

Pespectivas del Mercado Azucarero

ATASAL

IV Congreso Nacional de Tecnicos Azucareros

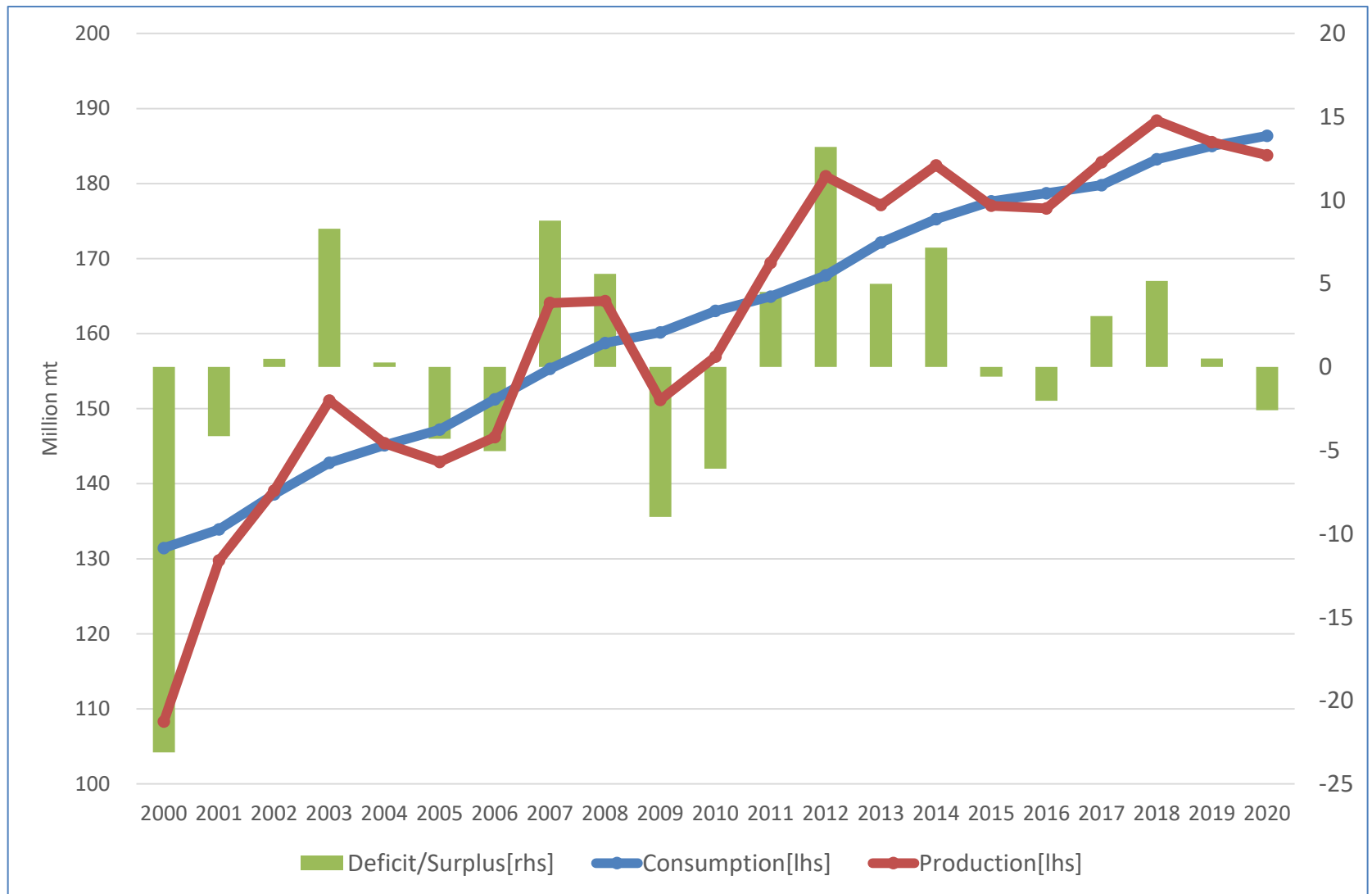
Michael Levitz

San Salvador

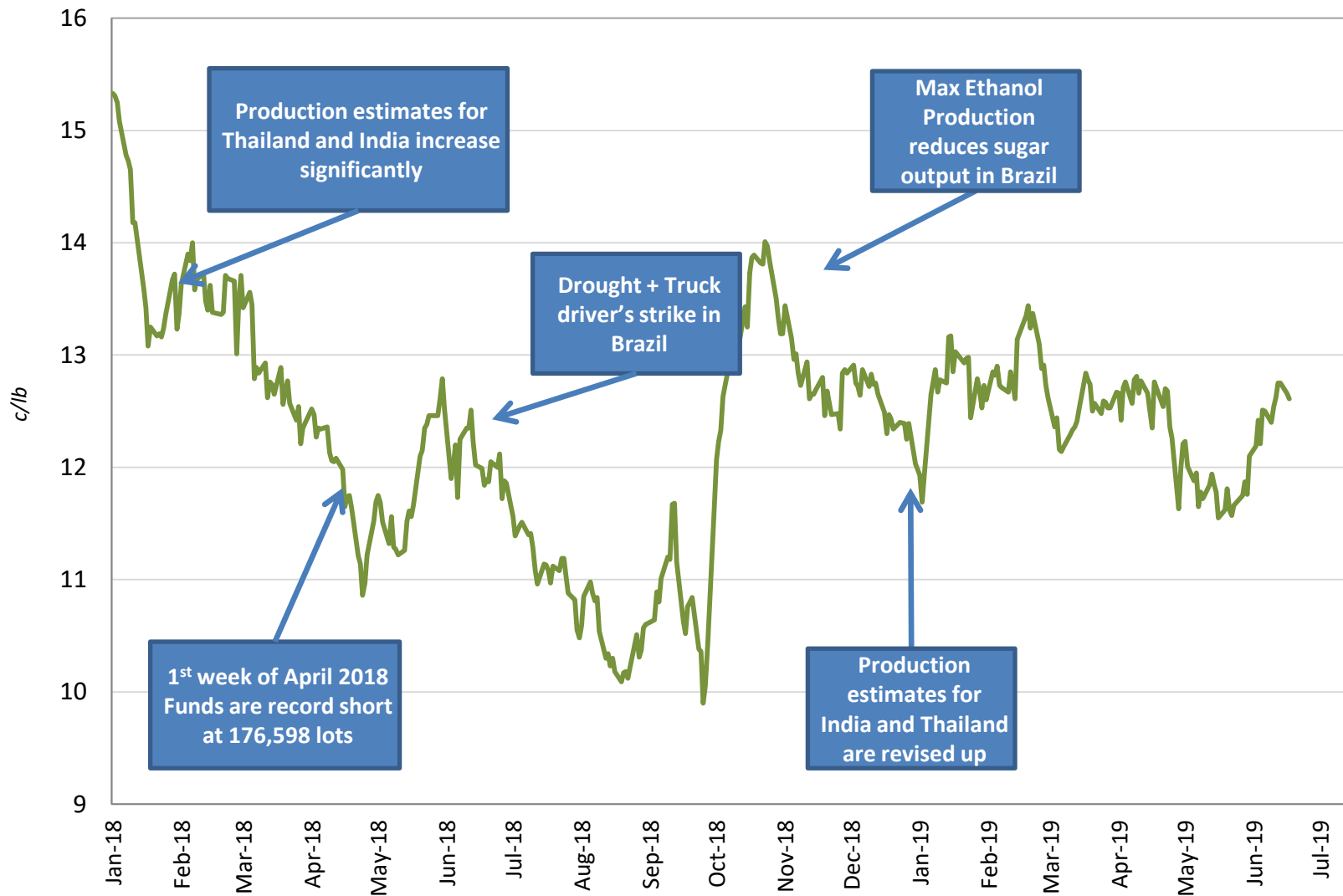
26th July 2019



Production vs Consumption



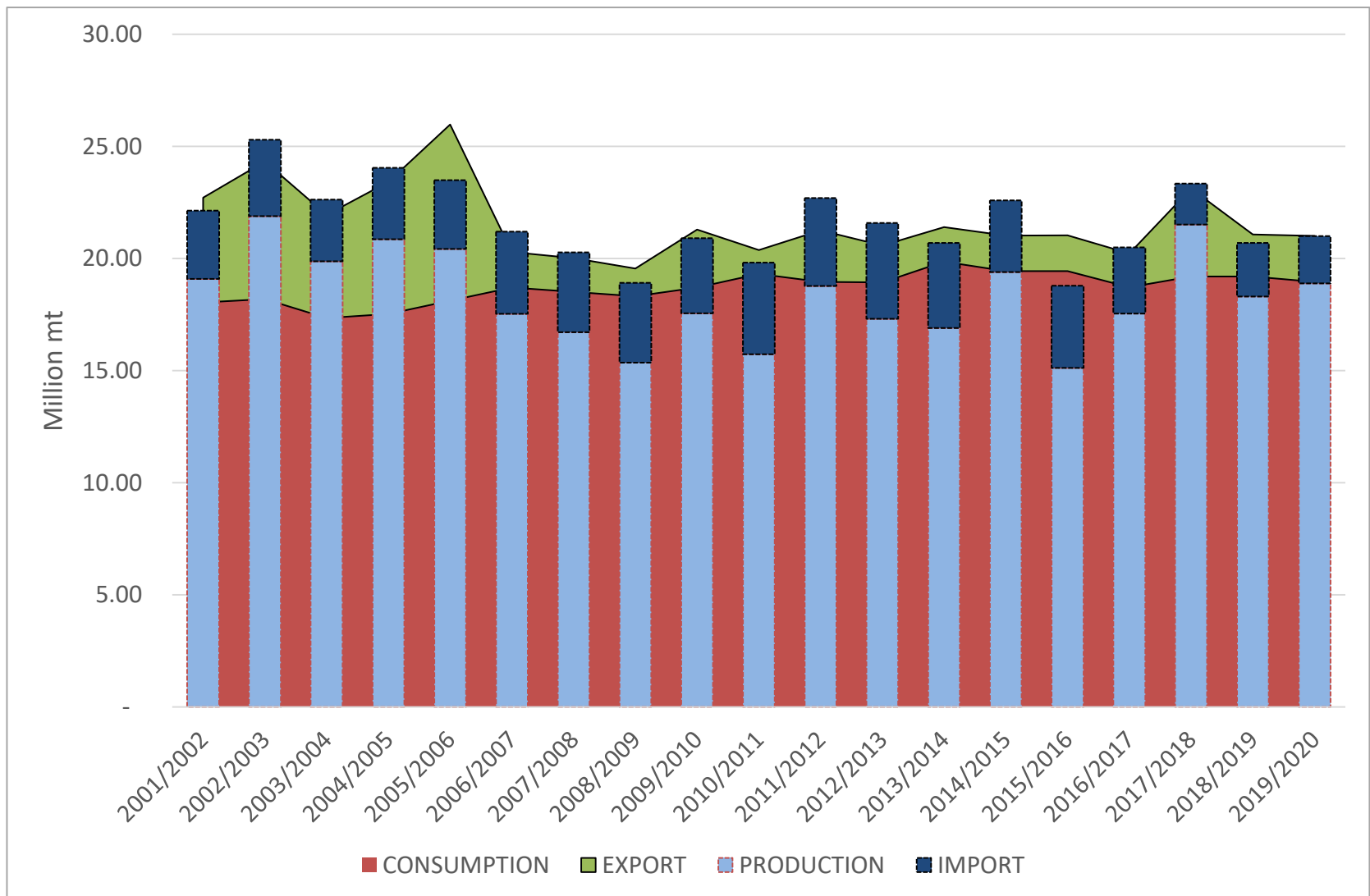
Raw Sugar Price - Spot Futures Month



A person's hands are shown holding two large, peeled potatoes. The potato on the left is completely peeled, revealing a smooth, white interior. The potato on the right is partially peeled, showing the brown, rough skin on one side and the white interior on the other. The background is a field of many small, brown potato tubers. The image is framed by several concentric white circles. A semi-transparent grey rectangle is positioned over the lower part of the potatoes, containing the text "European Union".

