



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%	↑
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.



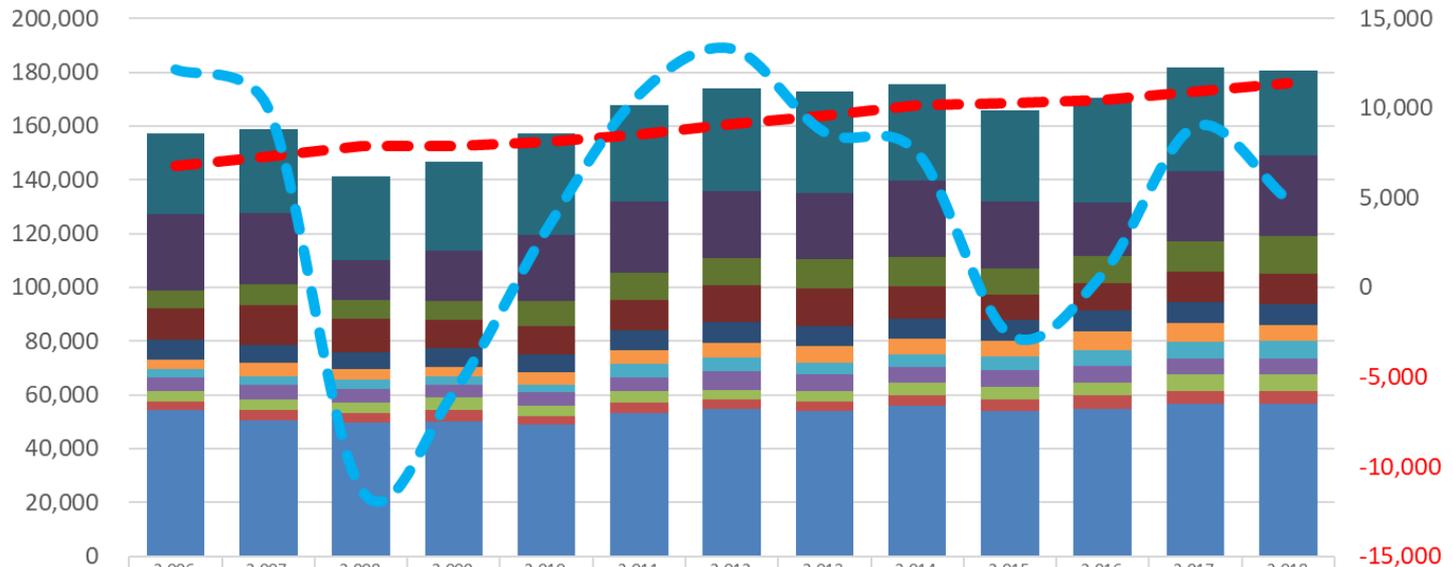
Thailand

- 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)

