data from 06/05/2019 to 31/05/2019

Sugar #11 and #5 : prices

May: is what we felt last month beginning to materialize…?

Within 15 days, between the 20th of May and now, raw sugar gained 1 ct/lb, from a lowest at 11.5cts/lb to more than 12.5cts/lb today. White sugar is now at almost 350US$/t.

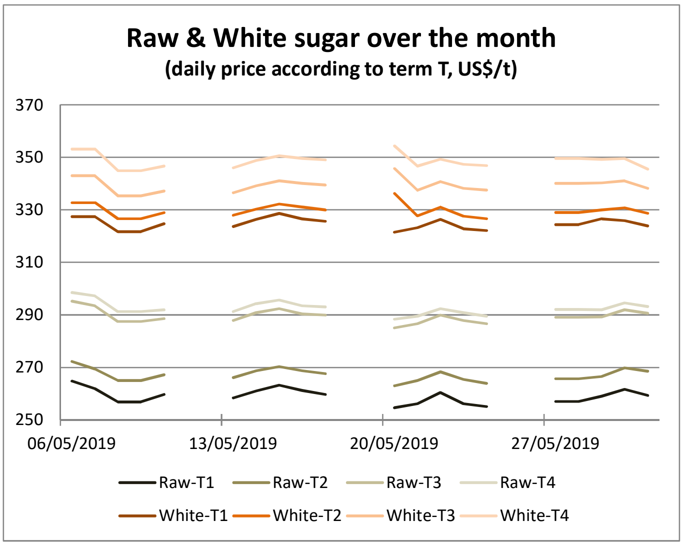
What happened? First, fears about El Niño are beginning to materialize. The Indian monsoon seems late, and speculators may have the feeling that the deficit forecast in 19/20 may be larger than anticipated (still around 1.5Mt raw value according to FoLicht). Thus, after having been record net sellers at the end of May (and even reach a record at 9.8Mt on the 28th of May – p.2!), they reduced their position by 1 Mt within a week. This helped sugar to pick up.

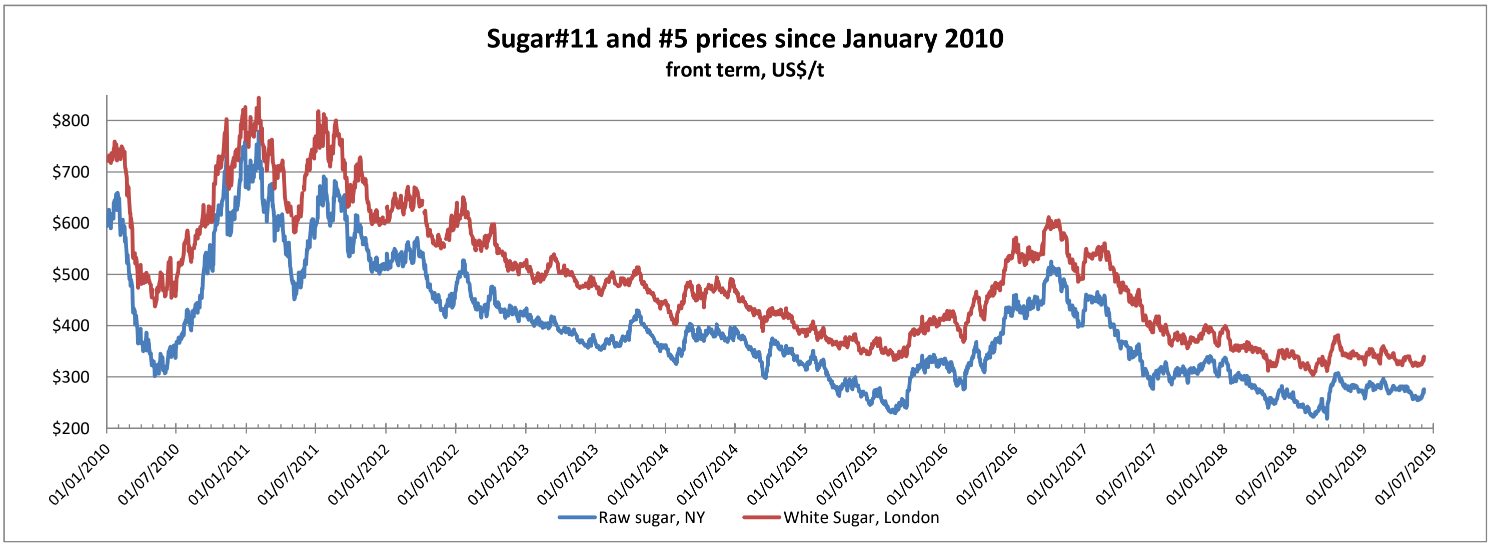
The Brazilian currency also showed a boost. Although it lost almost 1% during the month (p. 7), you now need 3.86BRL to buy 1 US$, whereas you needed more than 4BRL during the last week of May! This is excellent news for sugar value, and can mitigate the effect of the drop in oil.

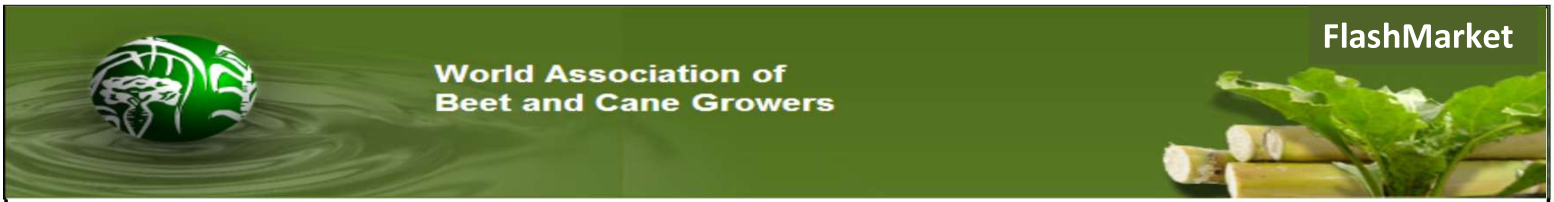
Because the drop in oil is severe. The Brent is now around 60US$/barrel, which is 10US$/barrel less than 20 days before. The drop in ethanol in Brazil is smaller (p. 4), but the graph p. 4 shows that the effect of ethanol on sugar price during the past 6 months was minimized compared to previous years. Although the effect on the Brazilian cane allocation is still very strong: the allocation of cane to ethanol reached 33% during the first two months of the campaign in Brazil: a new record. And crushing is a bit late: for the first two months there is a drop in cane crushing of -5%, but the drop in sugar production is -12%!