European Union

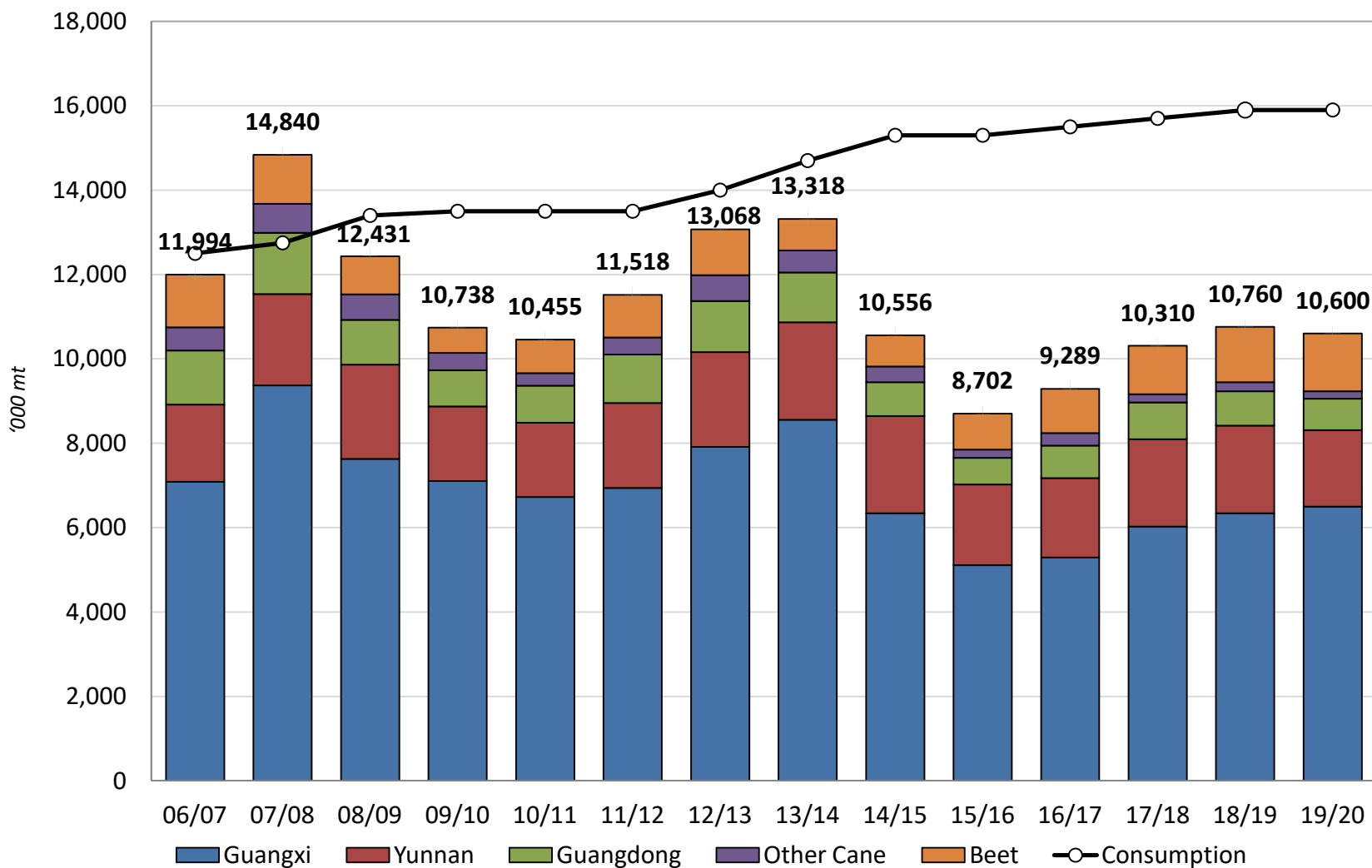
European Union



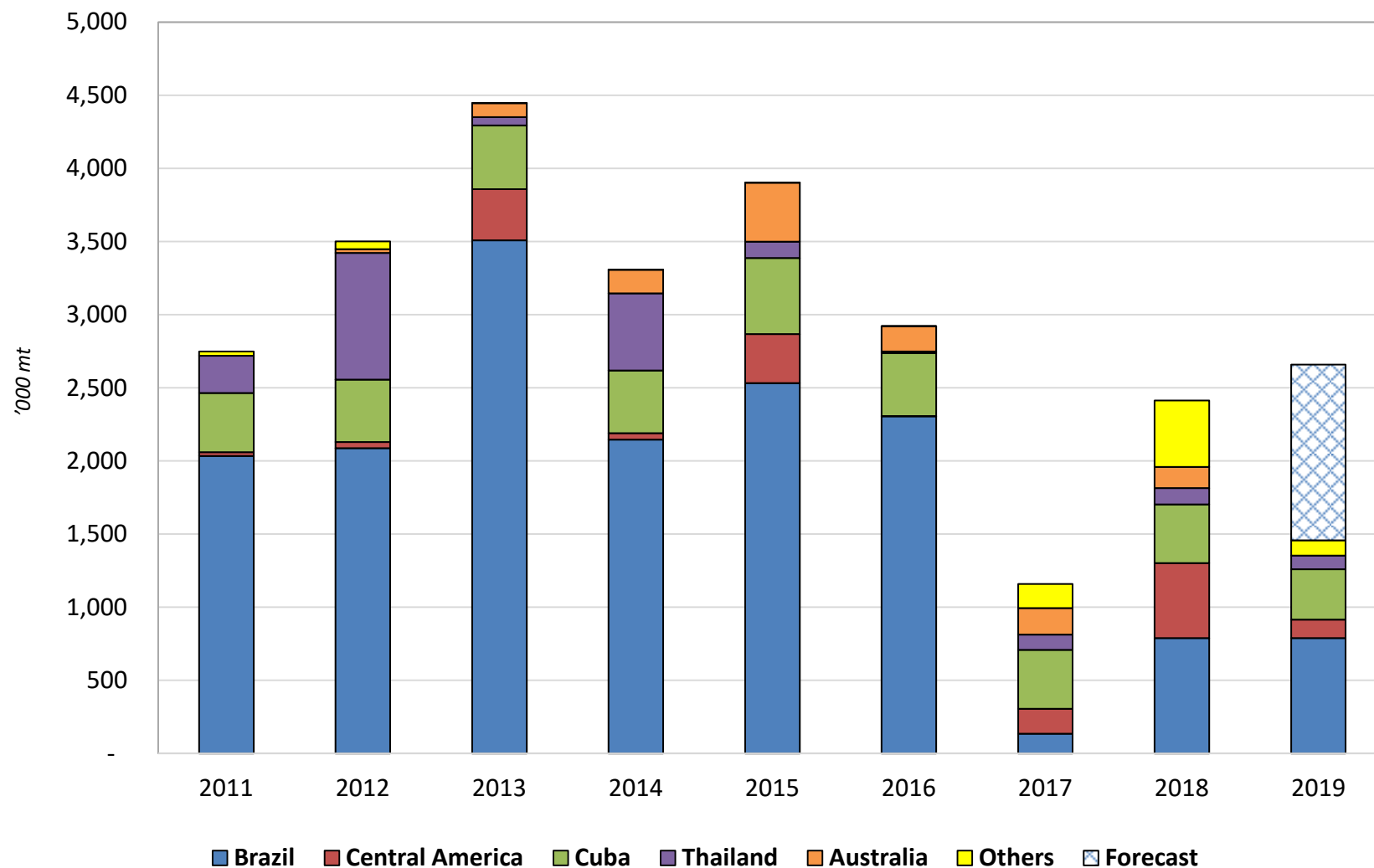
