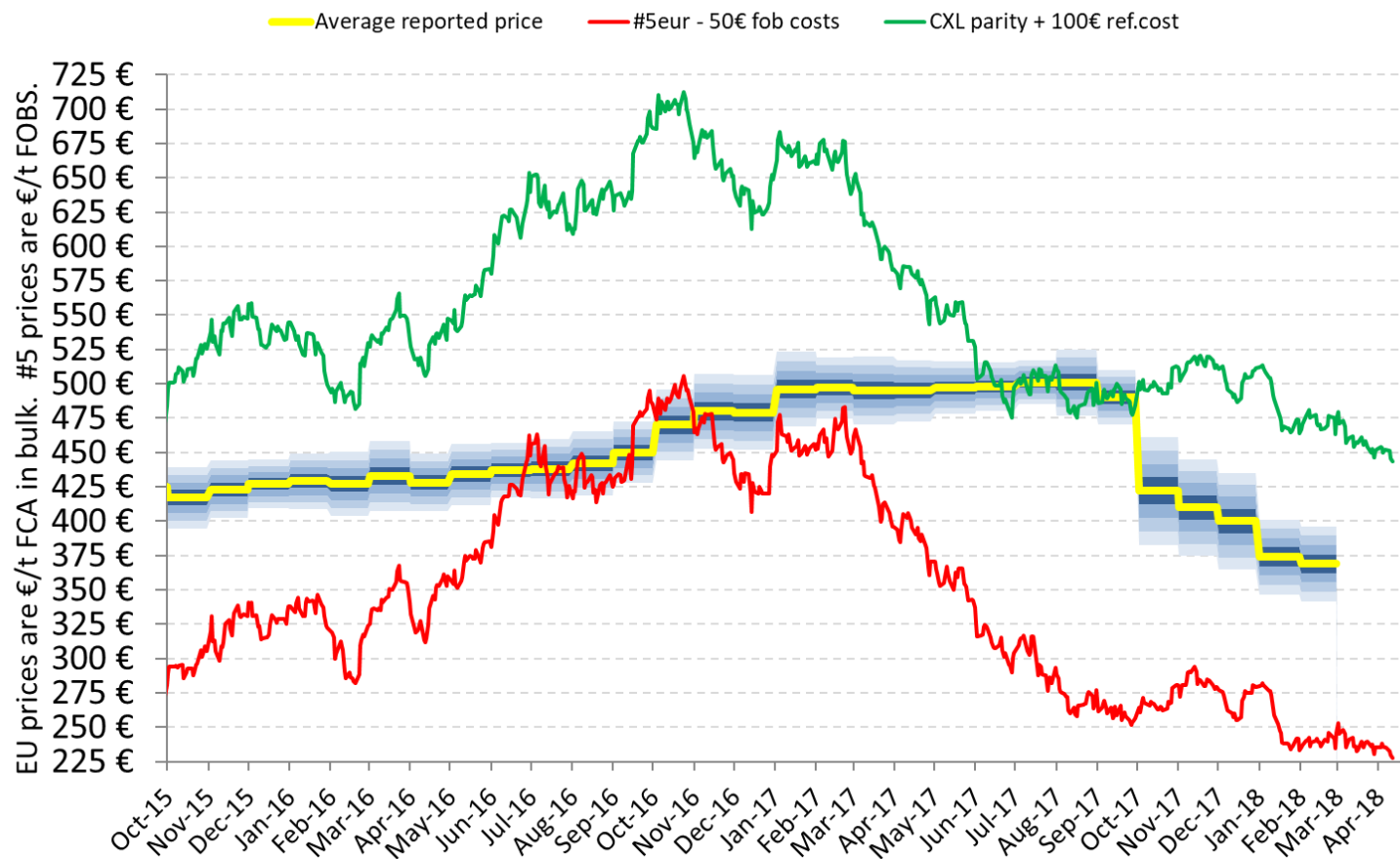


European ports of export



EU “playing field”

Reported EU, export and import (CXL) parity prices



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Thank you!

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