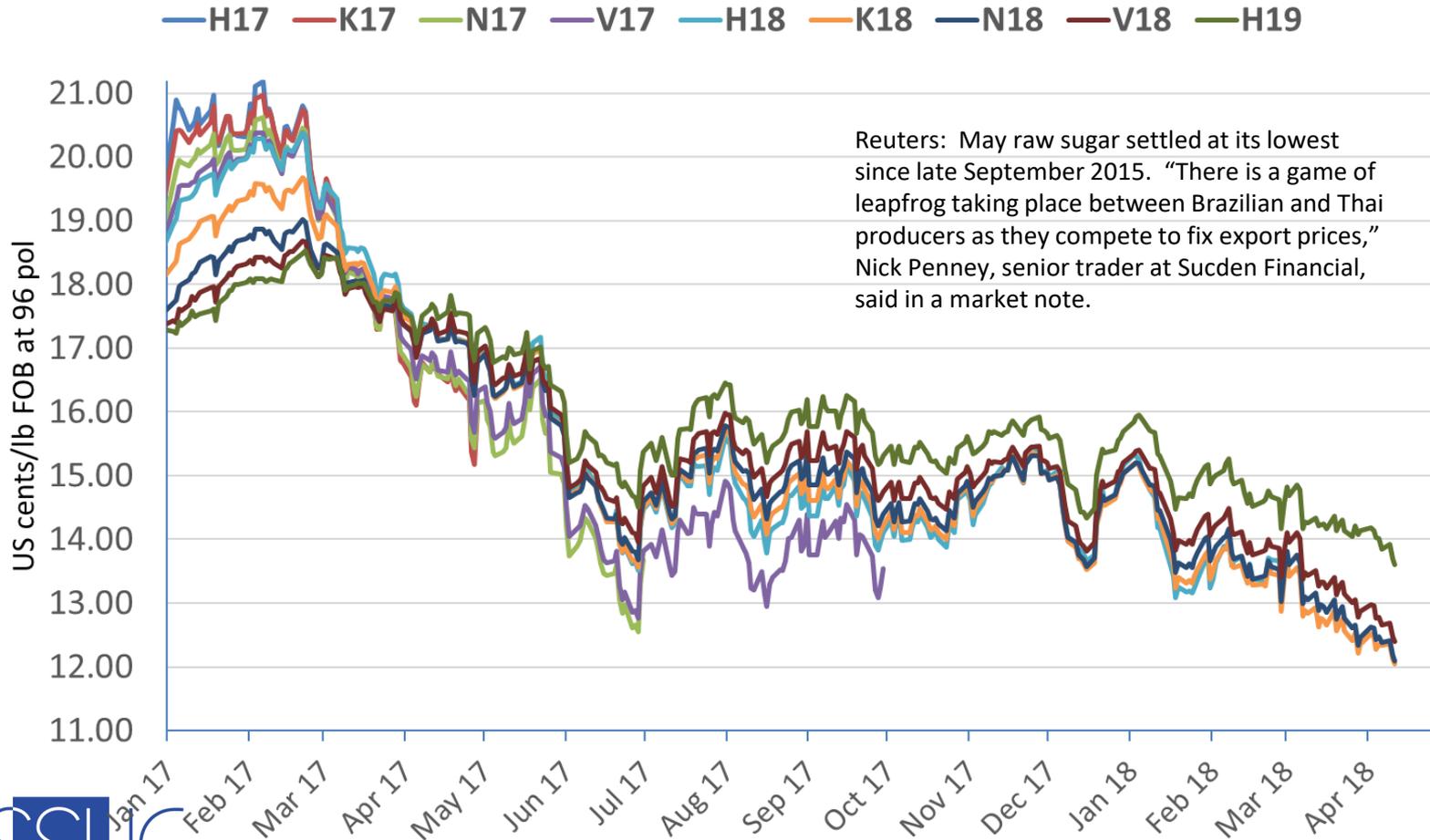


	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018
BRAZIL	30,000	31,200	31,100	32,900	38,000	35,900	38,300	37,700	35,600	33,800	38,700	38,500	31,500
INDIA	28,360	26,360	14,540	18,910	24,390	26,210	24,920	24,400	28,340	25,120	20,150	25,900	30,000
THAILAND	6,690	7,680	7,100	6,850	9,600	10,170	9,960	11,190	11,080	9,560	9,870	11,430	13,900
CHINA	11,990	14,840	12,430	10,740	10,450	11,520	13,650	13,900	12,180	9,510	10,290	11,300	11,450
UNITED STATES	7,050	6,840	6,330	6,650	6,730	7,310	7,720	7,310	7,410	7,680	7,630	7,700	7,800
PAKISTAN	3,530	4,800	3,900	3,600	4,300	4,900	5,670	6,330	5,820	5,800	7,000	7,000	6,000
RUSSIA	3,260	3,130	3,550	3,200	2,740	5,030	4,740	4,370	4,440	5,190	6,100	6,300	6,450
MEXICO	5,210	5,520	4,970	4,830	5,190	5,050	6,980	6,020	5,990	6,120	5,960	6,050	6,050
FRANCE	3,630	3,820	4,100	4,650	3,900	4,430	3,820	3,880	4,680	4,730	4,800	5,900	5,900
GERMANY	3,270	3,900	3,440	4,010	3,240	3,770	3,510	3,420	3,990	4,340	4,940	5,000	5,000
OTHERS	54,400	50,700	49,700	50,300	48,900	53,400	54,700	54,200	55,900	53,900	55,000	56,600	56,600
GLOBAL CONSUMPTION	145,220	148,810	152,420	152,480	154,210	156,930	160,640	164,050	167,890	168,390	169,680	172,680	175,750
SURPLUS/DEFICIT (RHS)	12,170	9,980	-11,260	-5,840	3,230	10,760	13,330	8,670	7,540	-2,640	760	9,000	4,900