Far East



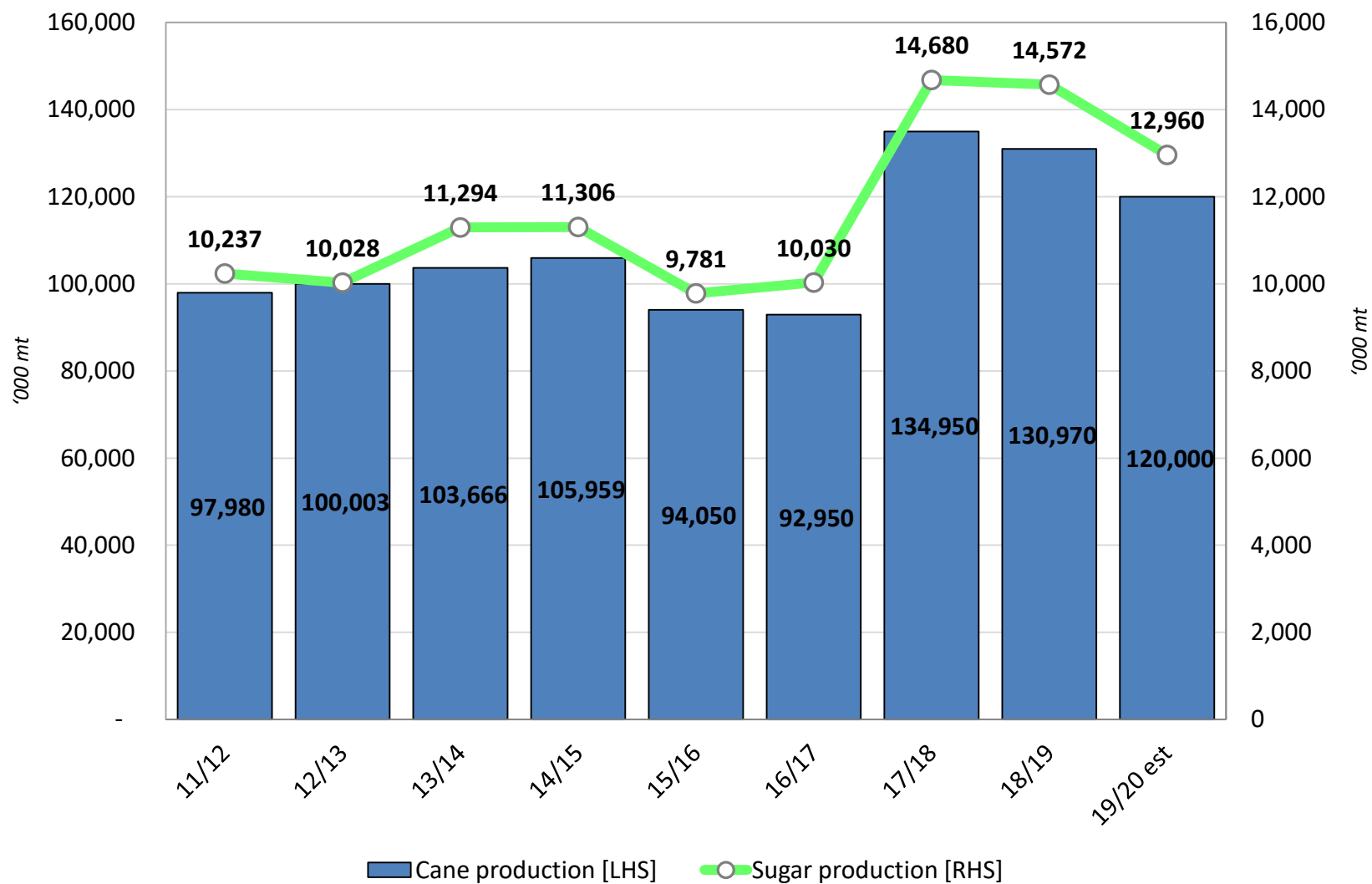
China – Production vs Consumption