Let's see if the situation continues in June!

	Settling date	First week of May-19	Last week of May-19	Difference in currency	Difference in %
White sugar (sugar#5, London, $/t)	Aug 19	324,6	325,0	0,5	***0,1%***
	Oct 19	329,5	329,5	0,0	***0,0%***
	Dec 19	338,8	339,9	1,2	***0,3%***
	Mar 20	348,5	348,7	0,1	***0,0%***
Raw sugar (sugar#11, NY, cts/lb)	Jul 19	11,79	11,74	-0,05	***-0,5%***
	Oct 19	12,15	12,12	-0,02	***-0,2%***
	Mar 20	13,17	13,15	-0,02	***-0,2%***
	May 20	13,34	13,28	-0,06	***-0,4%***
Raw sugar (sugar#11, NY, $/t)	Jul 19	260,0	258,8	-1,2	***-0,5%***
	Oct 19	267,8	267,2	-0,5	***-0,2%***
	Mar 20	290,4	289,9	-0,5	***-0,2%***
	May 20	294,0	292,8	-1,2	***-0,4%***
Premium	Aug 19/Jul 19	64,6	66,2	1,7	***2,6%***







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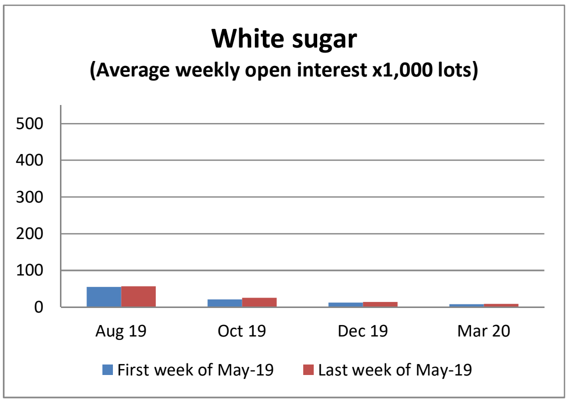
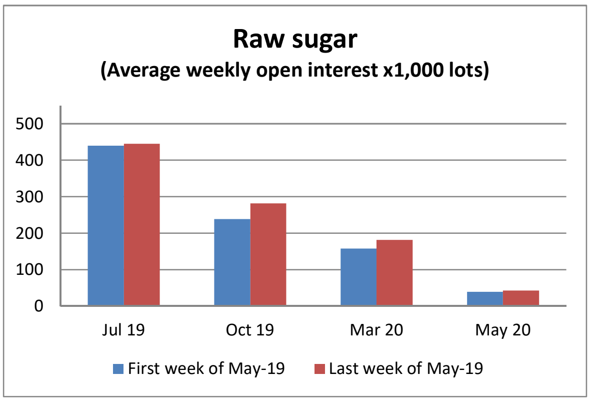
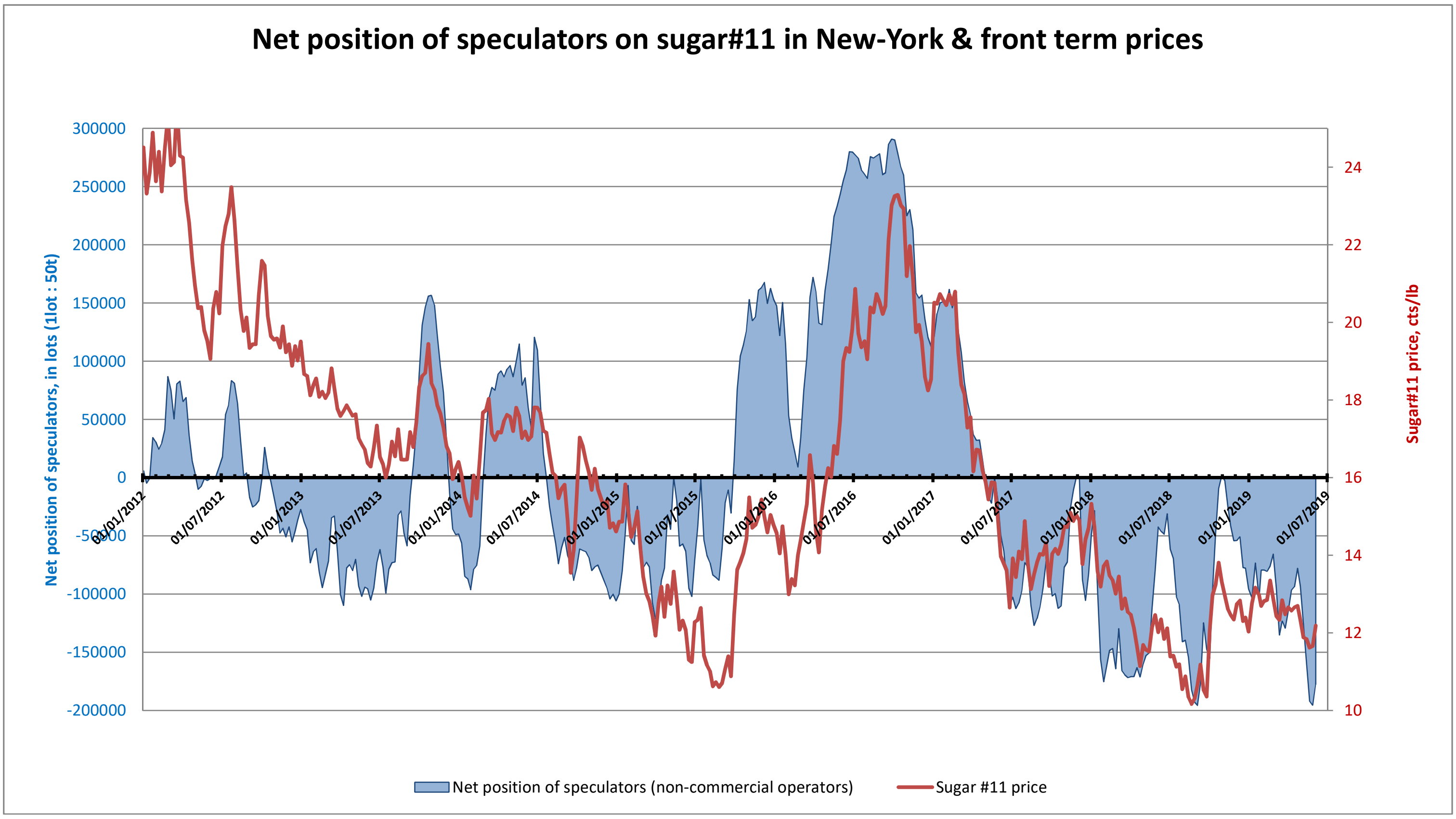
Sugar #11 and #5 : open interest & non-commercial operators positions



