

Pespectivas del Mercado Azucarero

ATASAL

IV Congreso Nacional de Tecnicos Azucareros

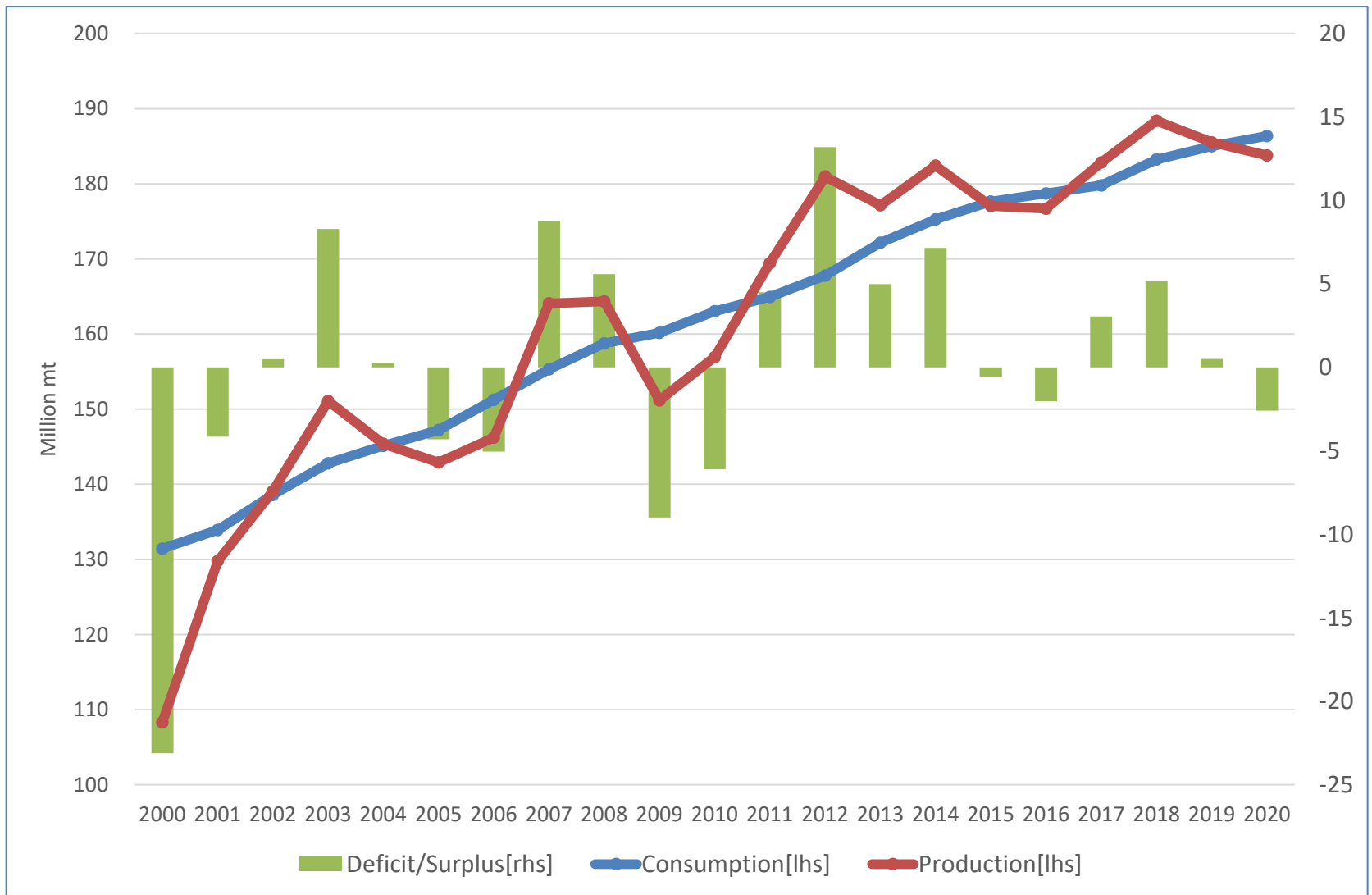
Michael Levitz

San Salvador

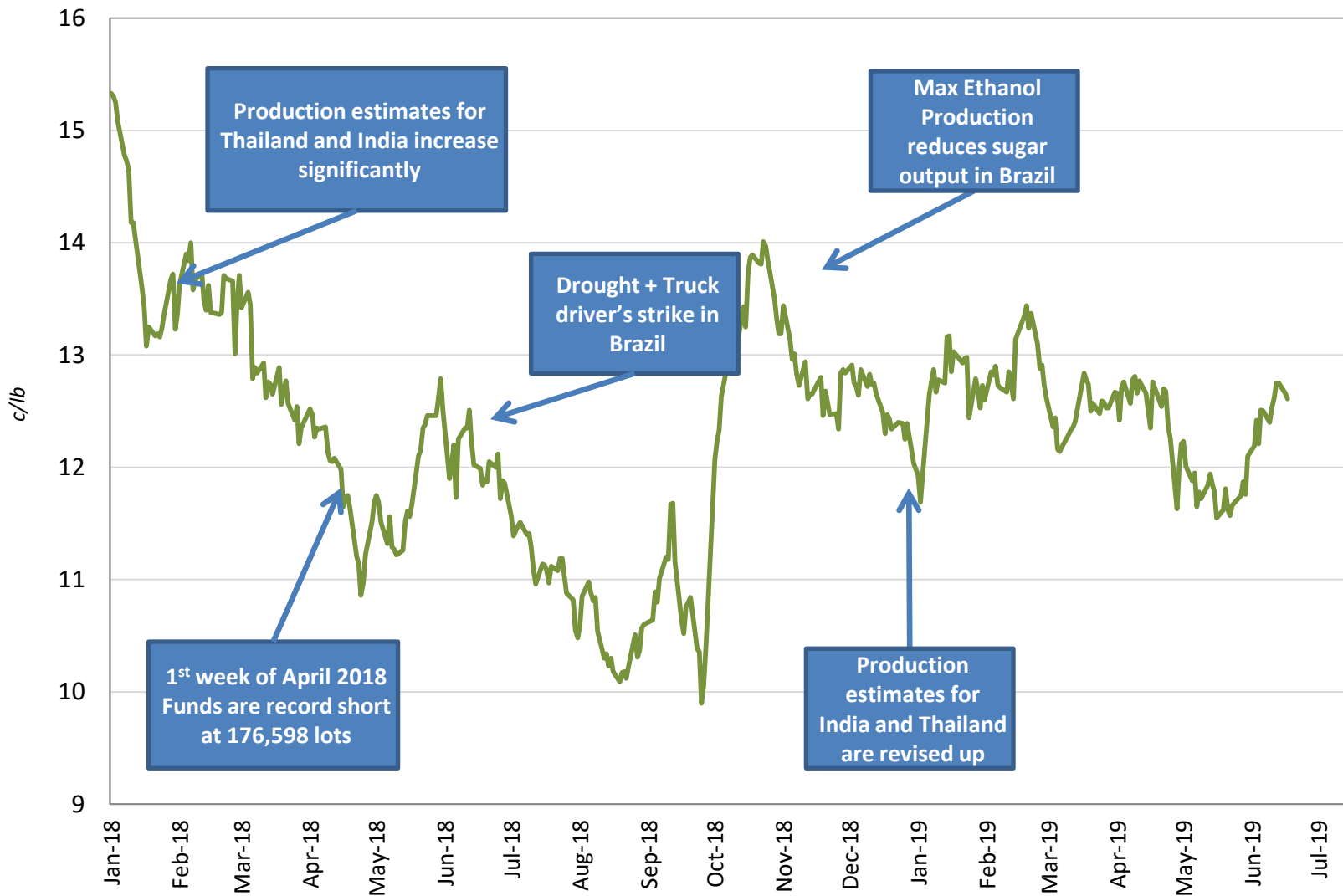
26th July 2019



Production vs Consumption



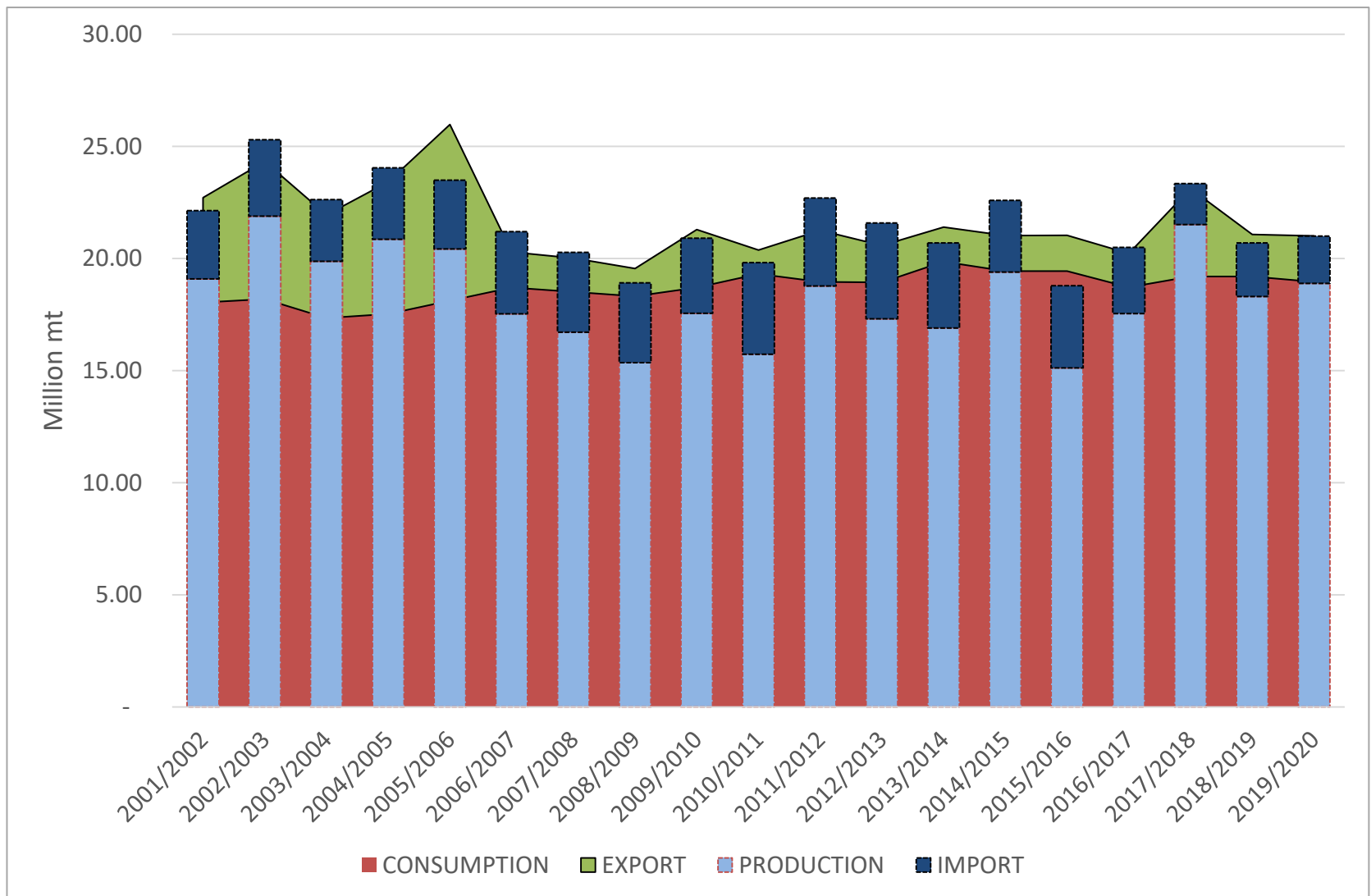
Raw Sugar Price - Spot Futures Month



A close-up photograph of a person's hands holding two potatoes. The potato on the left is completely peeled, showing its smooth, white, waxy skin. The potato on the right is partially peeled, with its brown, earthy skin still attached to the top and sides, while the white flesh is exposed on the bottom. The background is a blurred field of many more potatoes, suggesting a harvest scene. The lighting is bright, highlighting the textures of the potatoes. A semi-transparent grey box is overlaid on the lower part of the image, containing the text 'European Union'.