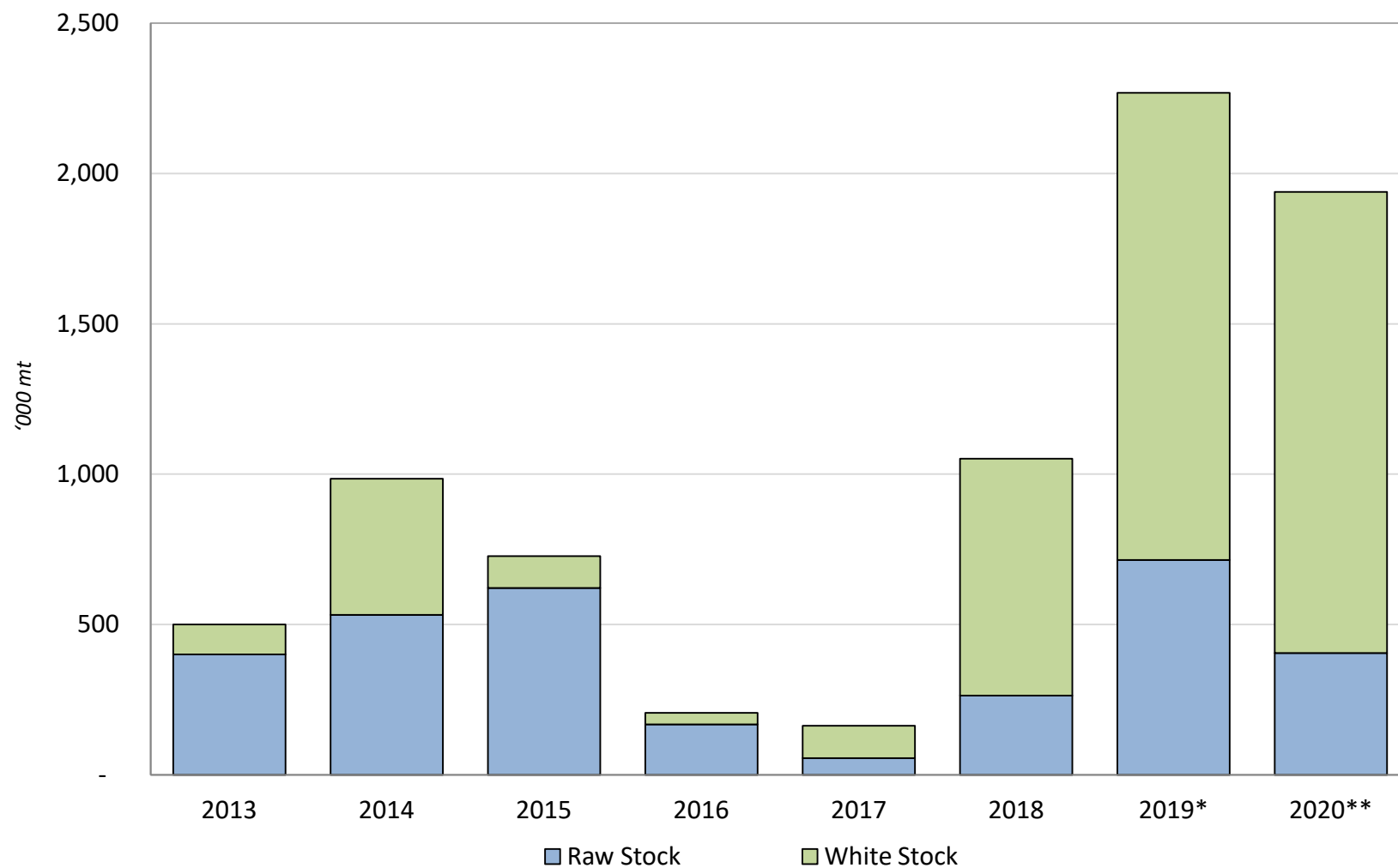
China – Raw Sugar Imports



Thailand – Cane & Sugar Production



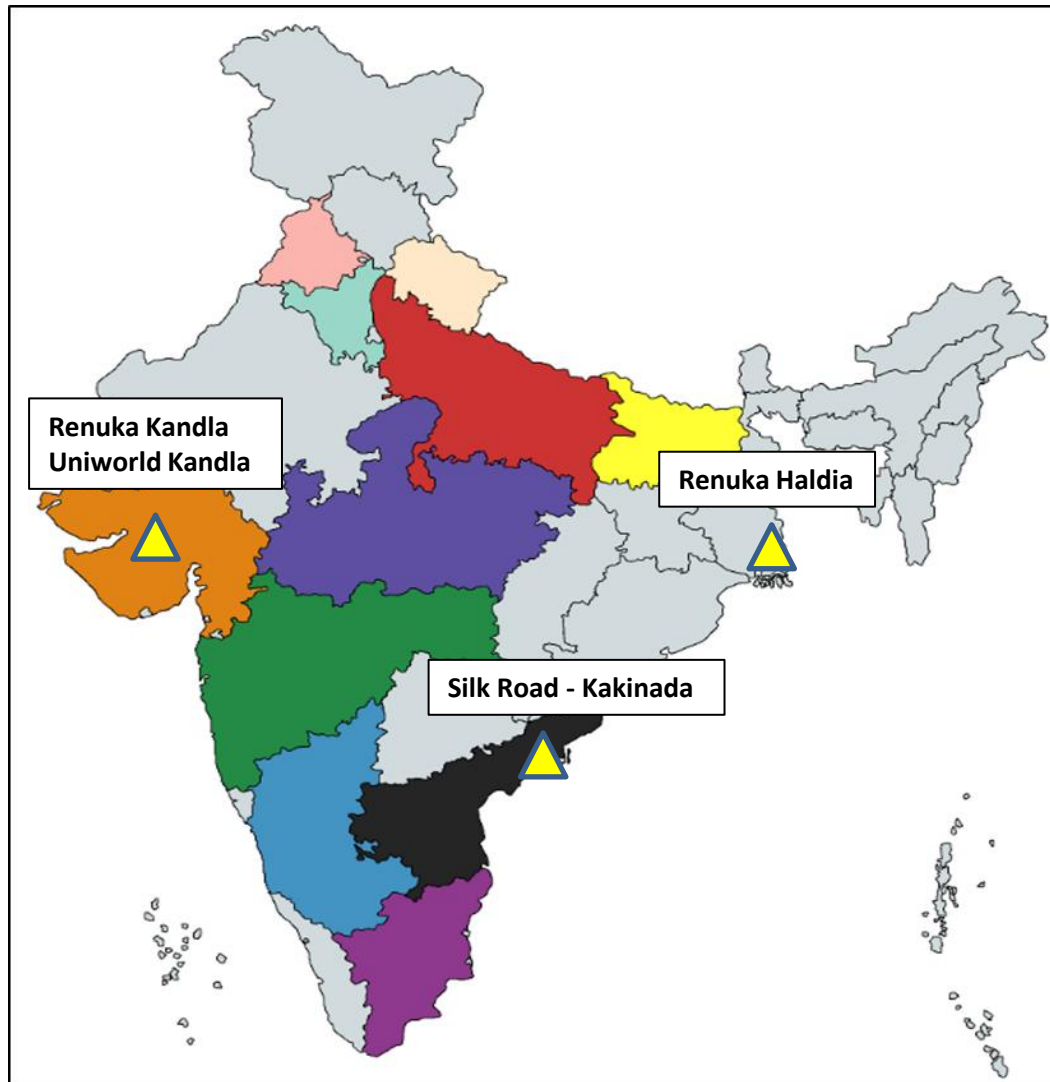
Thailand – Sugar Stocks (end Nov)