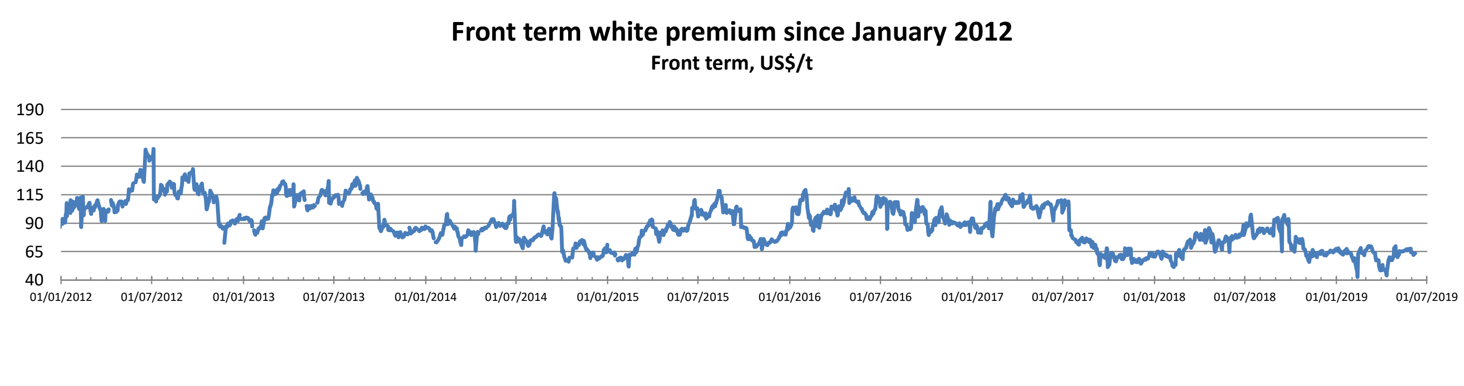


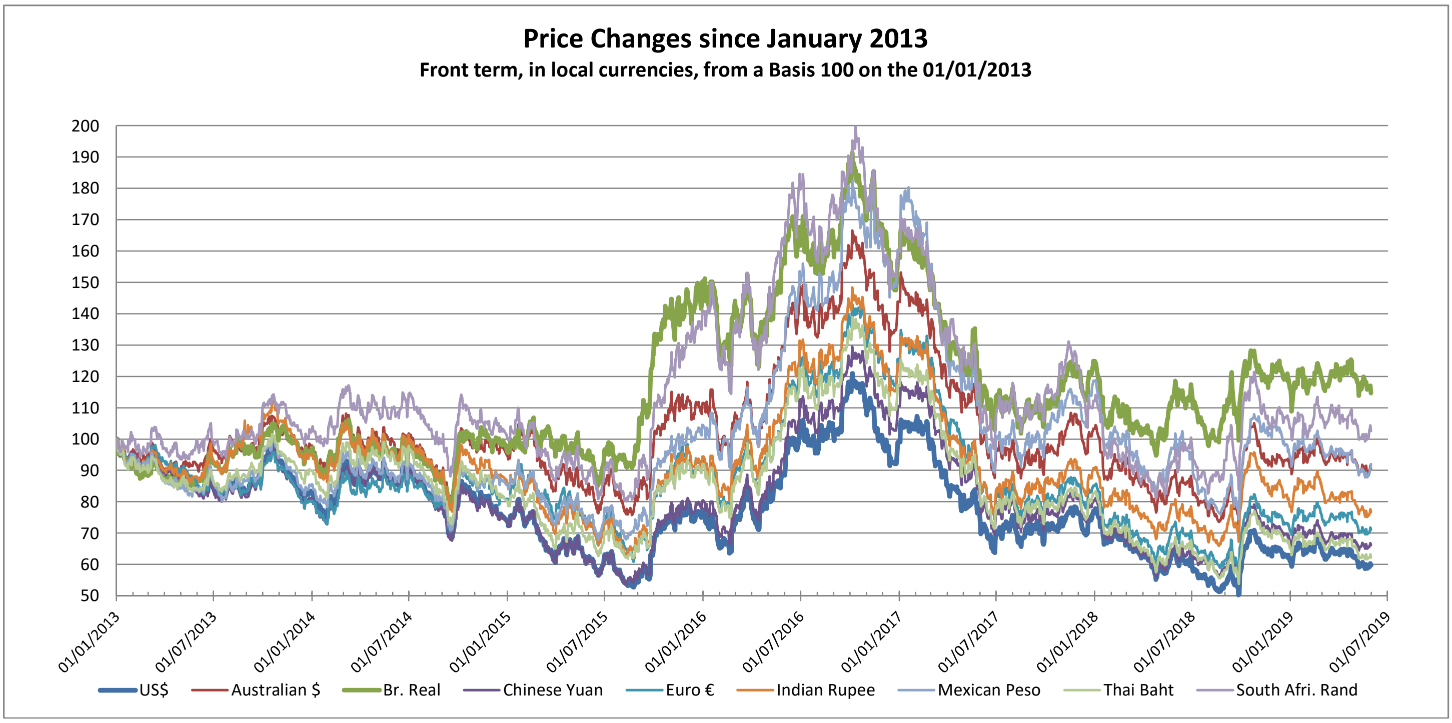
	Average weekly open interest per term (x1,000 lots)							
	White sugar (sugar#5, London, 1lot=50t)				**Raw sugar** (sugar#11, NY, 1lot=112,000lb=50.8t)			
Term	First week of May-19	Last week of May-19	Difference in number	Difference in %	First week of May-19	Last week of May-19	Difference in number	Difference in %
T1	54,7	57,0	2,4	***4,3%***	440,4	444,9	4,6	***1,0%***
T2	21,1	25,2	4,0	***19,1%***	238,9	281,7	42,8	***17,9%***
T3	12,7	14,2	1,4	***11,4%***	157,6	181,3	23,8	***15,1%***
T4	7,9	8,7	0,7	***9,3%***	39,0	42,3	3,4	***8,6%***
Total	99,6	109,5	9,9	***9,9%***	953,5	1038,6	85,1	***8,9%***