European Union

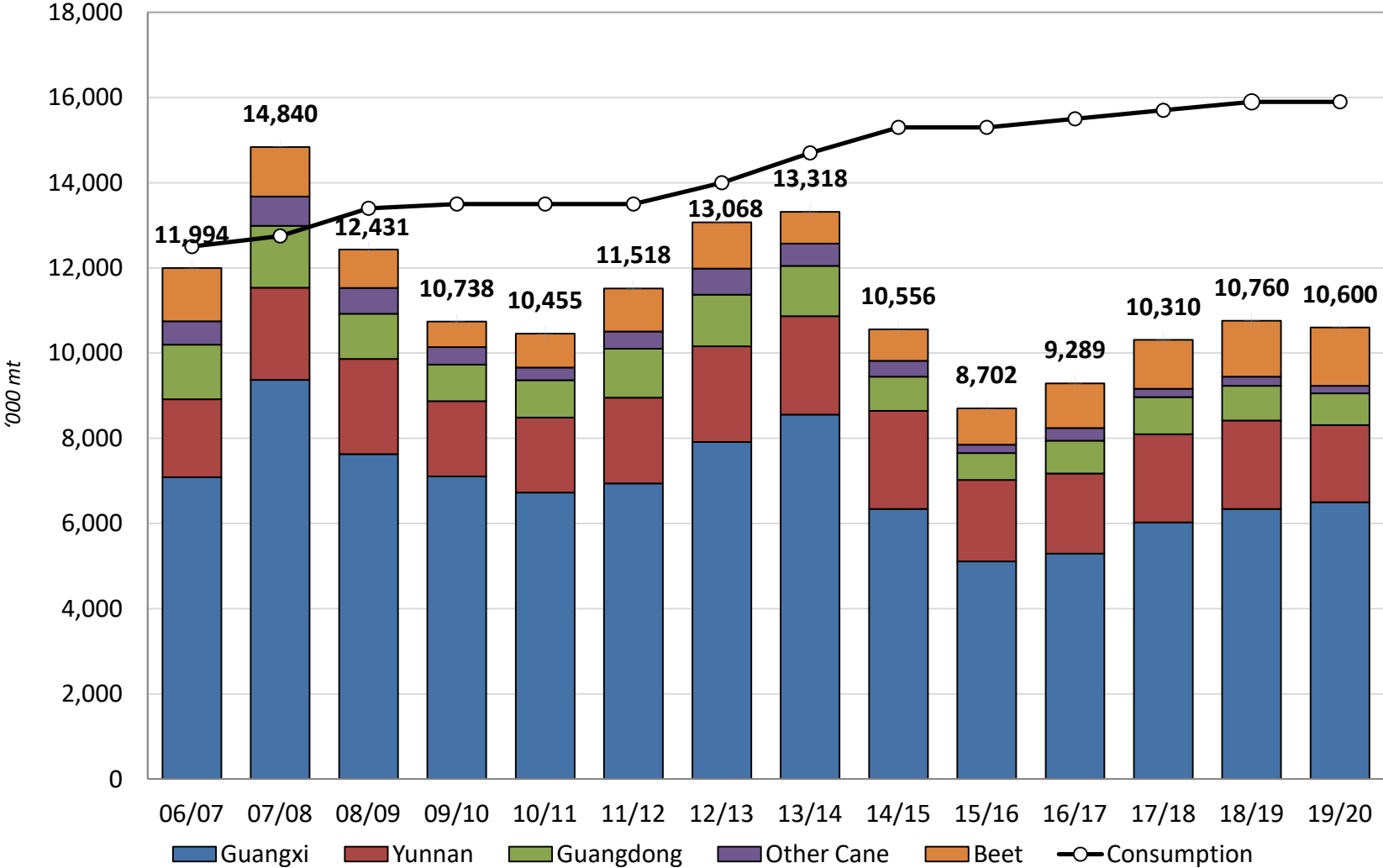
European Union



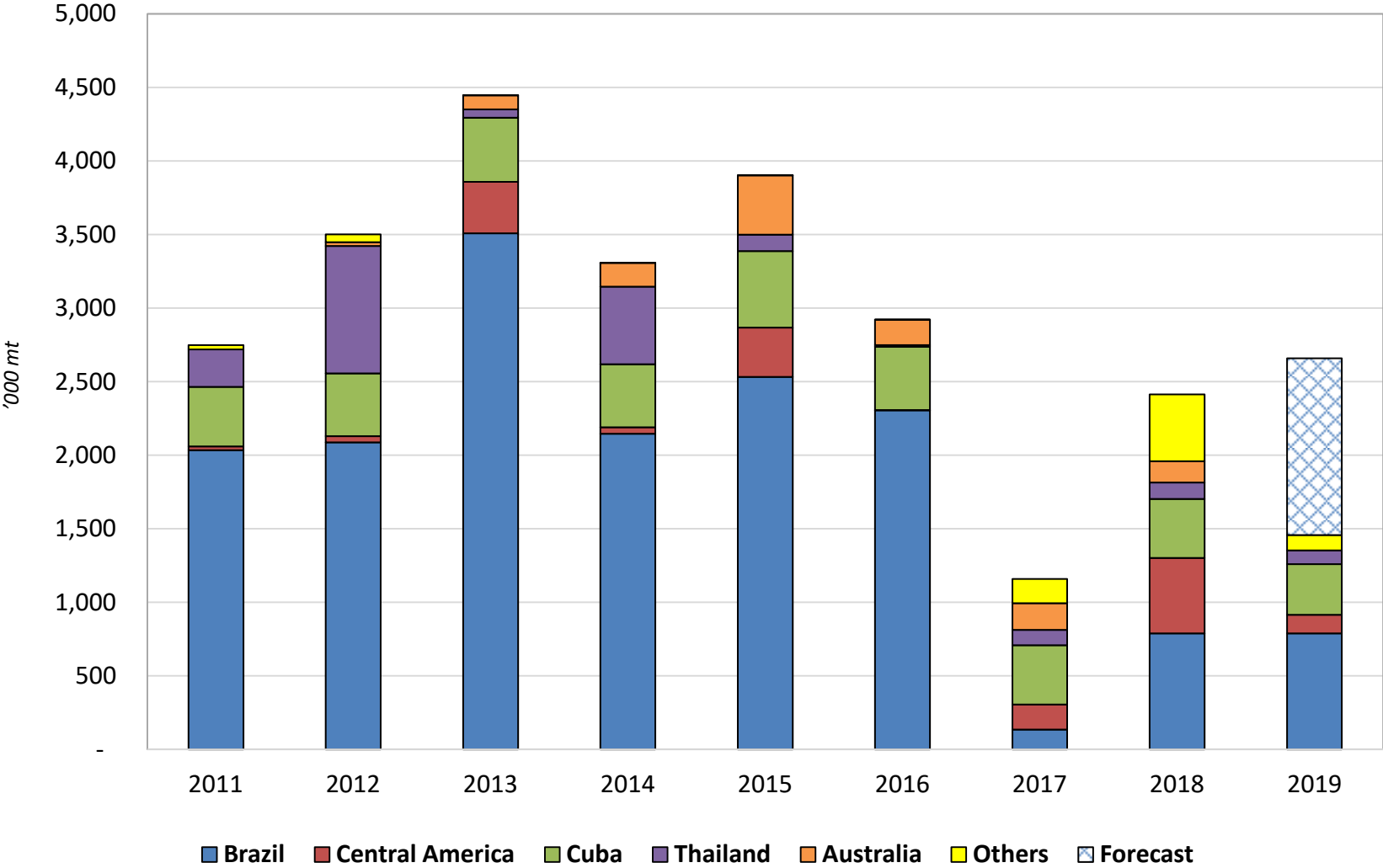
Far East



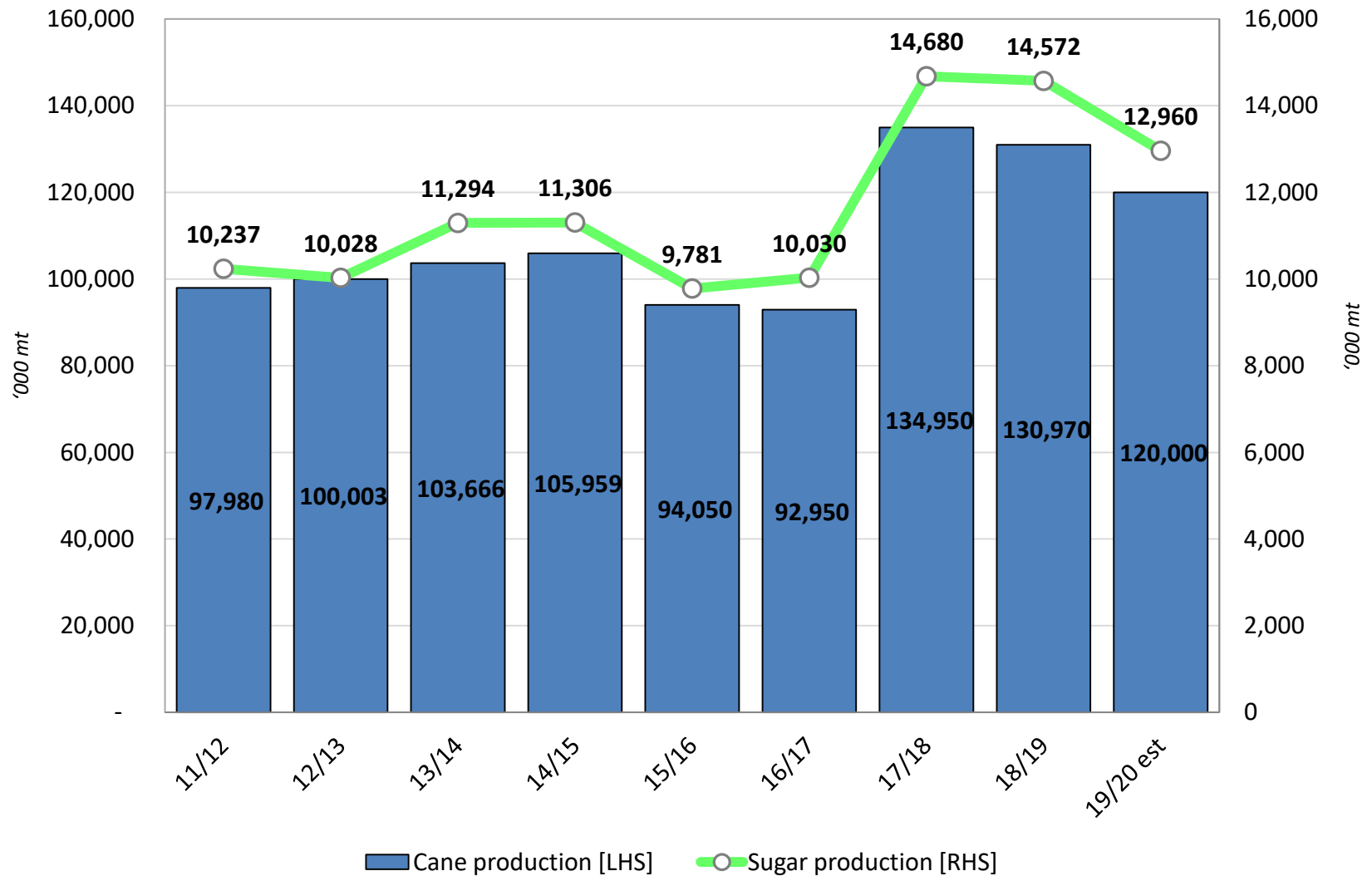
China – Production vs Consumption



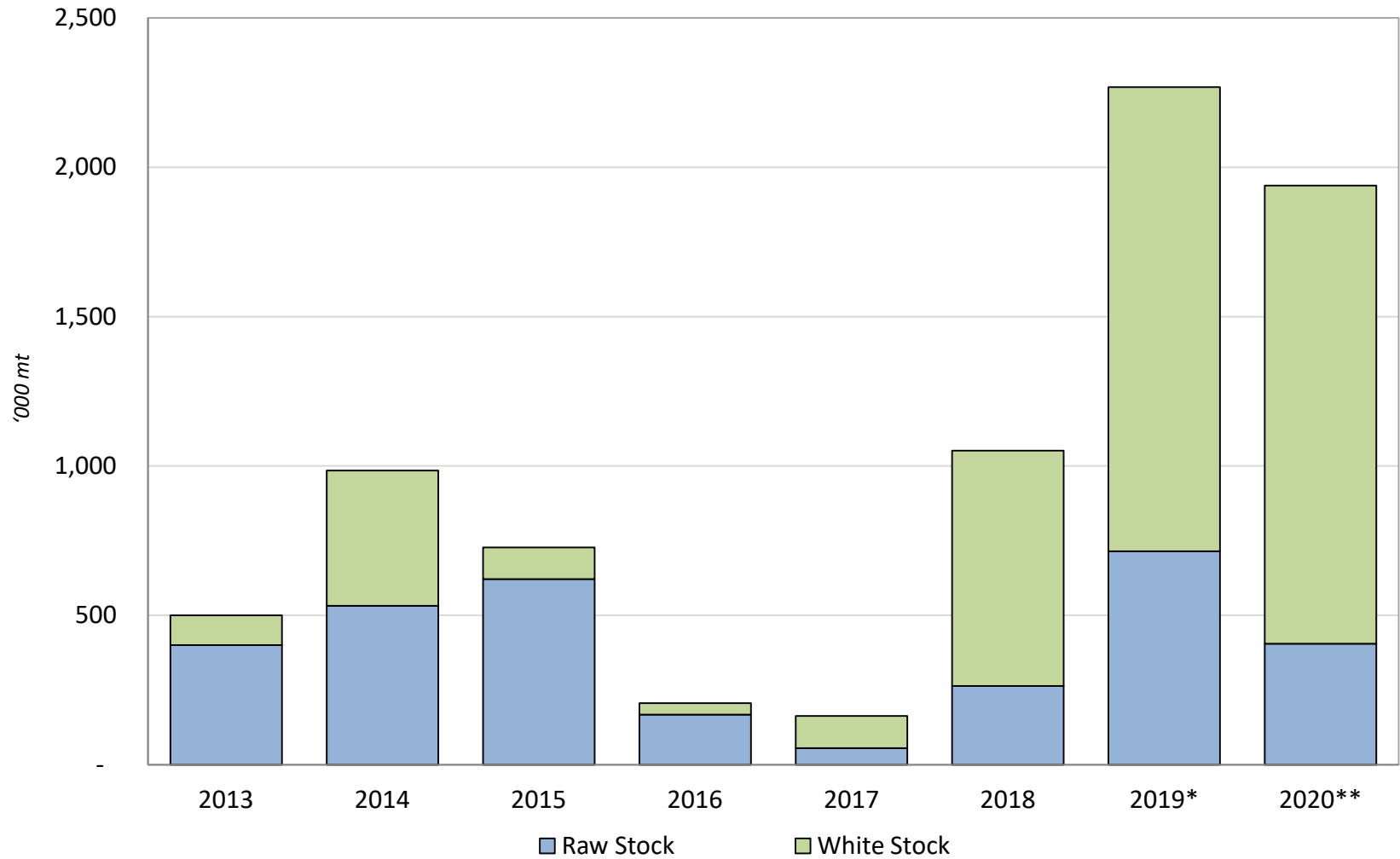
China – Raw Sugar Imports



Thailand – Cane & Sugar Production



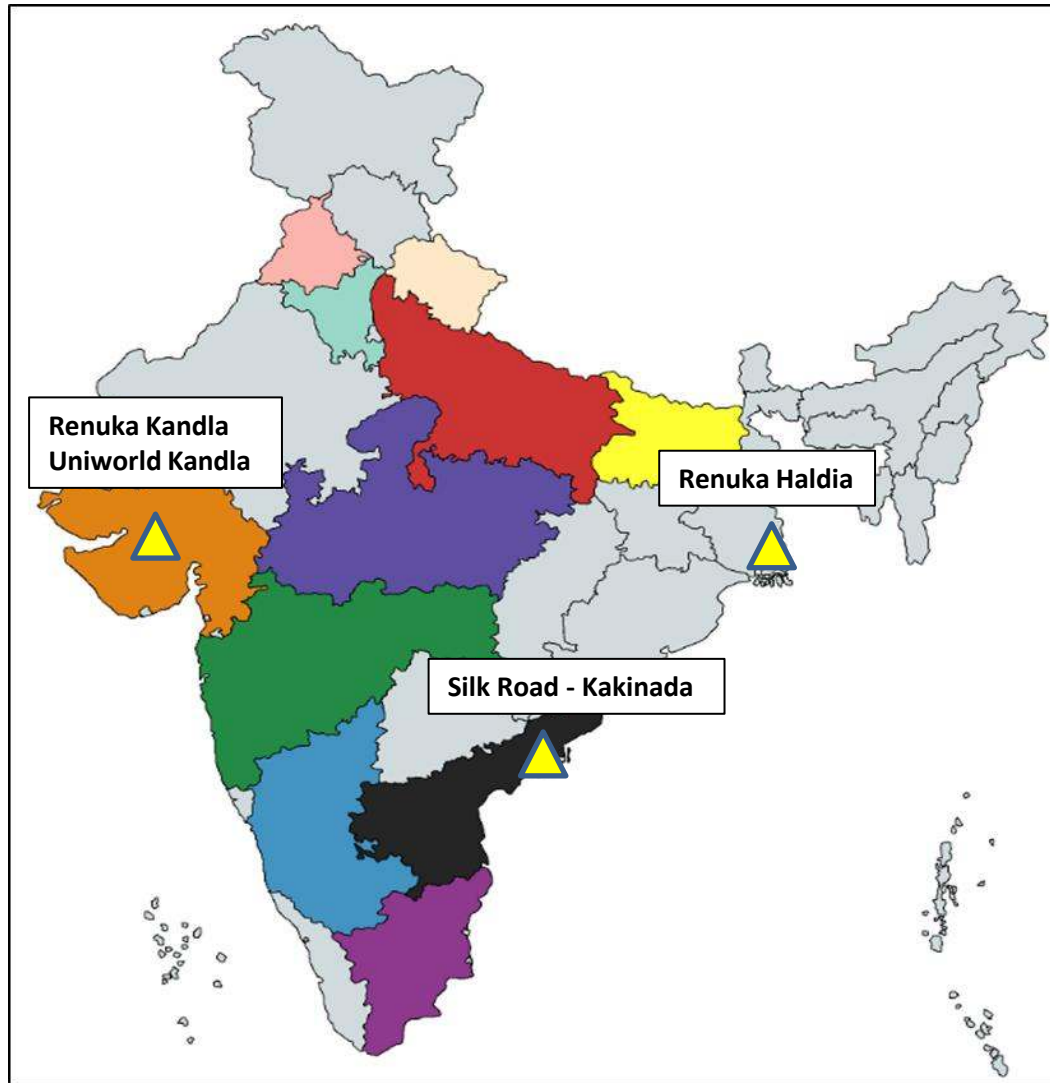
Thailand – Sugar Stocks (end Nov)