Near East

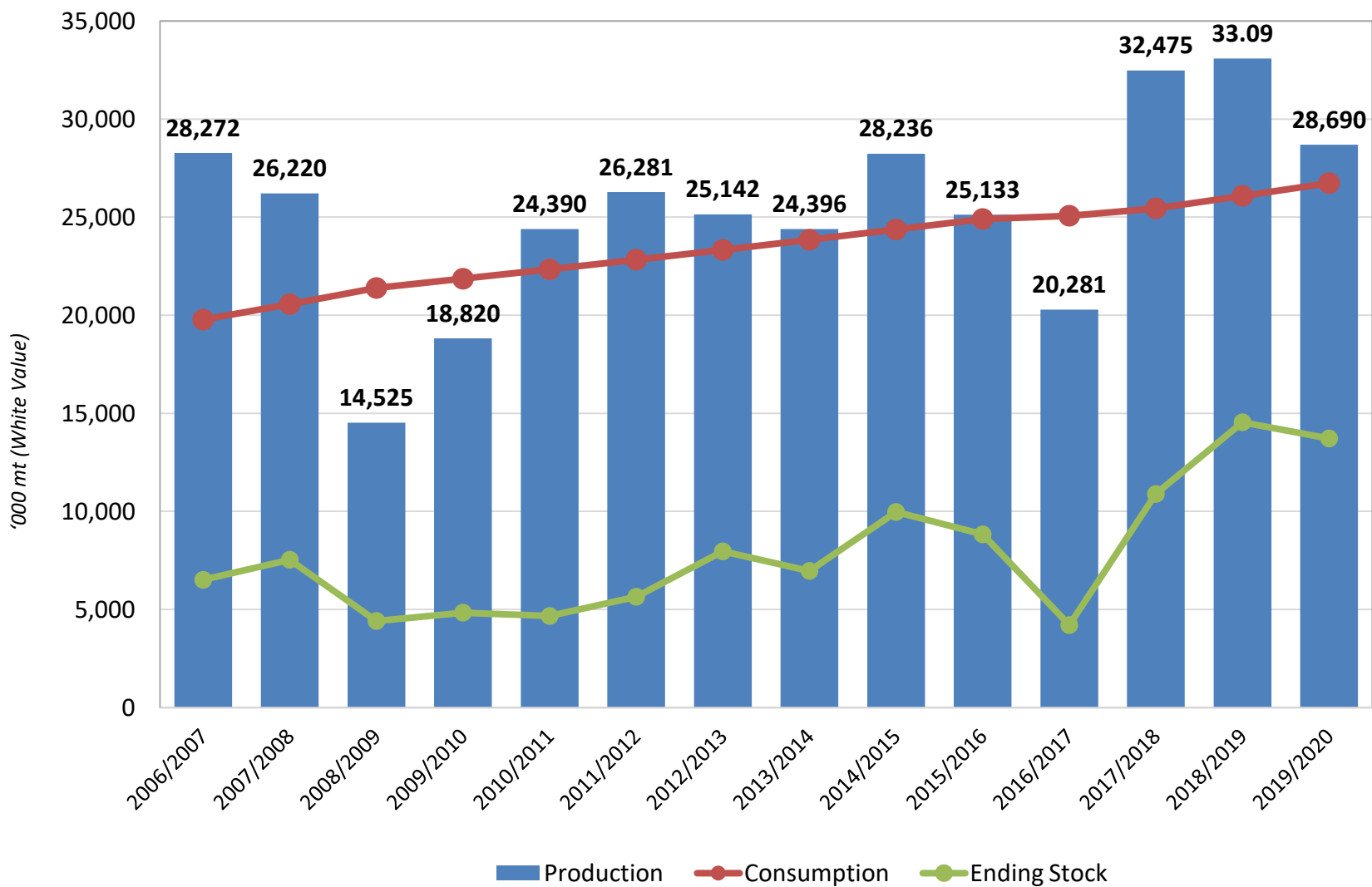


India - Sugarcane Production Areas in India

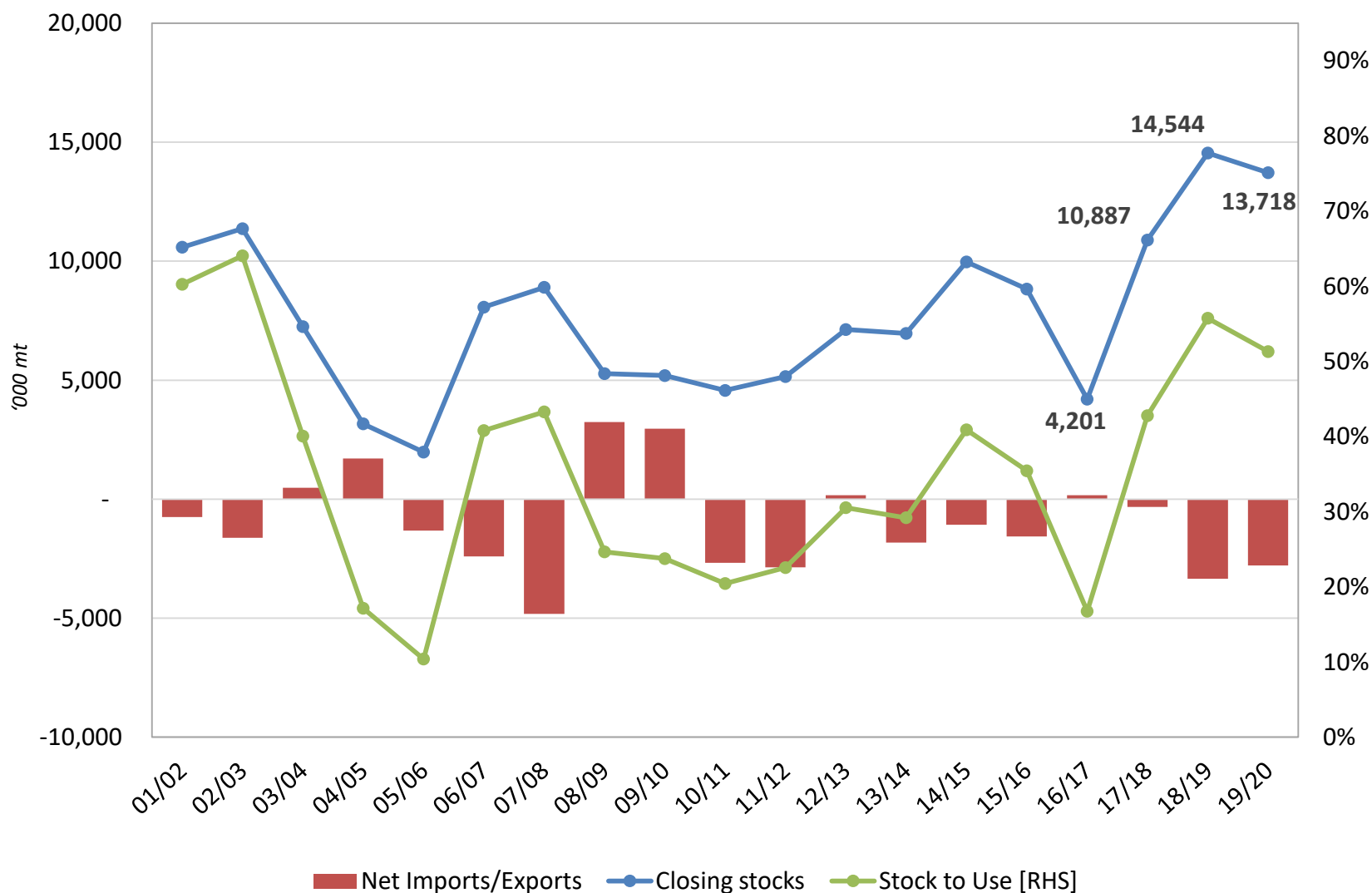


	UTTAR PRADESH	-	35.62%
	MAHARASHTRA	-	32.45%
	KARNATAKA	-	13.28%
	GUJARAT	-	3.40%
	TAMIL NADU	-	2.72%