data from 06/05/2019 *to* 31/05/2019

Sugar #11 : premium compared to Sugar#5 and prices in local currencies





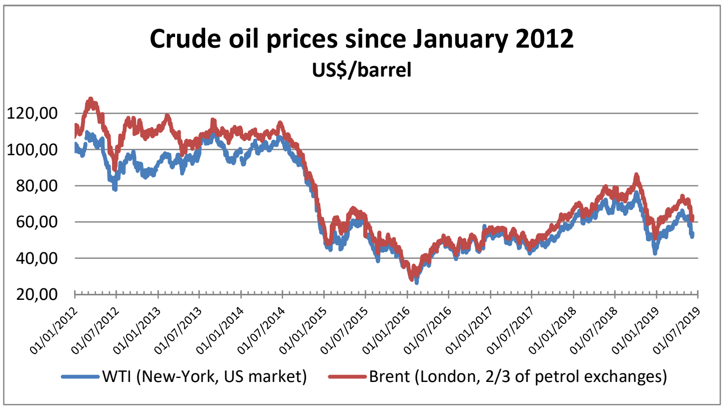
Currency	Sugar#11 Front term First week of May-19	Last week of May-19	Difference in currency	Difference in %
US $	260,01	258,82	-1,19	***-0,5%***
Australian $	371,69	374,06	2,38	***0,6%***
Brazilian Real	1 029,30	1 031,49	2,19	***0,2%***
Chinese Yuan	1 766,19	1 787,16	20,97	***1,2%***
European €	232,12	231,79	-0,32	***-0,1%***
Indian Rupee	18 147,02	18 022,90	-124,11	***-0,7%***
Mexican Peso	4 966,10	4 979,84	13,74	***0,3%***
South African Rand	3 735,59	3 787,78	52,18	***1,4%***
Thai Baht	8 264,83	8 220,07	-44,76	***-0,5%***

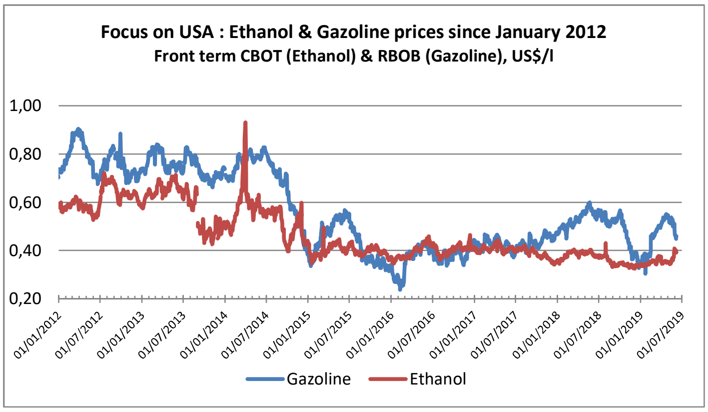
FlashMarket

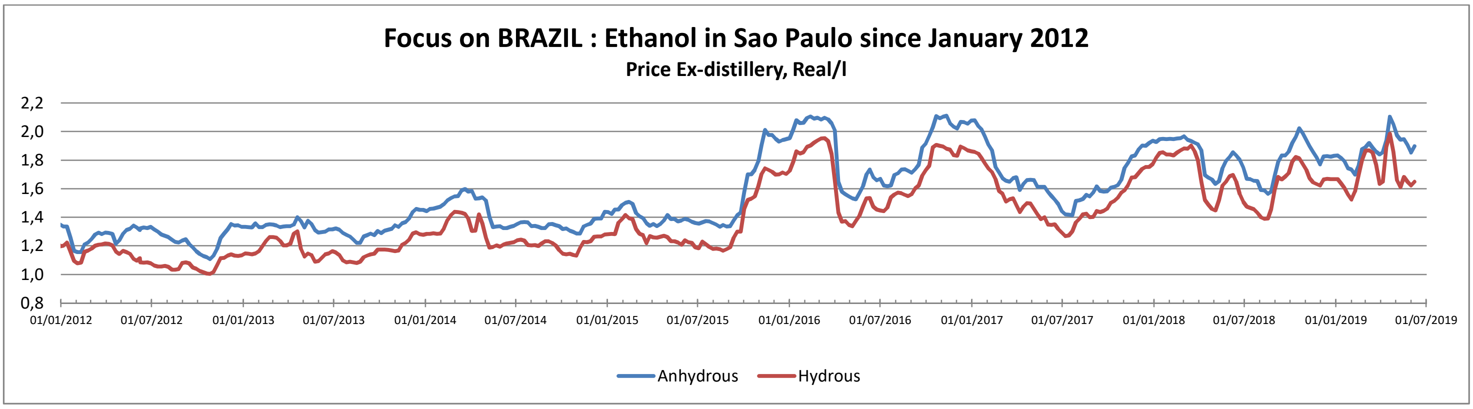
World Association of Beet and Cane Growers