Near East

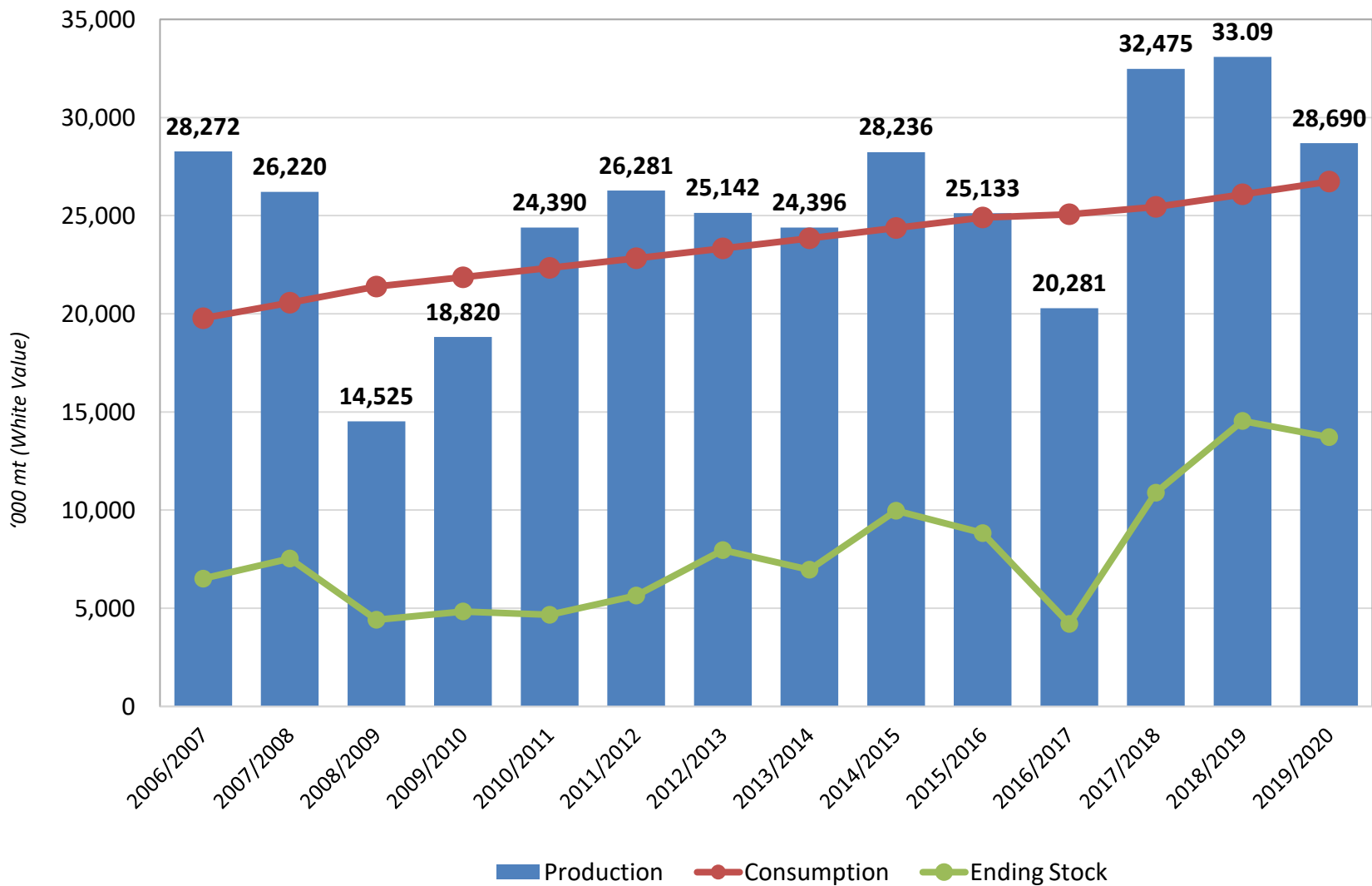


India - Sugarcane Production Areas in India

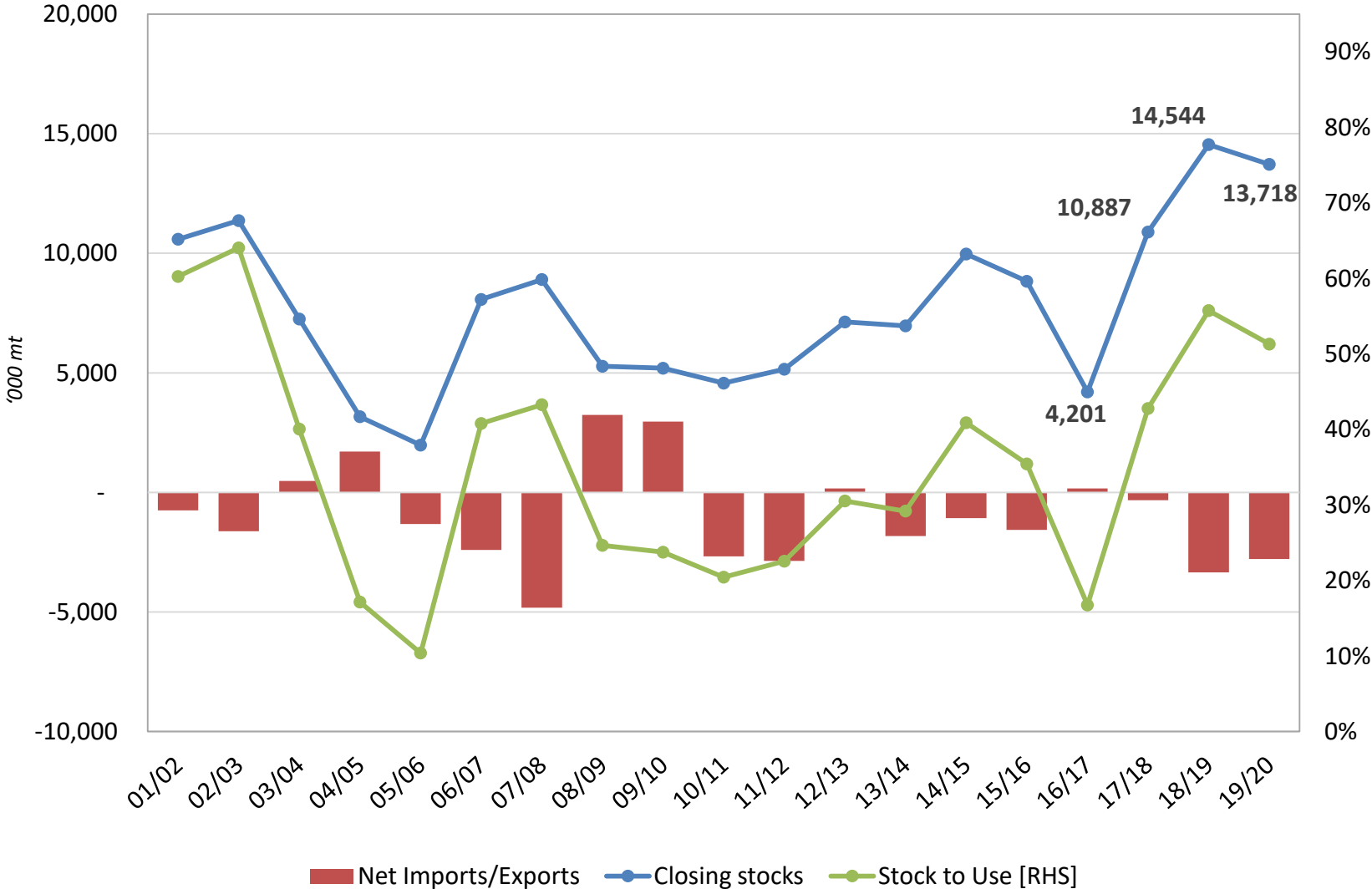


■	UTTAR PRADESH	-	35.62%
■	MAHARASHTRA	-	32.45%
■	KARNATAKA	-	13.28%
■	GUJARAT	-	3.40%
■	TAMIL NADU	-	2.72%
■	BIHAR	-	2.52%
■	PUNJAB	-	2.42%
■	HARYANA	-	2.26%
■	ANDHRA PRADESH	-	1.66%