julianprice.com

New York No. 11 Raw Sugar Futures

New York #11 Raw Sugar Futures

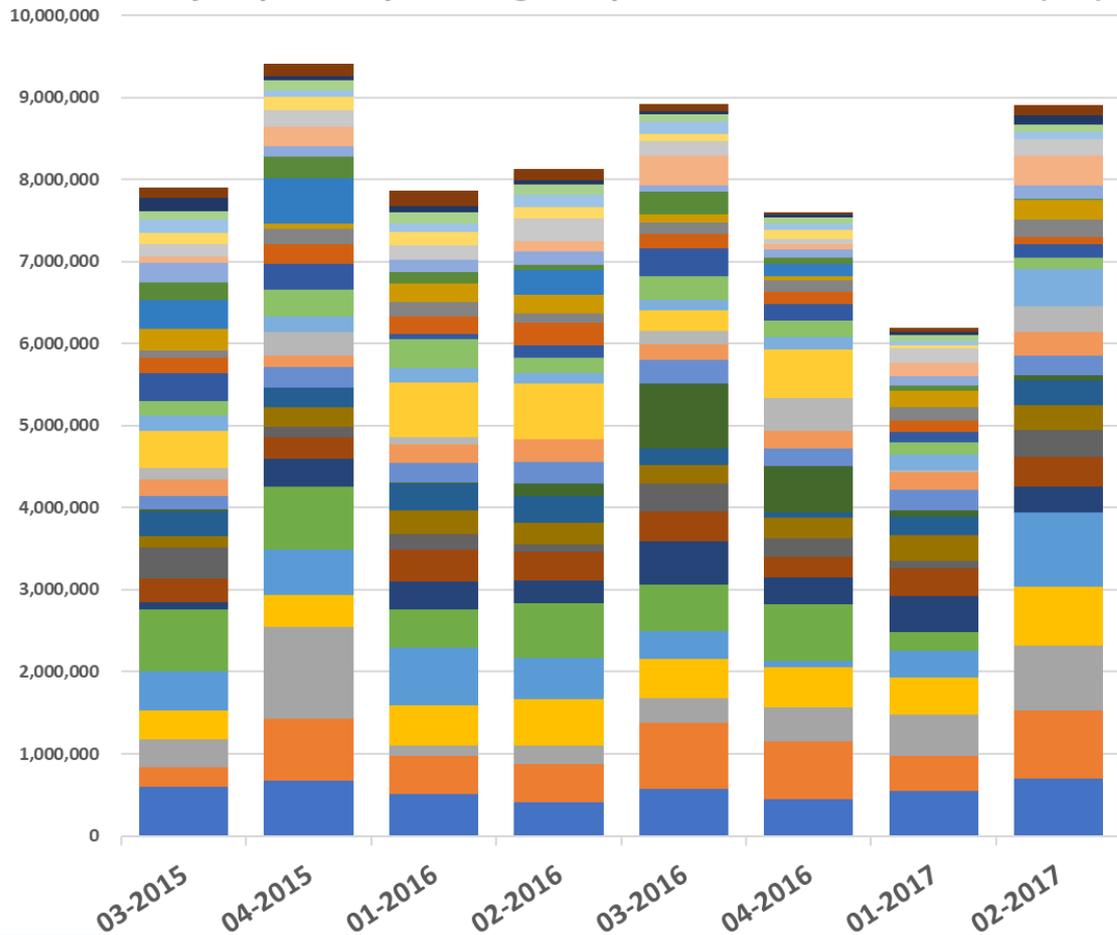


Trade flow estimates



Principal raw sugar export flows

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



julianprice.com

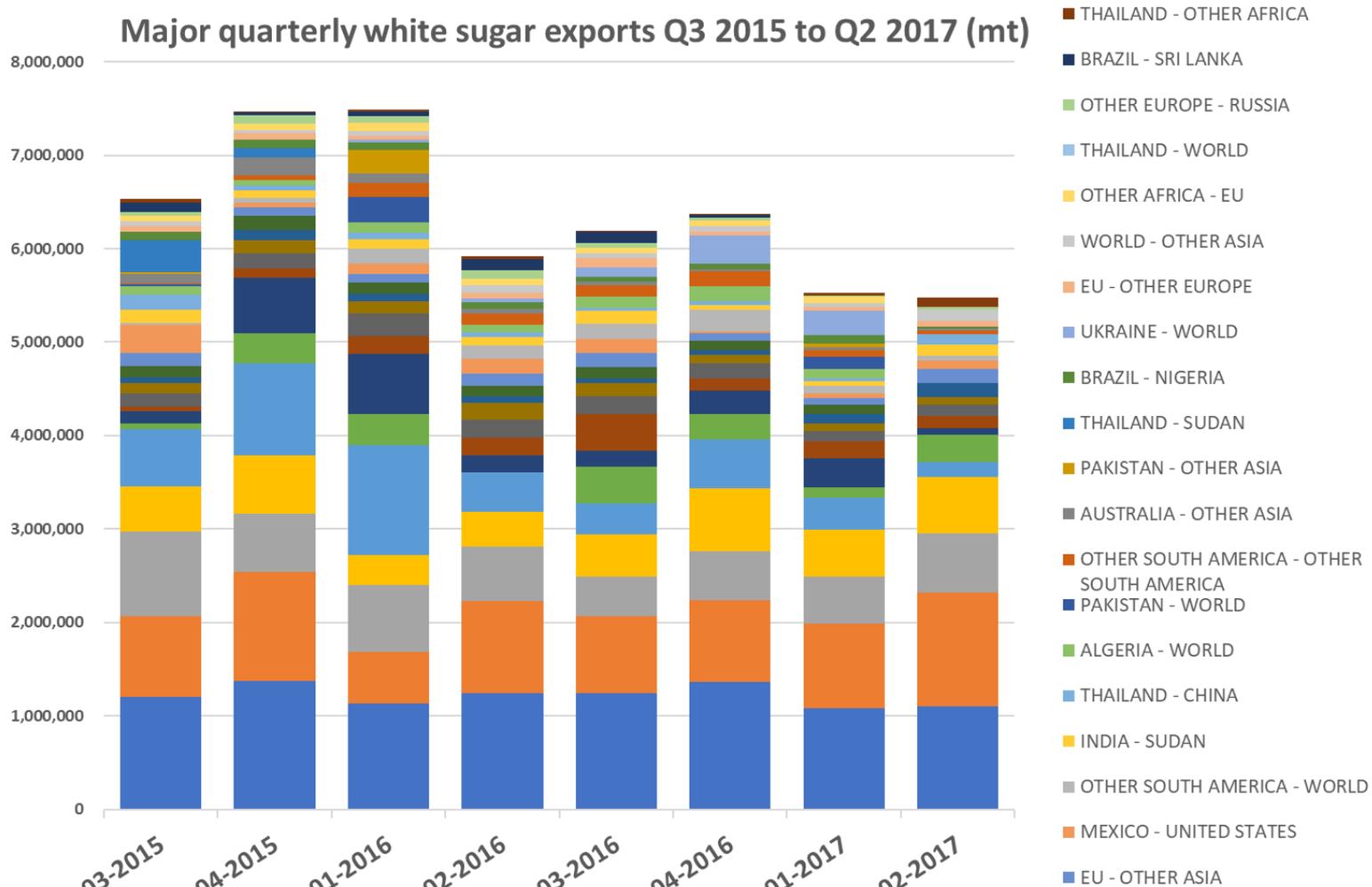
#11 raw sugar “spreads”