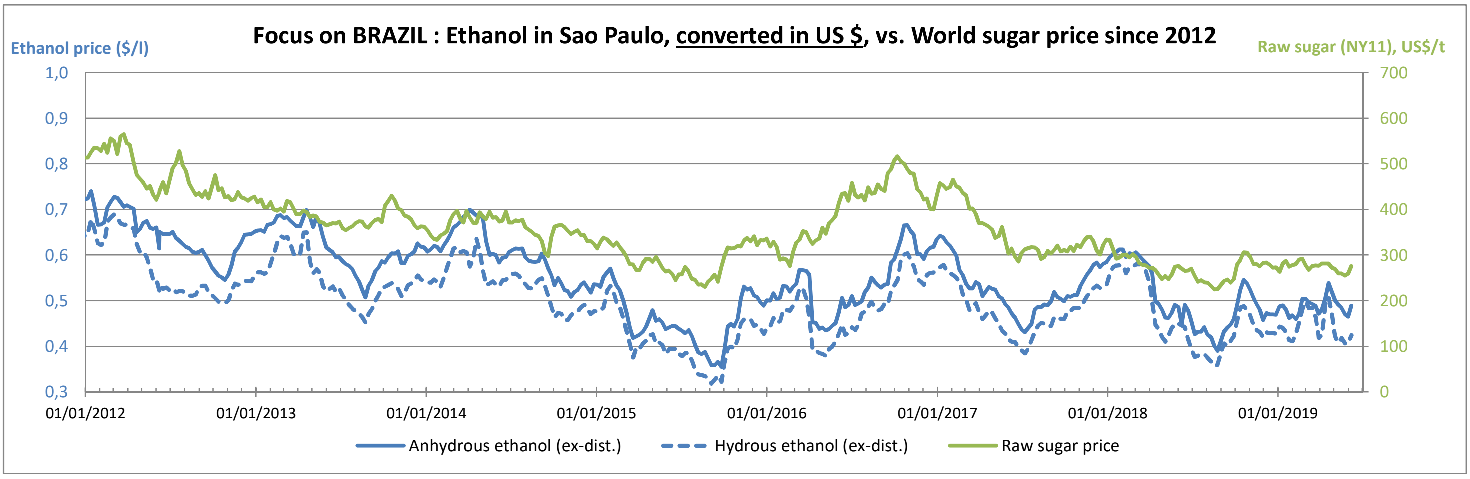
data from *06/05/2019* *to* *31/05/2019*

Energy markets : ethanol, crude oil & gazoline









			First week of May-19	Last week of May-19	Difference in value	Difference in %
Oil	WTI, US$/barrel		61,83	57,33	-4,49	***-7,3%***
	Brent, US$/barrel		70,50	66,51	-3,99	***-5,7%***
Gazoline	RBOB, US$/l		0,52	0,50	-0,03	***-5,0%***
Ethanol	In Brazil (ex. dist.)	Real/l (Anh., S. Paulo)	1,94	1,85	-0,09	***-4,6%***
		US$/l (Anh., S. Paulo)	0,49	0,46	-0,03	***-5,5%***
	In USA (CBOT)	US$/gal	1,32	1,49	0,17	***12,9%***
		US$/l	0,35	0,39	0,05	
	In Europe (T2 Rtdam)	€/l	0,58	0,59	0,01	***2,3%***
		US$/l	0,65	0,66	0,01	***2,0%***

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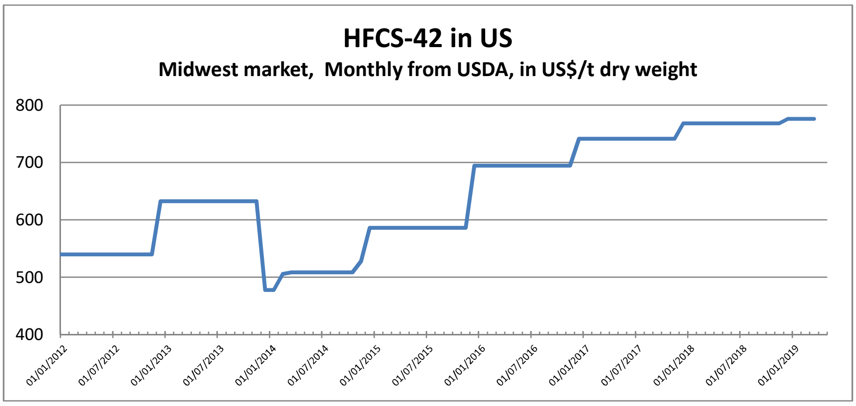
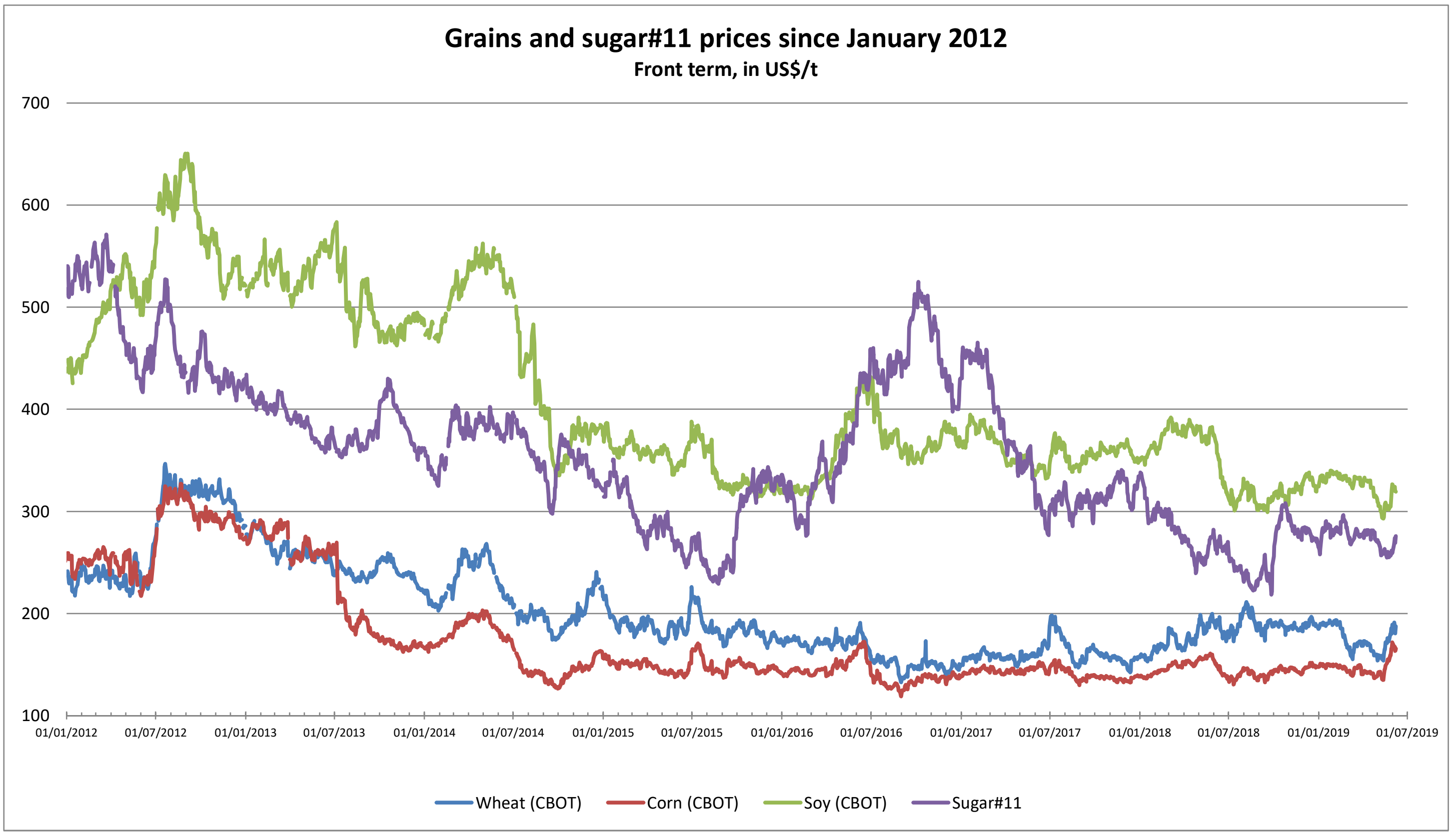
Grain markets : corn, soybeans, wheat, HFCS