■	MADHYA PRADESH	-	1.33%
■	UTTARAKHAND	-	0.08%

India – Sugar Production & Consumption



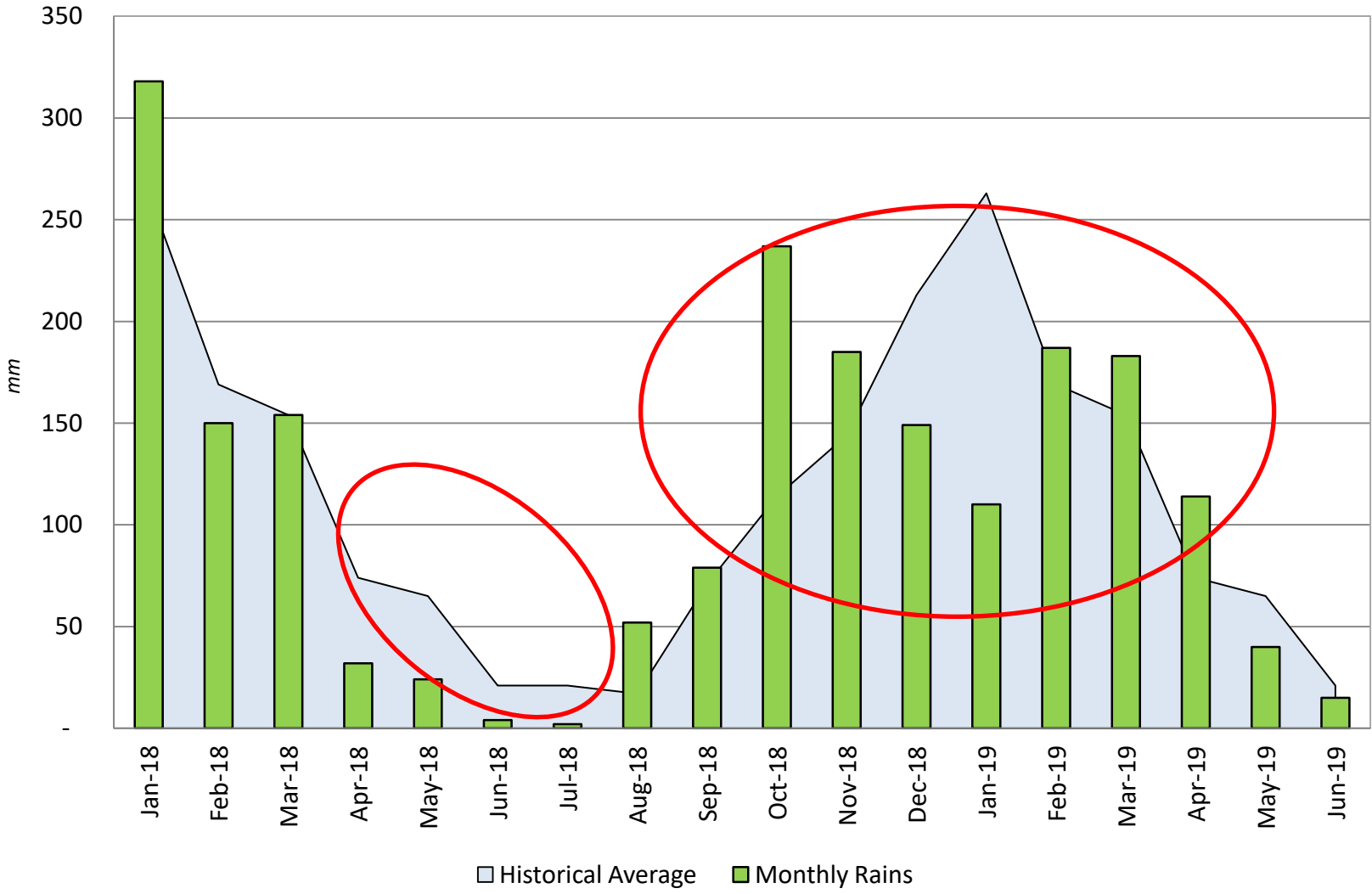
India – Sugar Trade Flows and Ending Stocks



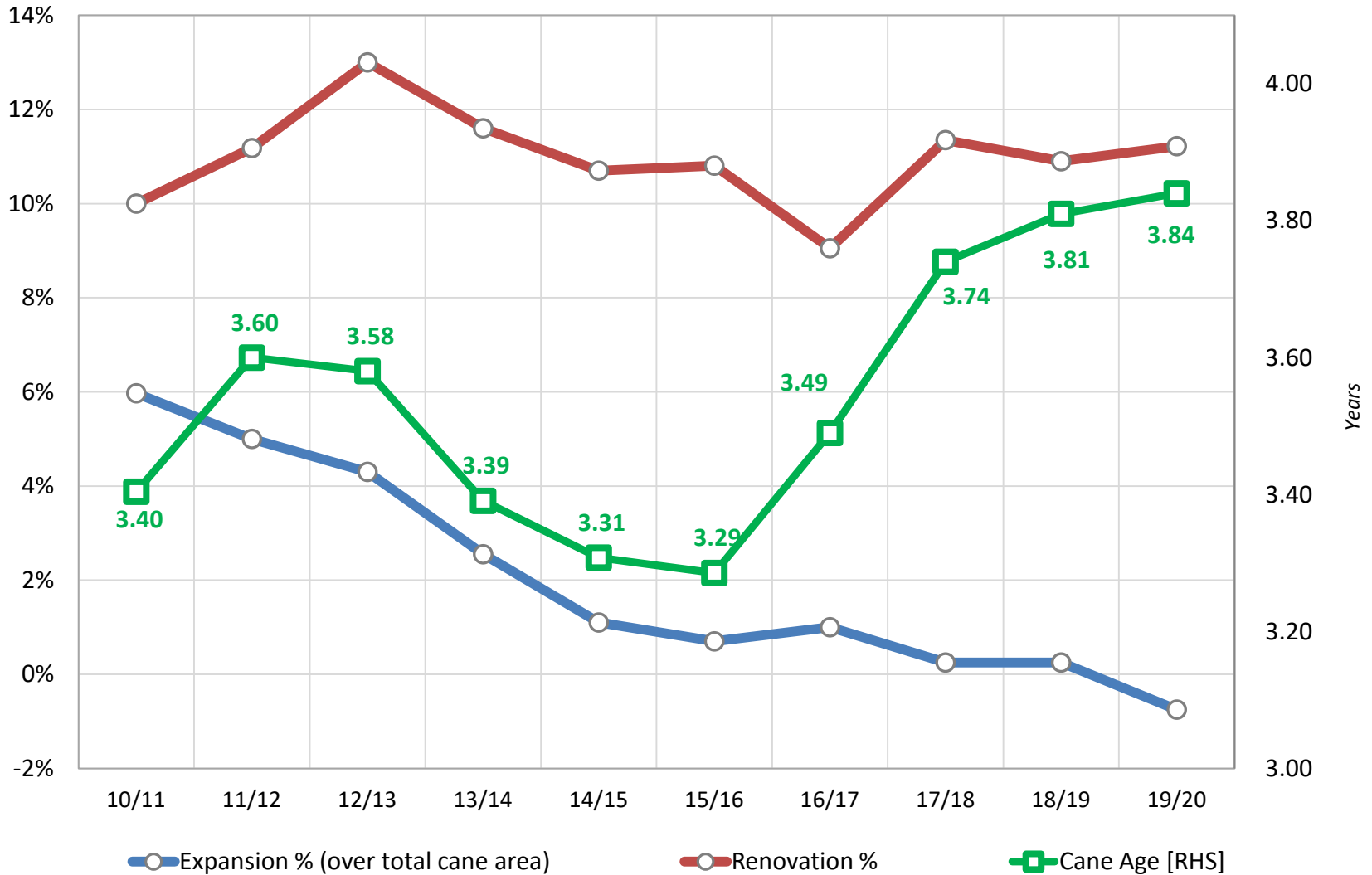


BRAZIL

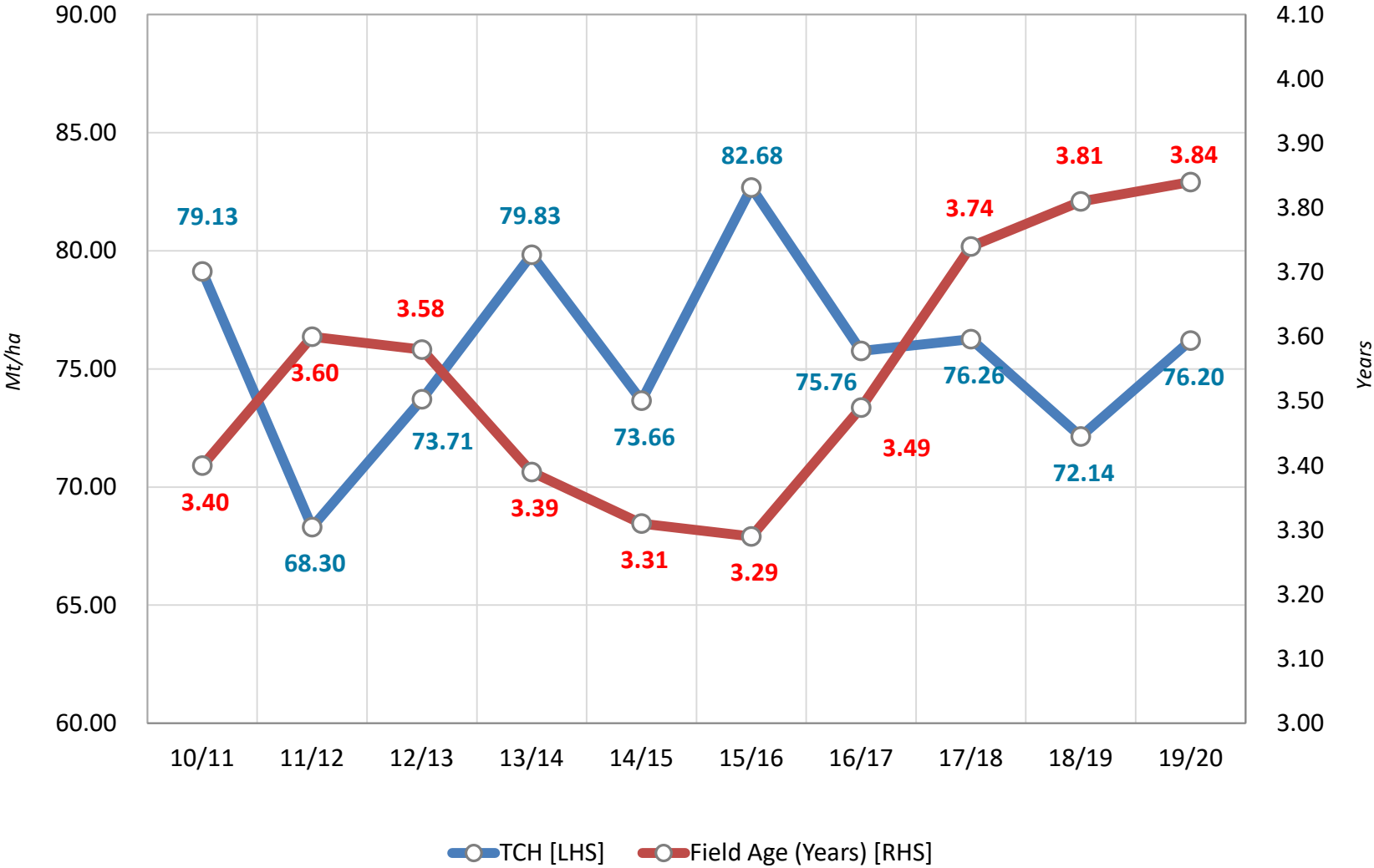
CS Brazil – Pre Crop Rains *(Oct/Sep accumulated for 24 cities)*