#11 raw sugar spreads



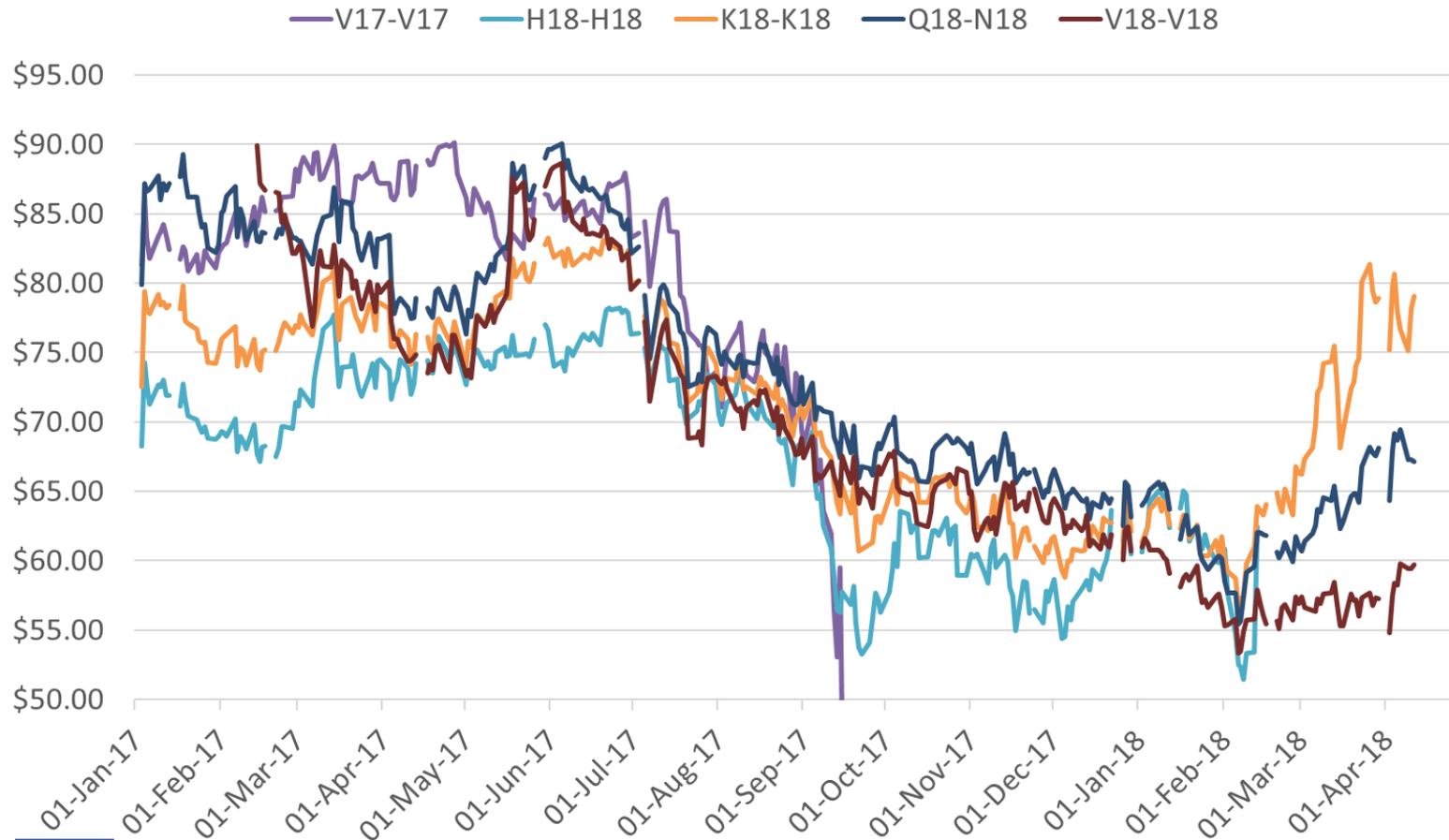
Principal white sugar export flows