	Dry HFCS 42 monthly Price in USA		
	April-18	April-19	Difference in %
US$/t	768,31	776,03	***1,0%***
cts/lb	34,86	35,21	



		Front term (CBOT)			
		First week of May-19	Last week of May-19	Difference in currency	Difference in %
Corn	US$/t	139,67	164,07	24,41	***17,5%***
	cts/bsl	354,75	416,75	62,00	
Soy	US$/t	299,49	314,24	14,75	***4,9%***
	cts/bsl	815,15	855,30	40,15	
Wheat	US$/t	157,27	182,87	25,61	***16,3%***
	cts/bsl	428,05	497,75	69,70	

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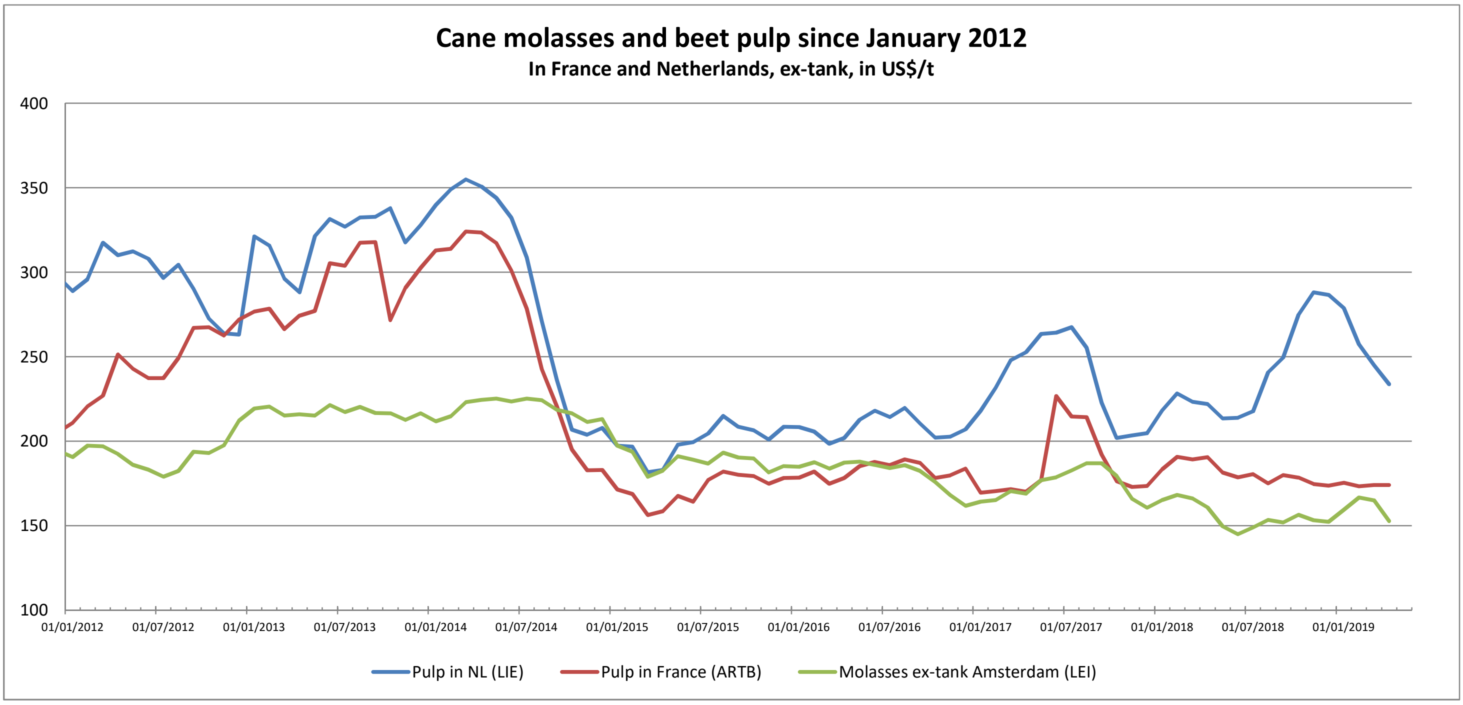
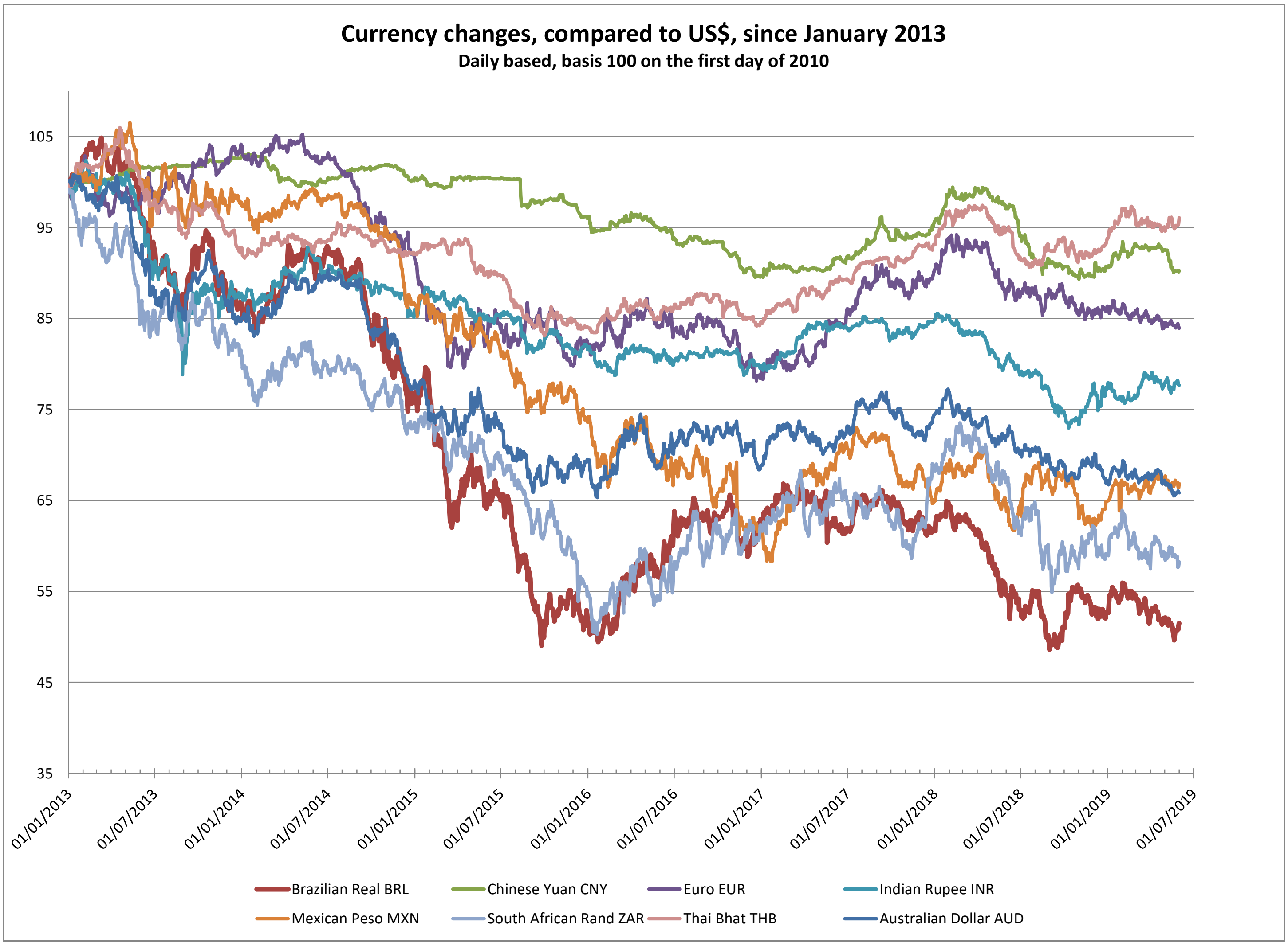
By-products : molasses and beet pulps