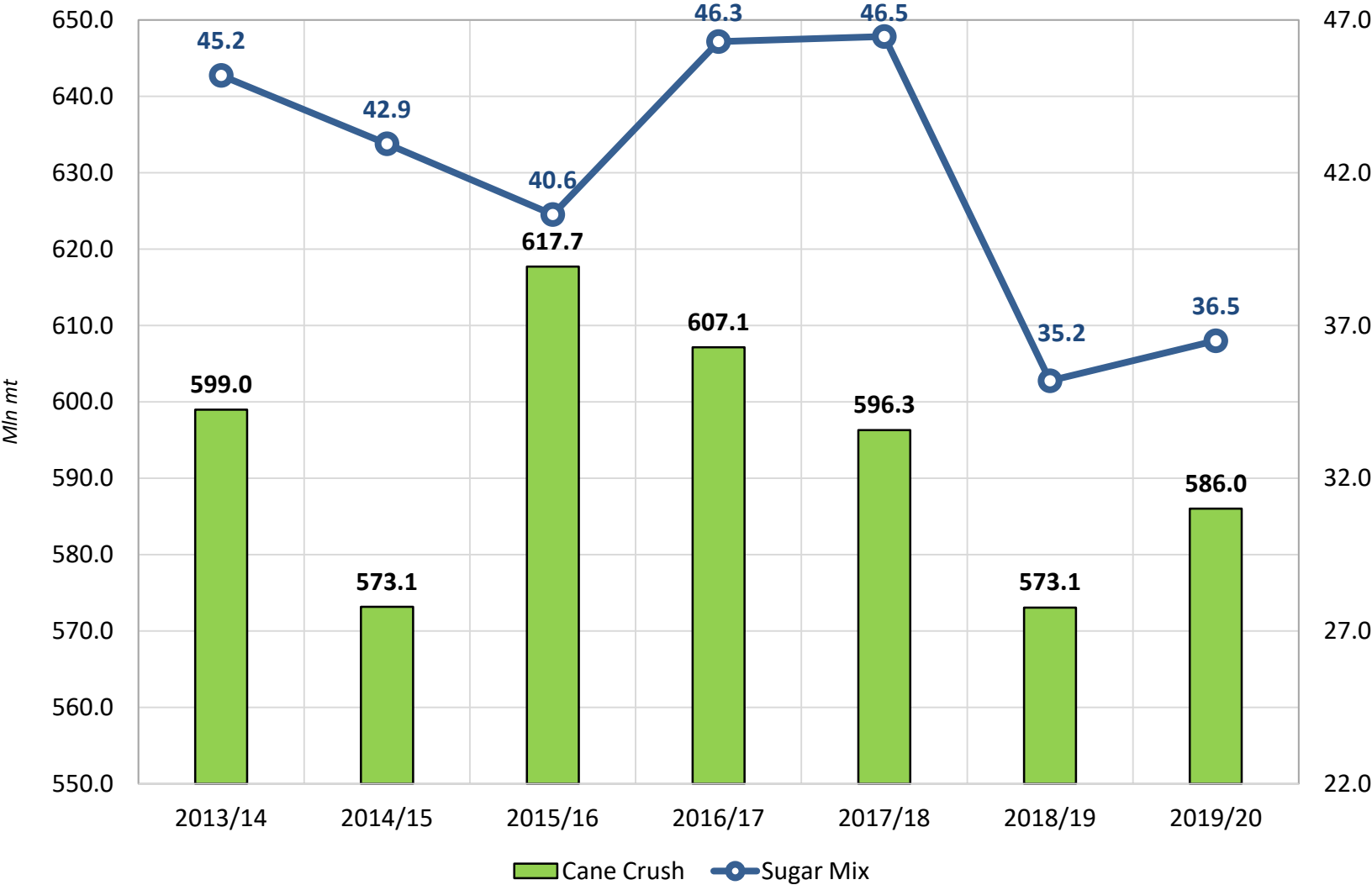
CS Brazil – Field Expansion & Renovation



CS Brazil – Cane Age vs Agricultural Yields



CS Brazil – Cane Crush & Sugar Mix



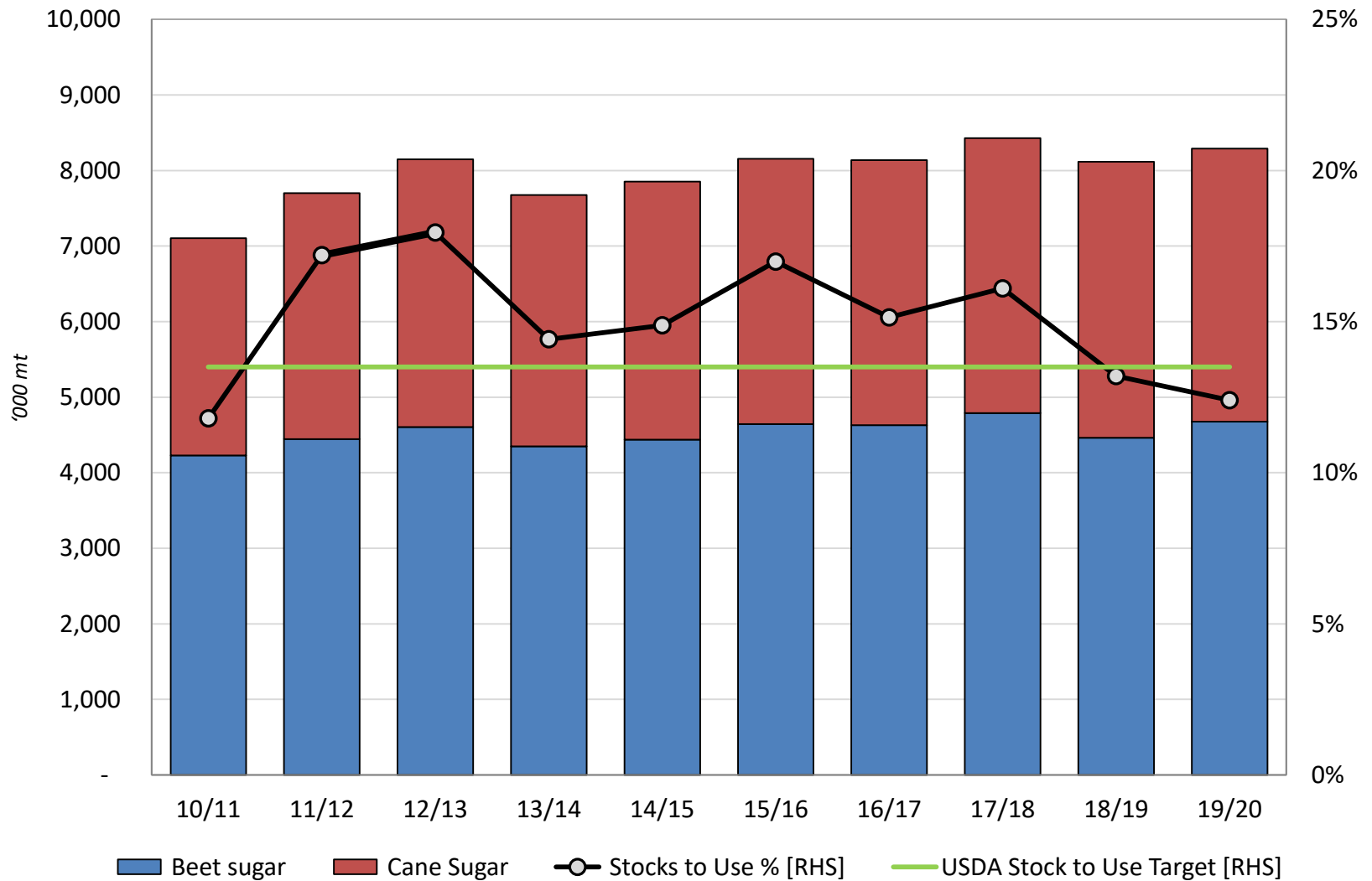
CS Brazil – Balance Sheet

	2017/18	2018/19	2019/20
Cane Crush (Mmt)	596.3	573.0	586.0
TRS (kg/mt)	136.60	137.90	135.00
Sugar Mix (%)	46.46	35.19	36.50
Sugar Production (kmt)	36,059	26,500	27,512
Sugar Consumption (kmt)	7,974	7,814	7,814
Raws Exports (kmt)	22,903	16,772	17,513
Whites Exports (kmt)	3,590	2,047	1,810
Ethanol Production (km³)	26,092	30,950	30,982
Ethanol Consumption (km³)	23,919	27,818	27,730