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



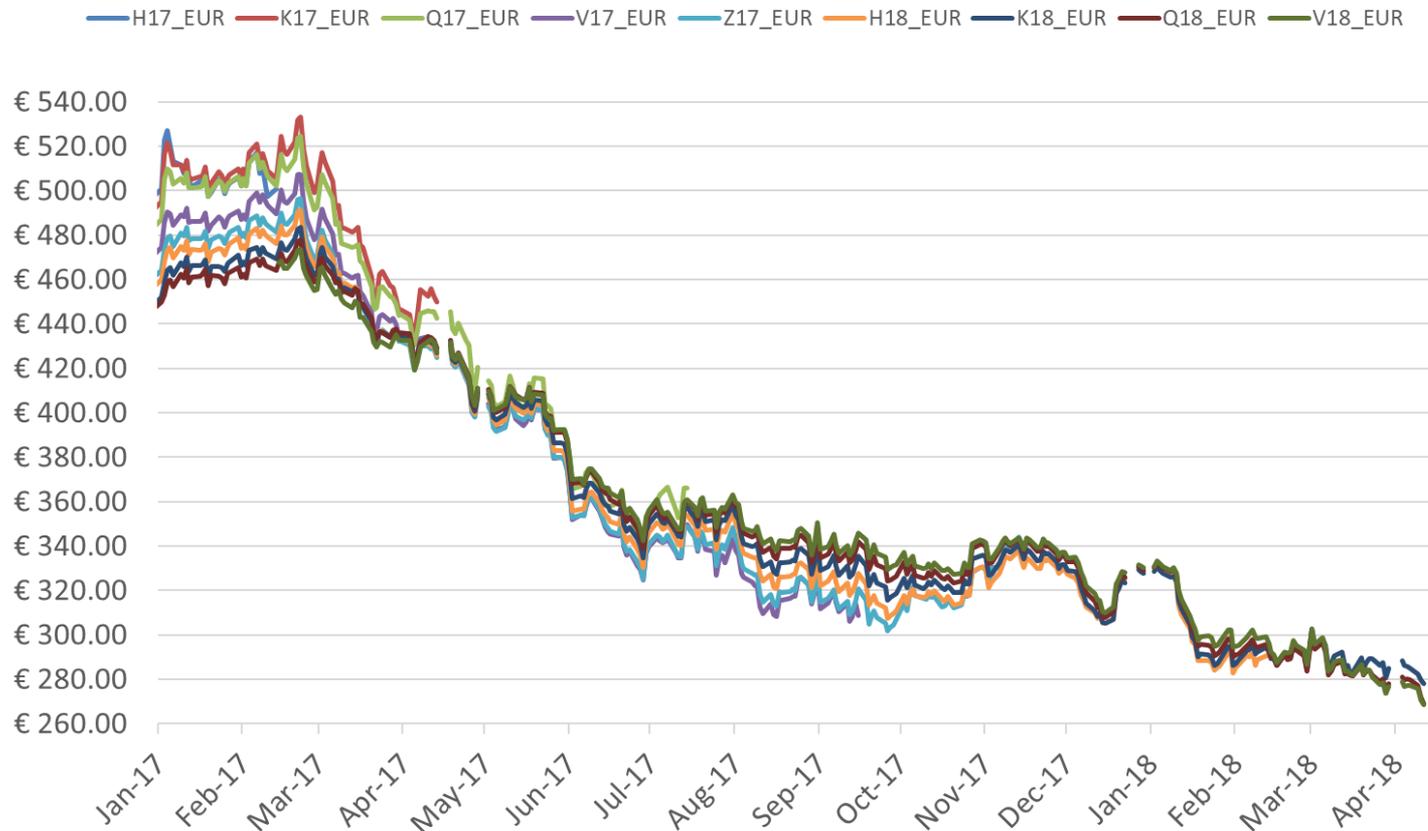
White premiums = White prices less raws prices