			By-products prices			
			March-19	April-19	Difference in currency	Difference in %
Beet pulp pellets	NL	US$/t	244,87	233,73	-11,14	***-4,6%***
		€/t	216,55	206,75	-9,80	***-4,5%***
	France	US$/t	174,14	174,10	-0,05	***0,0%***
		€/t	154,00	154,00	0,00	***0,0%***
Cane molasses (ex-tank Amsterdam)		US$/t	165,10	152,62	-12,48	***-7,6%***
		€/t	146,00	135,00	-11,00	***-7,5%***

Exchange rates



Currency	Value, in US$, of the currency			
	First week of May-19	Last week of May-19	Difference in currency	Difference in %
Australian $	0,6995	0,6919	-0,0076	***-1,1%***
Brazilian Real	0,2526	0,2509	-0,0017	***-0,7%***
Chinese Yuan	0,1472	0,1448	-0,0024	***-1,6%***
European €	1,1202	1,1166	-0,0036	***-0,3%***
Indian Rupee	0,0143	0,0144	0,0000	***0,2%***
Mexican Peso	0,0524	0,0520	-0,0004	***-0,7%***
South African Rand	0,0696	0,0683	-0,0013	***-1,8%***
Thai Baht	0,0315	0,0315	0,0000	***0,1%***