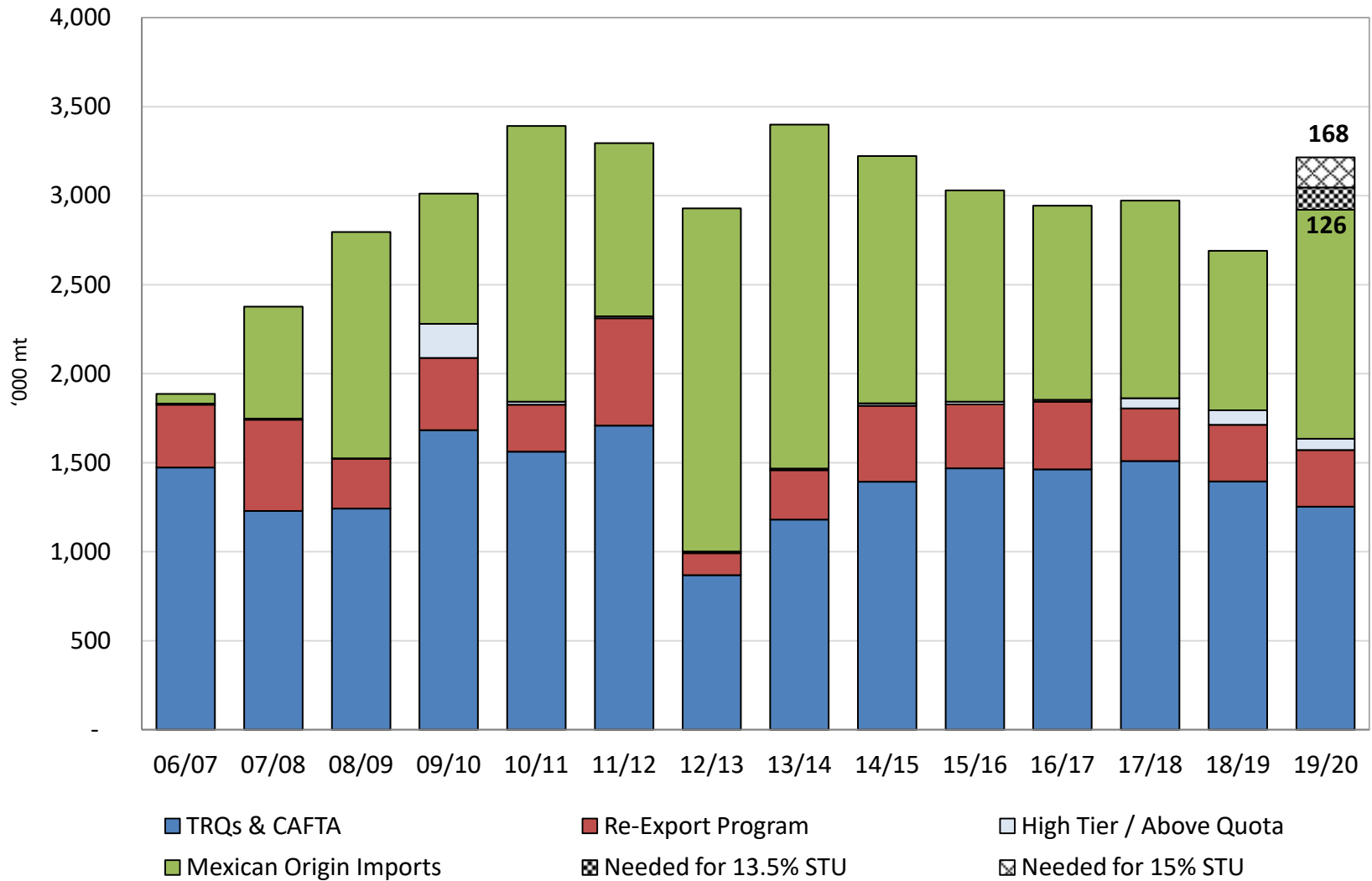


USA & Mexico

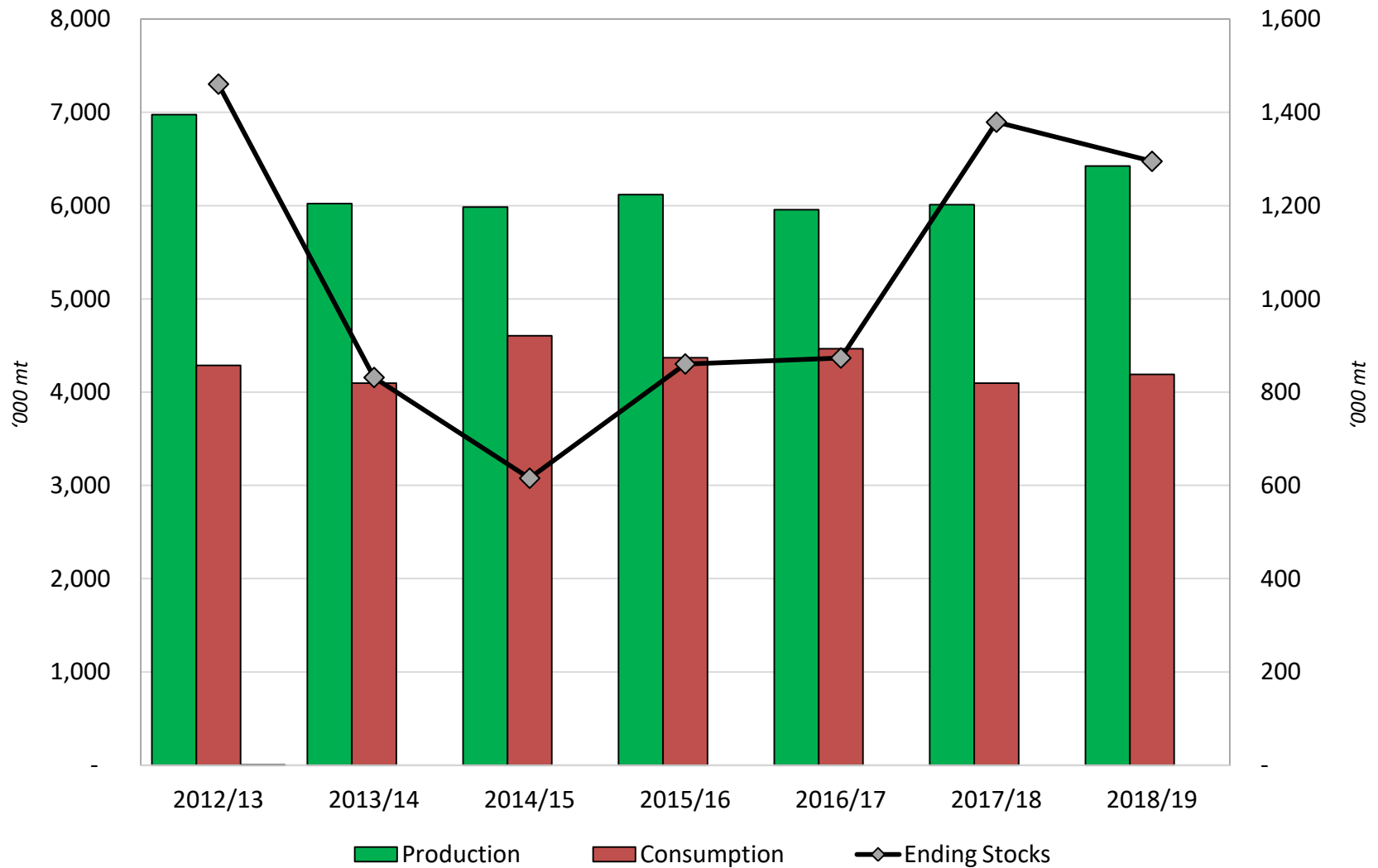
USA – Sugar Production and Stock to Use



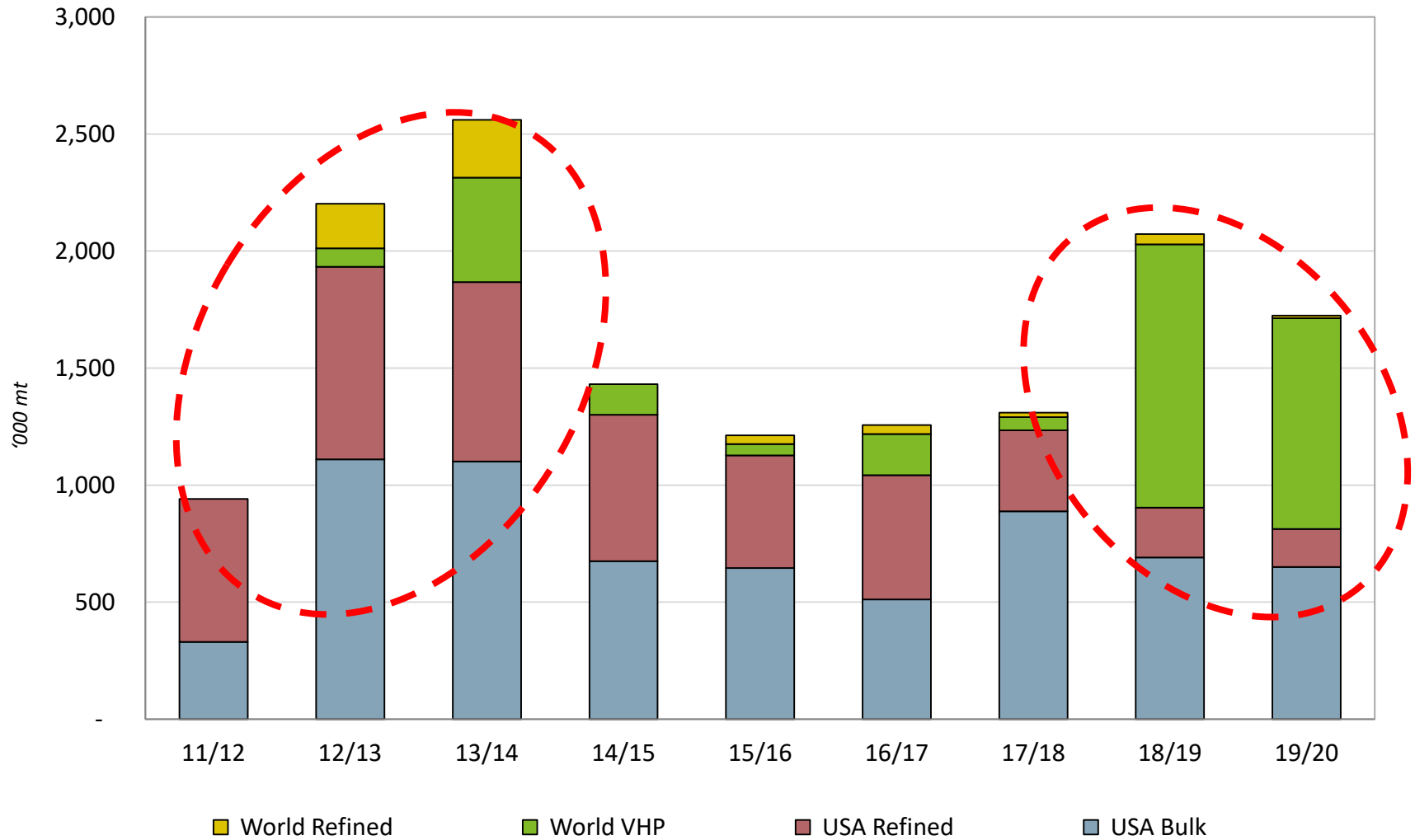
USA – Sugar Import Breakdown



Mexico – Production, Consumption and End Stocks



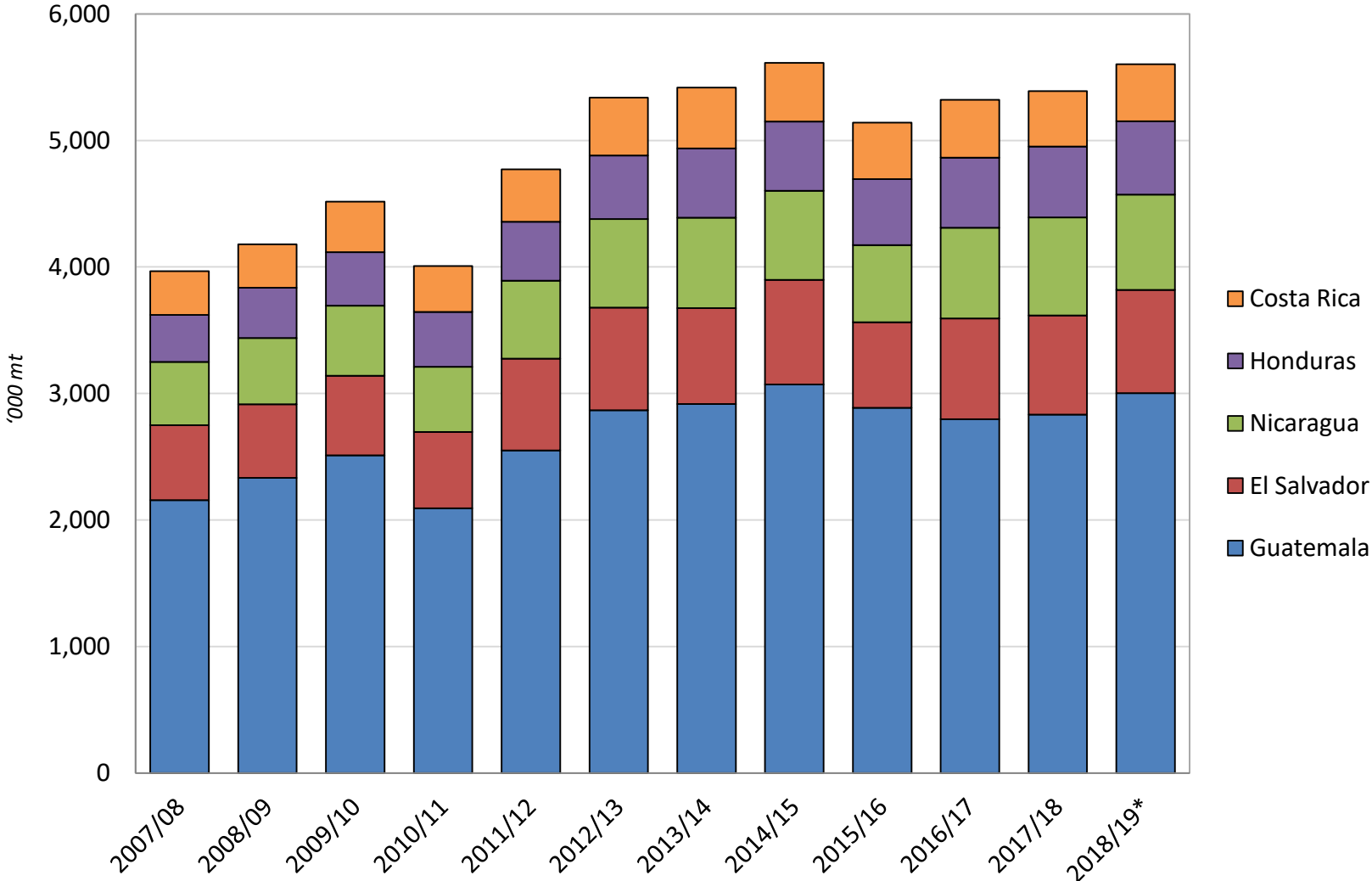
Mexico – Exports By Quality & Destination *(Raw Value)*