White premiums



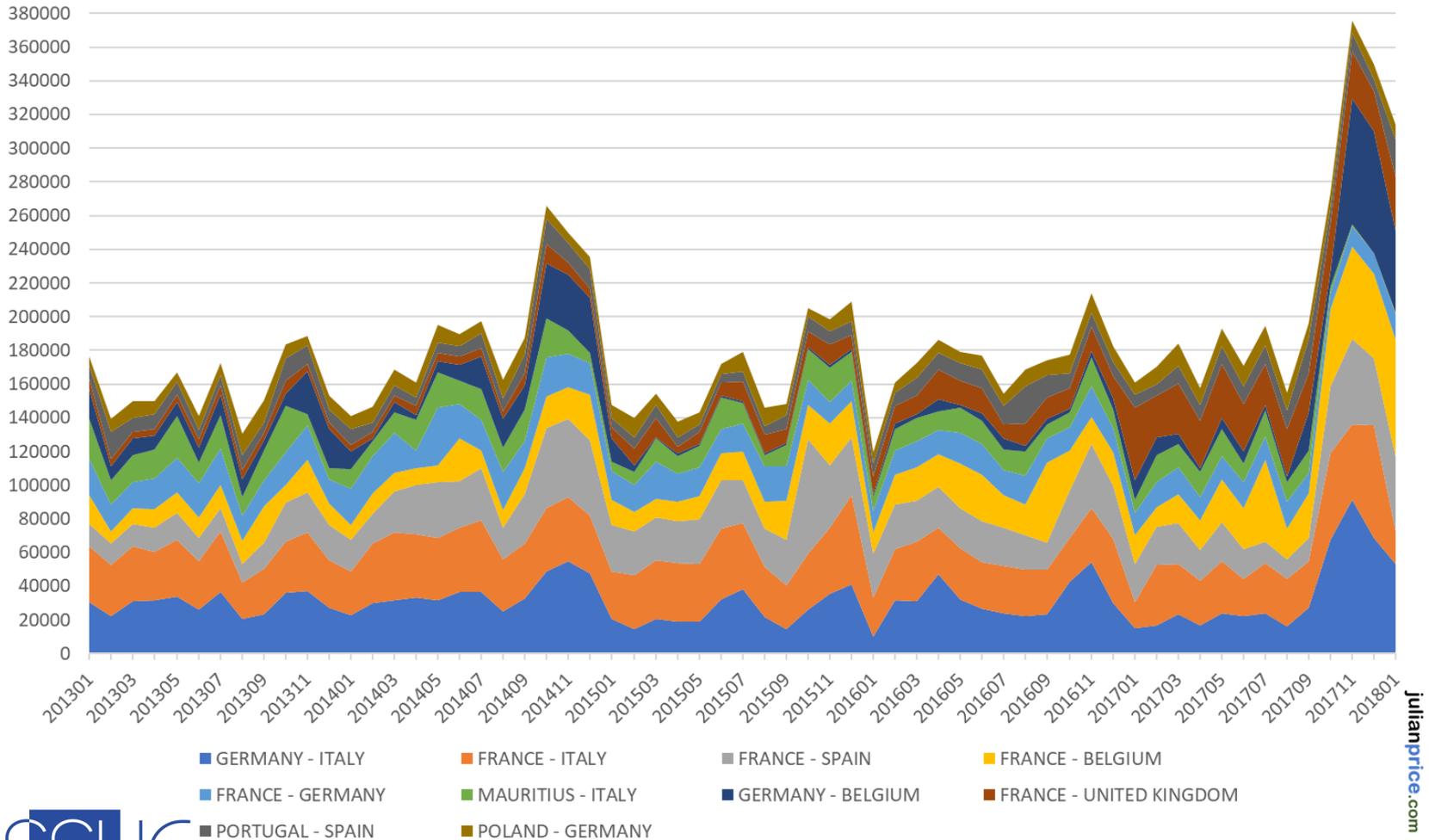
#5 white sugar prices in €/t FOB

#5 whites in EUR/tonne FOB

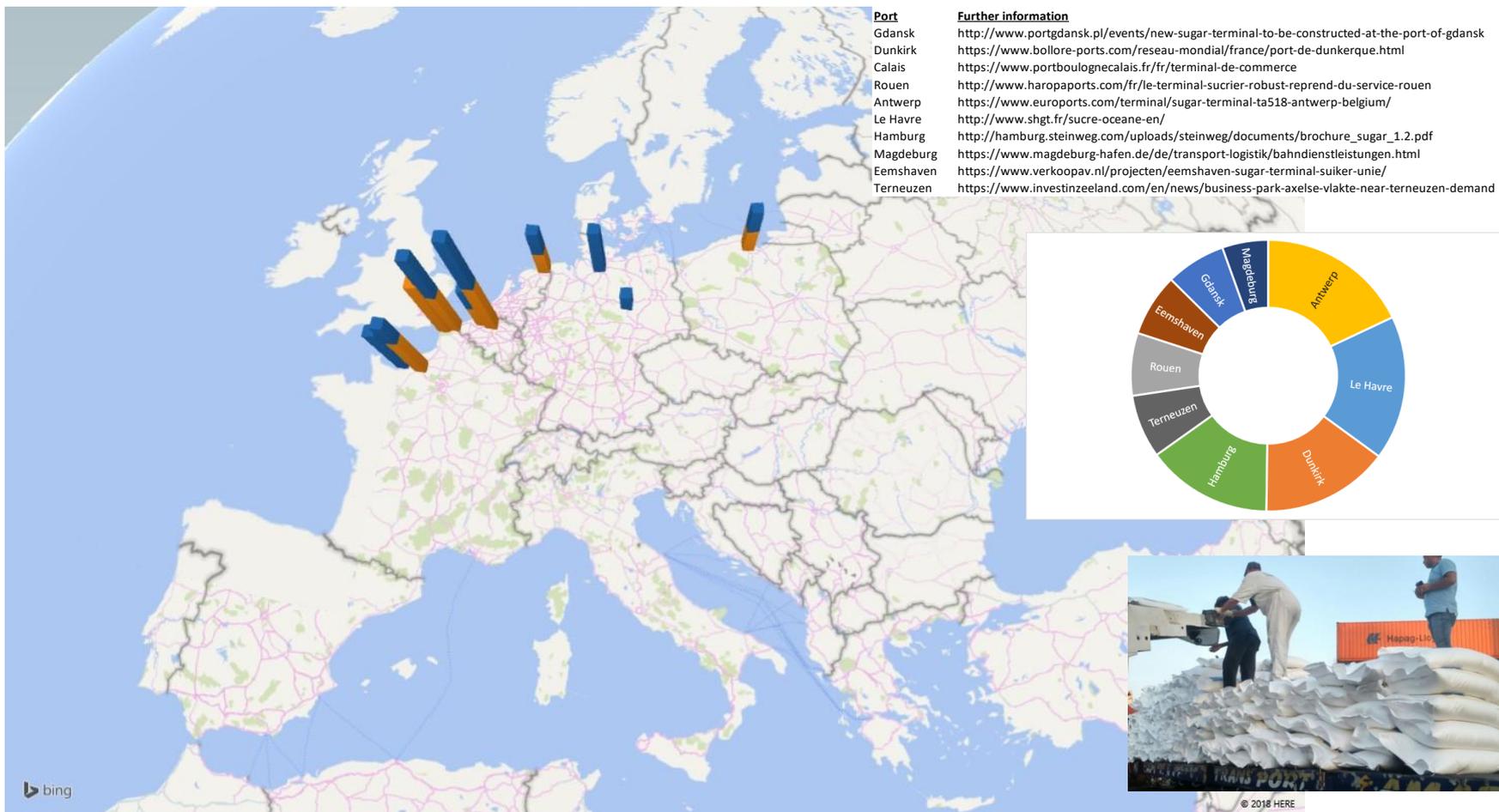


Principal EU trade flows

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

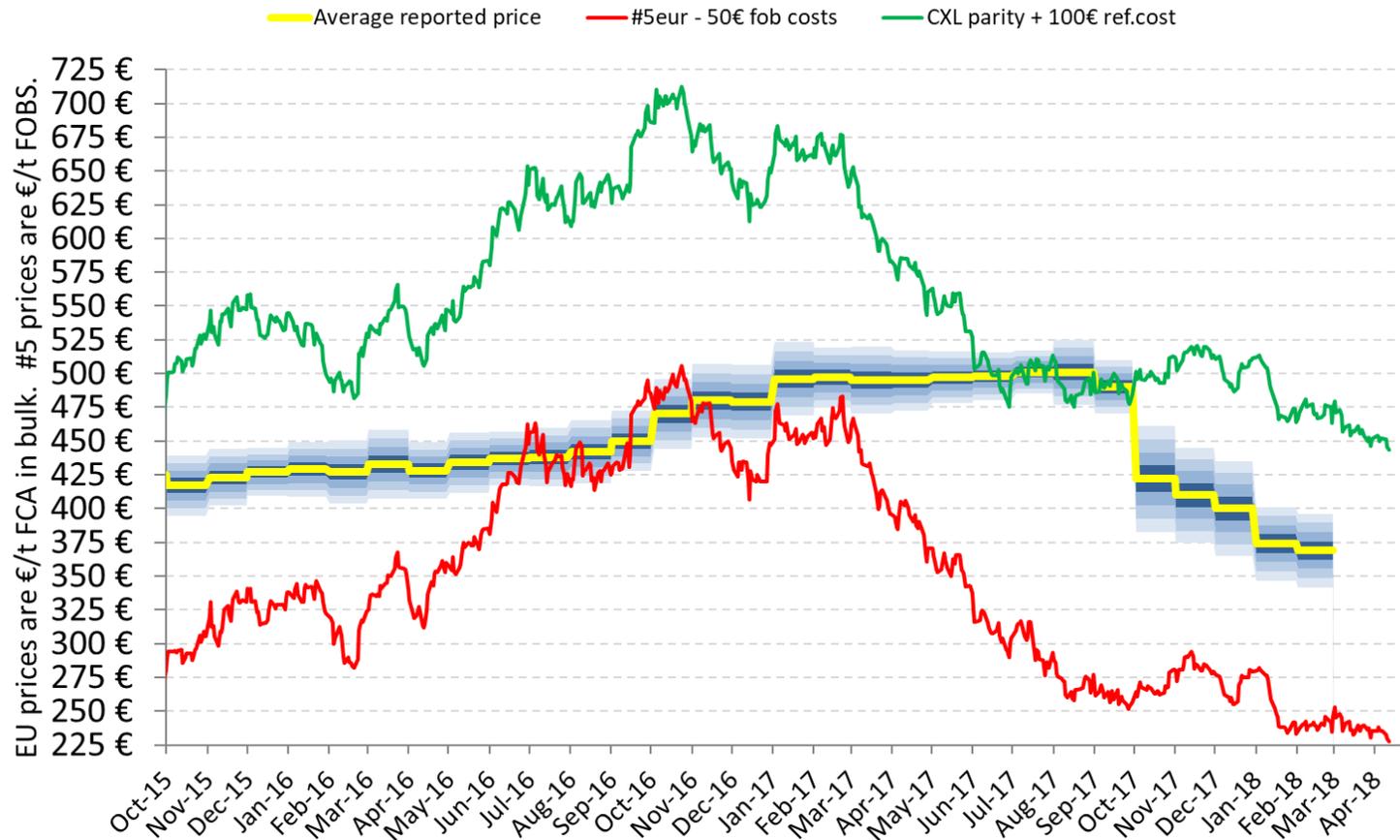


European ports of export



EU “playing field”

Reported EU, export and import (CXL) parity prices



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.

The logo for ASSUC, featuring the letters 'ASSUC' in a blue, sans-serif font. The letter 'S' is partially enclosed by a dark blue vertical bar.

Thank you!

ASSUC aisbl

European Association of Sugar Traders

**Rue de Trêves 49-51, Box 14
B - 1040 Brussels**

Tel +32(0) 27 366 873

Fax +32(0) 27 326 766

<http://www.assuc.eu/>

Follow us on Twitter at
@sugartraders

Follow us on LinkedIn at
<http://bit.ly/assuc>