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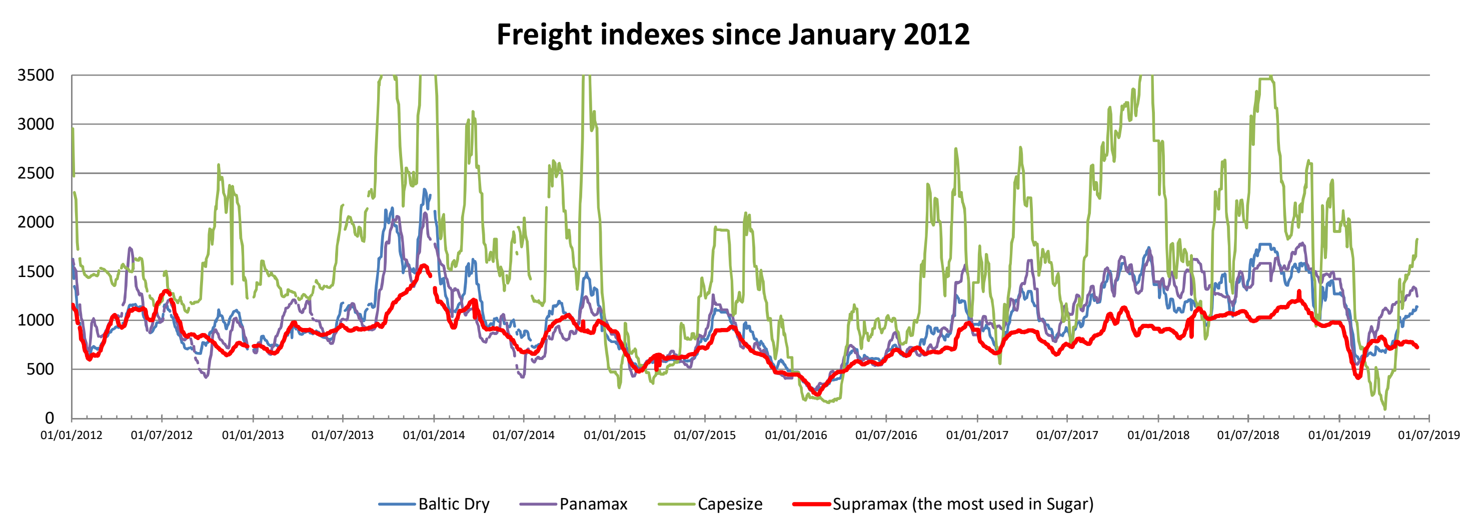
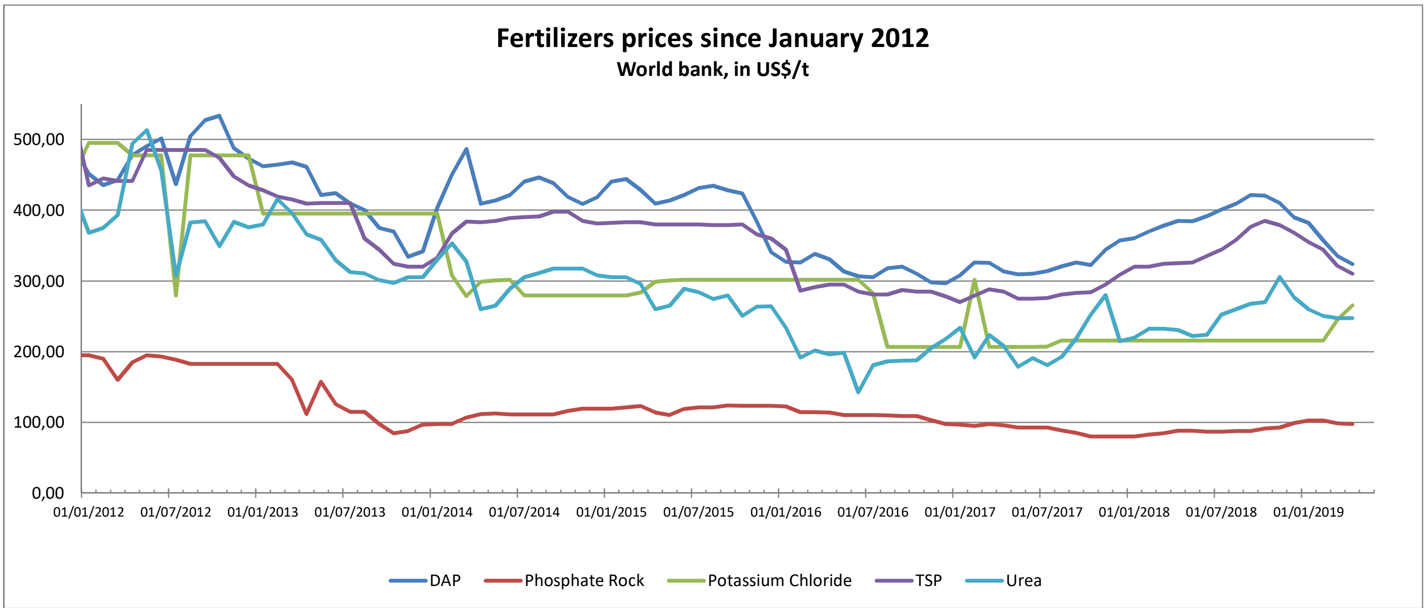
Freight : Baltic indexes



Index	Freight index (Baltic) First week of May-19	Last week of May-19	Difference in index	Difference in %
Baltic Dry	970	1 090	120	***12%***
Baltic Supramax	768	764	-4	***0%***
Baltic Panamax	1 192	1 328	136	***11%***
Baltic Capesize	1 242	1 606	365	***29%***



DAP *(diammonium phosphate), standard size, bulk, spot, f.o.b. US Gulf*

Phosphate rock *(Moroccan), 70% BPL, contract, f.a.s. Casablanca*

Potassium chloride *(muriate of potash), standard grade, spot, f.o.b. Vancouver*

TSP *(triple superphosphate), up to September 2006 bulk, spot, f.o.b. US Gulf; from October 2006 onwards Tunisian, granular, f.o.b.*

Urea *(Black Sea), bulk, spot, for 1985-91 (June) f.o.b. Eastern Europe; 1991 (July) onwards f.o.b. Black Sea (primarily Yuzhnyy)* *data from* *06/05/2019* *to* *31/05/2019*

Market overview : the grower dashboard

			First week of May-19	Last week of May-19	Difference	Difference in %
Sugar	Sugar#11	cts/lb	11,79	11,74	-0,05	***-0,5%***
		US$/t	260,01	258,82	-1,19	
	Sugar#5	US$/t	324,58	325,04	0,46	***0,1%***
Grains	Corn (CBOT)	cts/bsl	354,75	416,75	62,00	***17,5%***
		US$/t	139,67	164,07	24,41	
	Soybeans (CBOT)	cts/bsl	815,15	855,30	40,15	***4,9%***
		US$/t	299,49	314,24	14,75	
	Wheat (CBOT)	cts/bsl	428,05	497,75	69,70	***16,3%***
		US$/t	157,27	182,87	25,61	
Ethanol	EU spot	€/l	0,58	0,59	0,01	***2,3%***
		US$/l	0,65	0,66	0,01	***2,0%***
	US	US$/l	0,35	0,39	0,05	***12,9%***
	Brazil Anydr.	Real/l	1,94	1,85	-0,09	***-4,6%***
		US$/l	0,49	0,46	-0,03	***-5,5%***
Oil	Brent	US$/barrel	70,50	66,51	-3,99	***-5,7%***
Freight	Supramax	Index	768	764	-4	***-0,5%***
Brazilian Currency	Value of 1 Real	US$	0,2526	0,2509	-0,0017	***-0,7%***
	Value of 1 US$	Real	3,959	3,985	0,027	***0,7%***