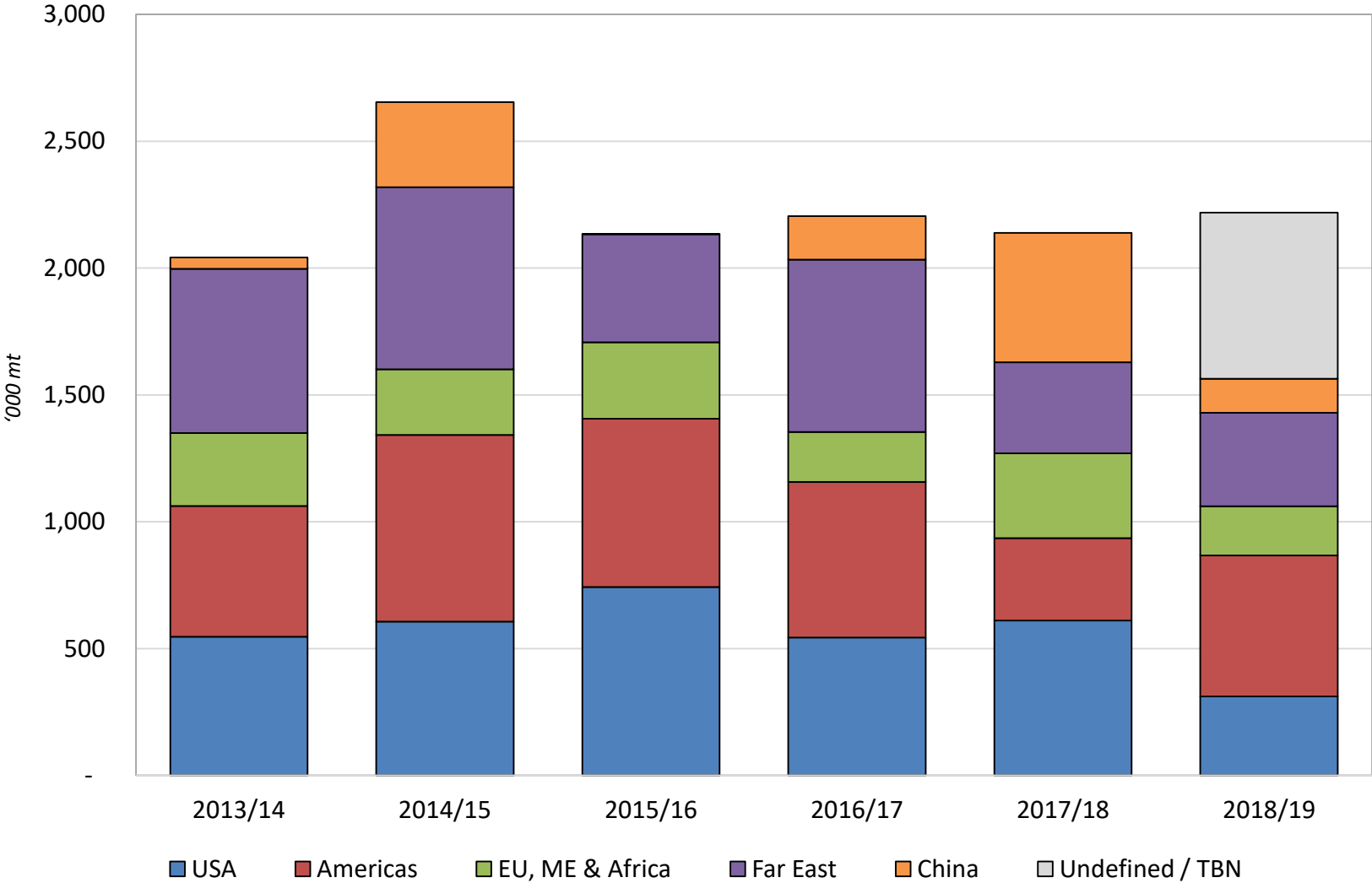


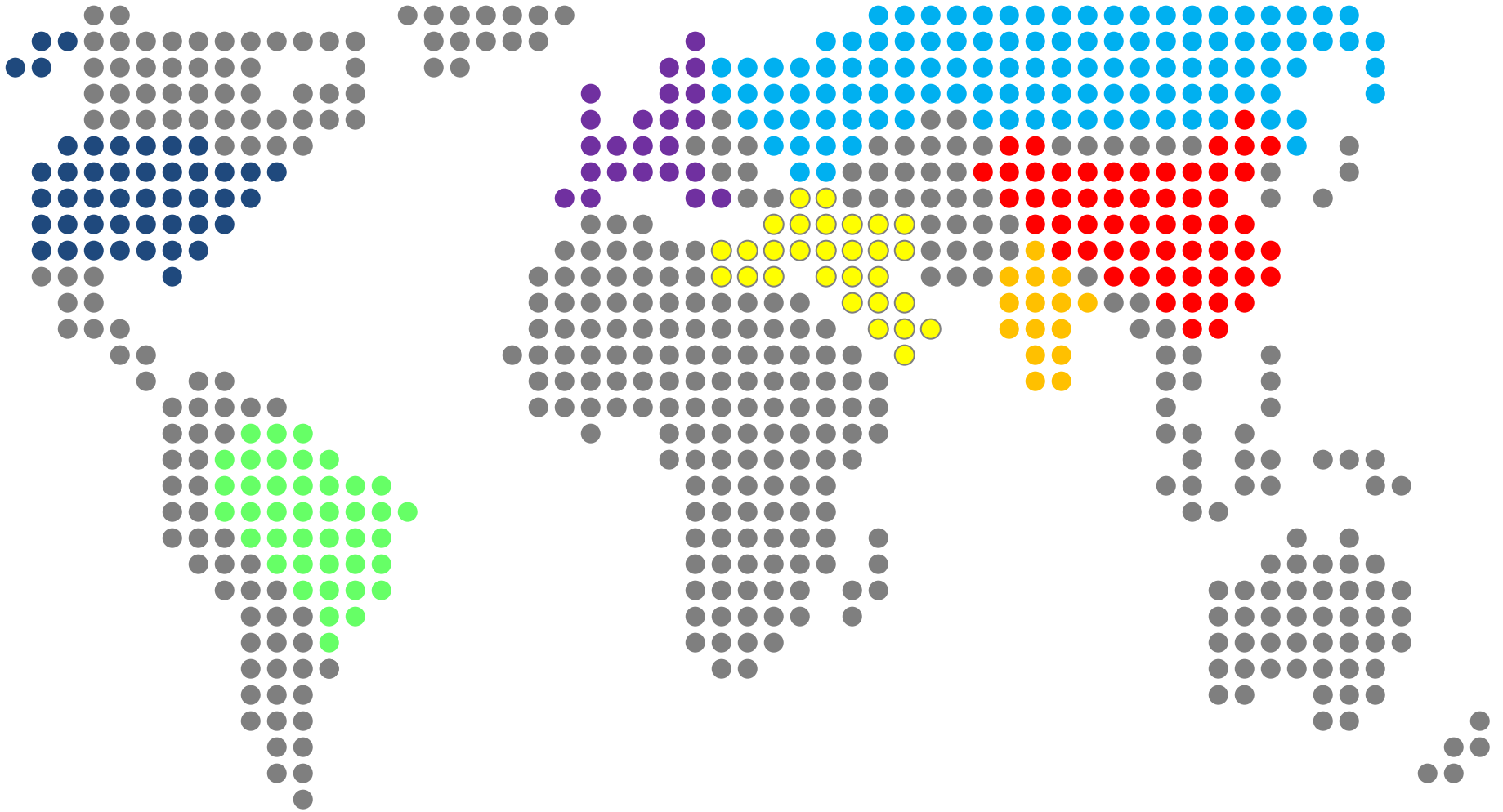
Central America

Central America – Production *(Oct/Sep)*



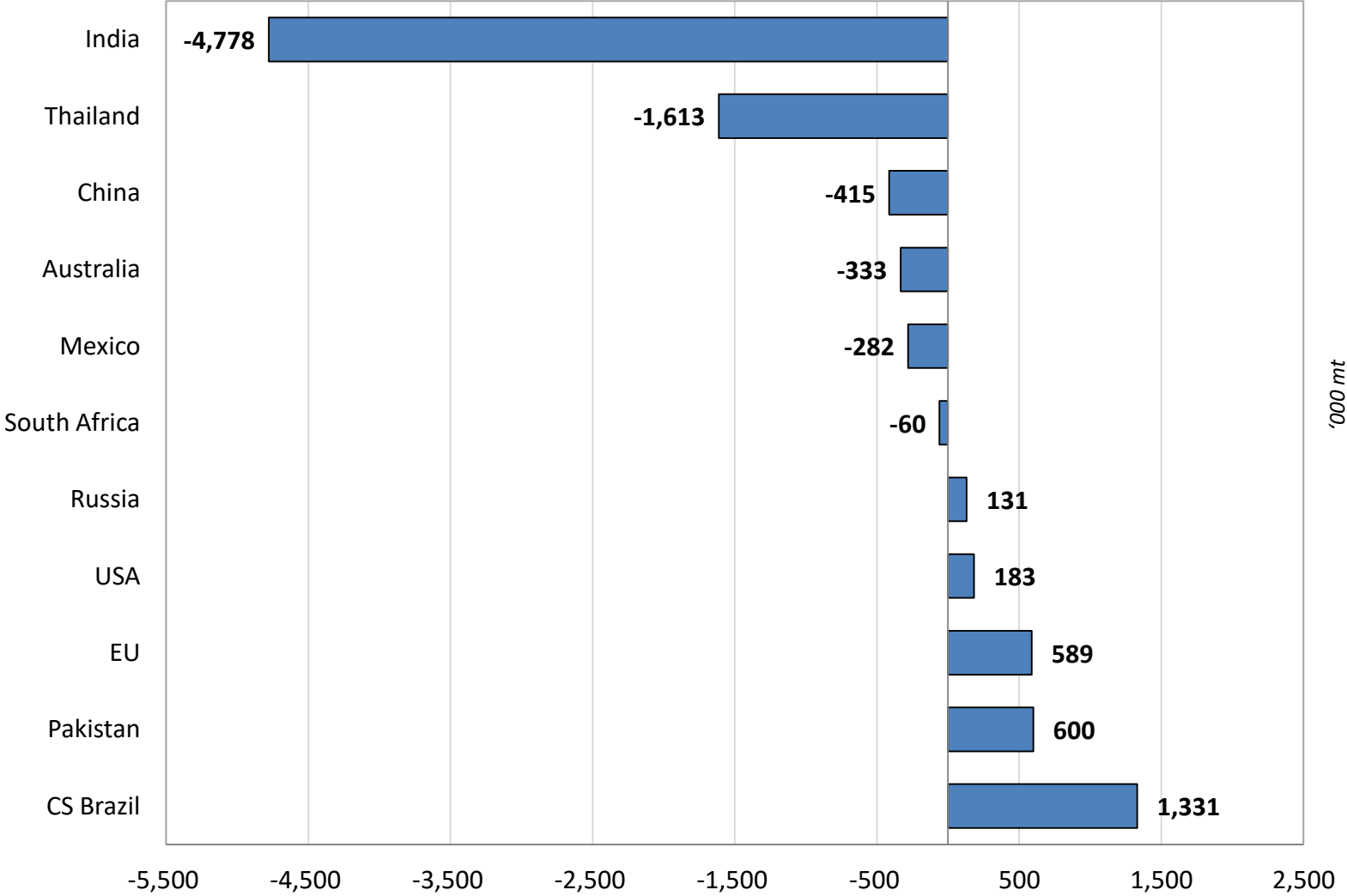
Central America – Raw Export Destinations



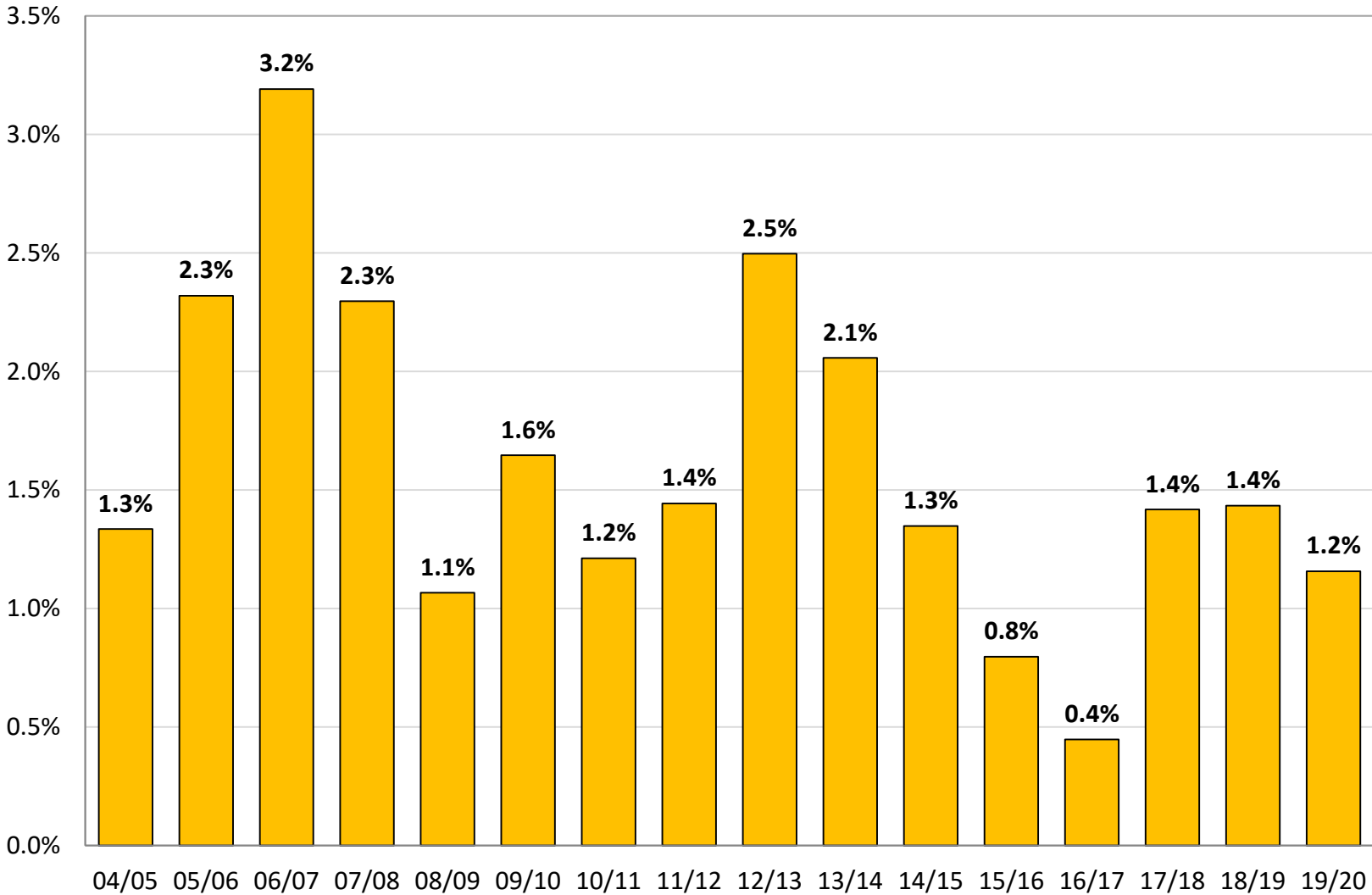


Concluding remarks

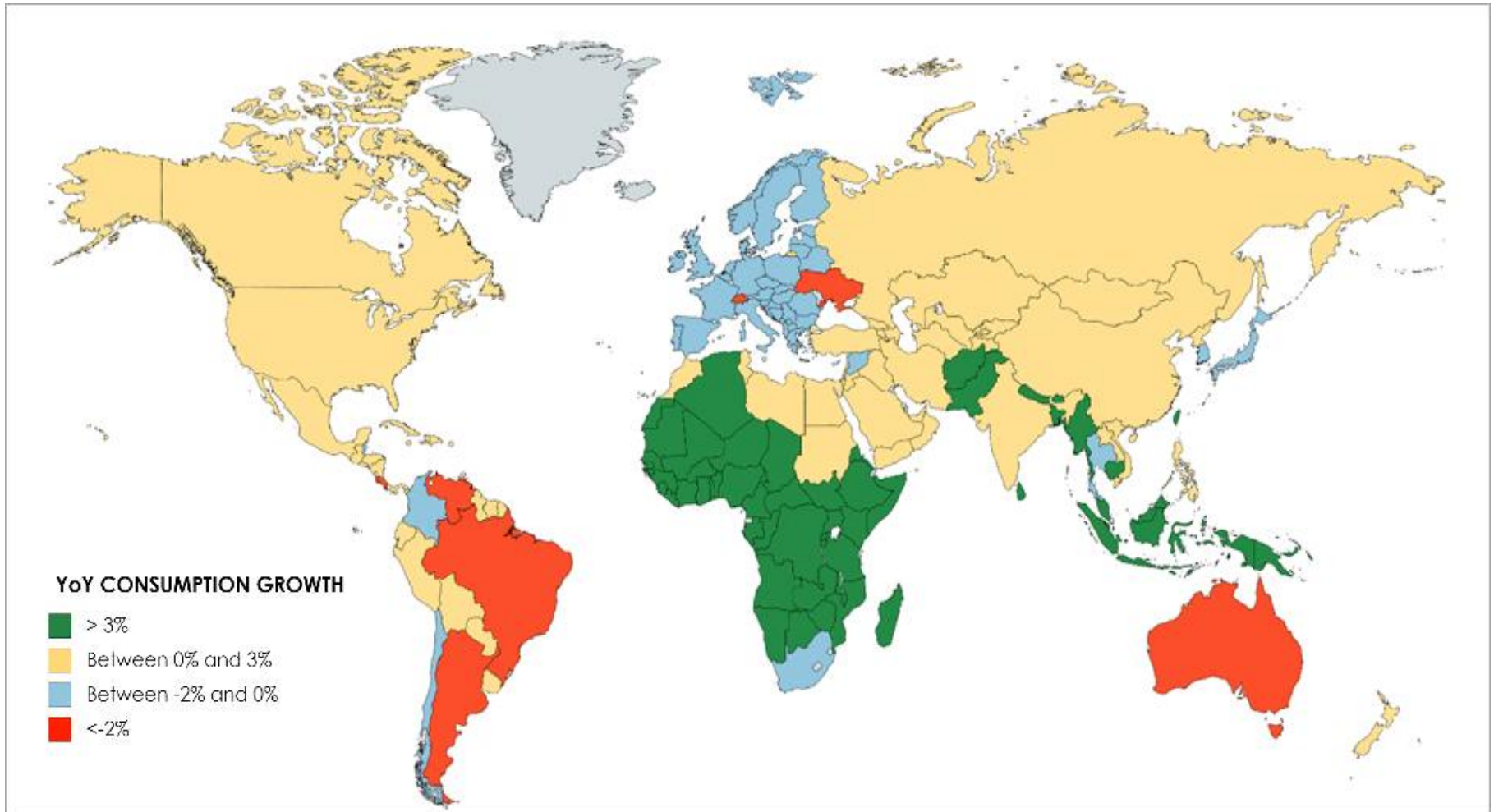
Change in Global Production (19/20 vs 18/19) – Crop Year



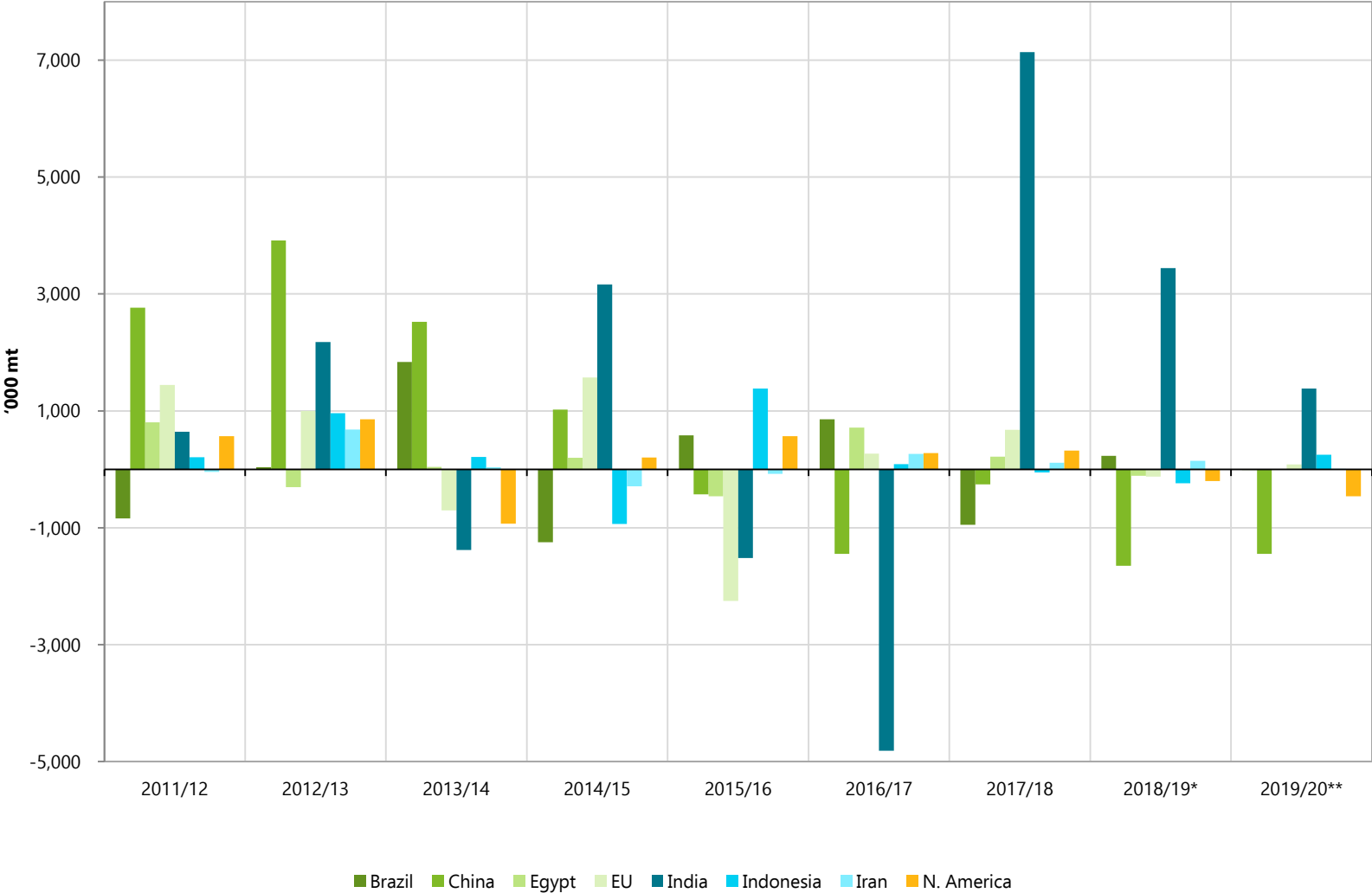
Change in Global Sugar Consumption (Oct/Sep Season)



Change in Global Sugar Consumption (2019 vs. 2016)



Global sugar stocks – selected countries *(Oct/Sep)*



Looking Ahead

PRODUCTION DECLINES LIMITED

POLITICAL INTERVENTION TO CONTINUE

REDUCED CONSUMPTION GROWTH

INCREASED PRODUCTION DIVERSIFICATION

View of the market

BULLISH



- India solves its surplus
- Central South Brazil maximize ethanol thereby reducing sugar mix
- Larger than expected deficit in 2019/20 (lower Asian crops, EU exports)
- White premium recovers as refineries slow
- Funds turn long

BEARISH



- Indian exports overhang
- Central South Brazil increases sugar mix
- Lower deficit/small surplus market in 2019/20
- White premium capped by Indian crystal exports
- Macro environment remains negative

PUPUSAS PARA SIEMPRE
GRACIAS



MUCHAS