	BIHAR	-	2.52%
	PUNJAB	-	2.42%
	HARYANA	-	2.26%
	ANDHRA PRADESH	-	1.66%
	MADHYA PRADESH	-	1.33%
	UTTARAKHAND	-	0.08%

India – Sugar Production & Consumption



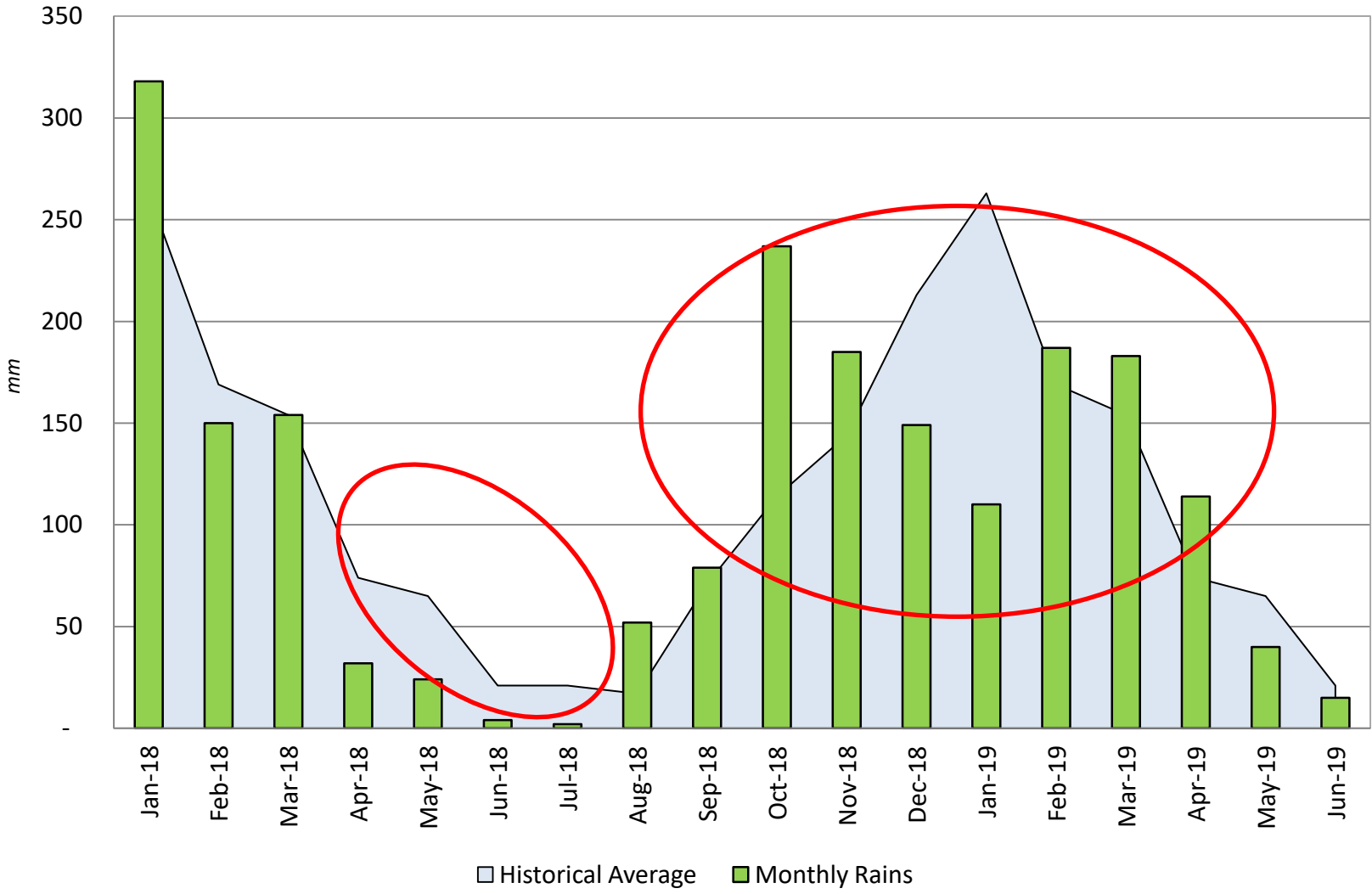
India – Sugar Trade Flows and Ending Stocks



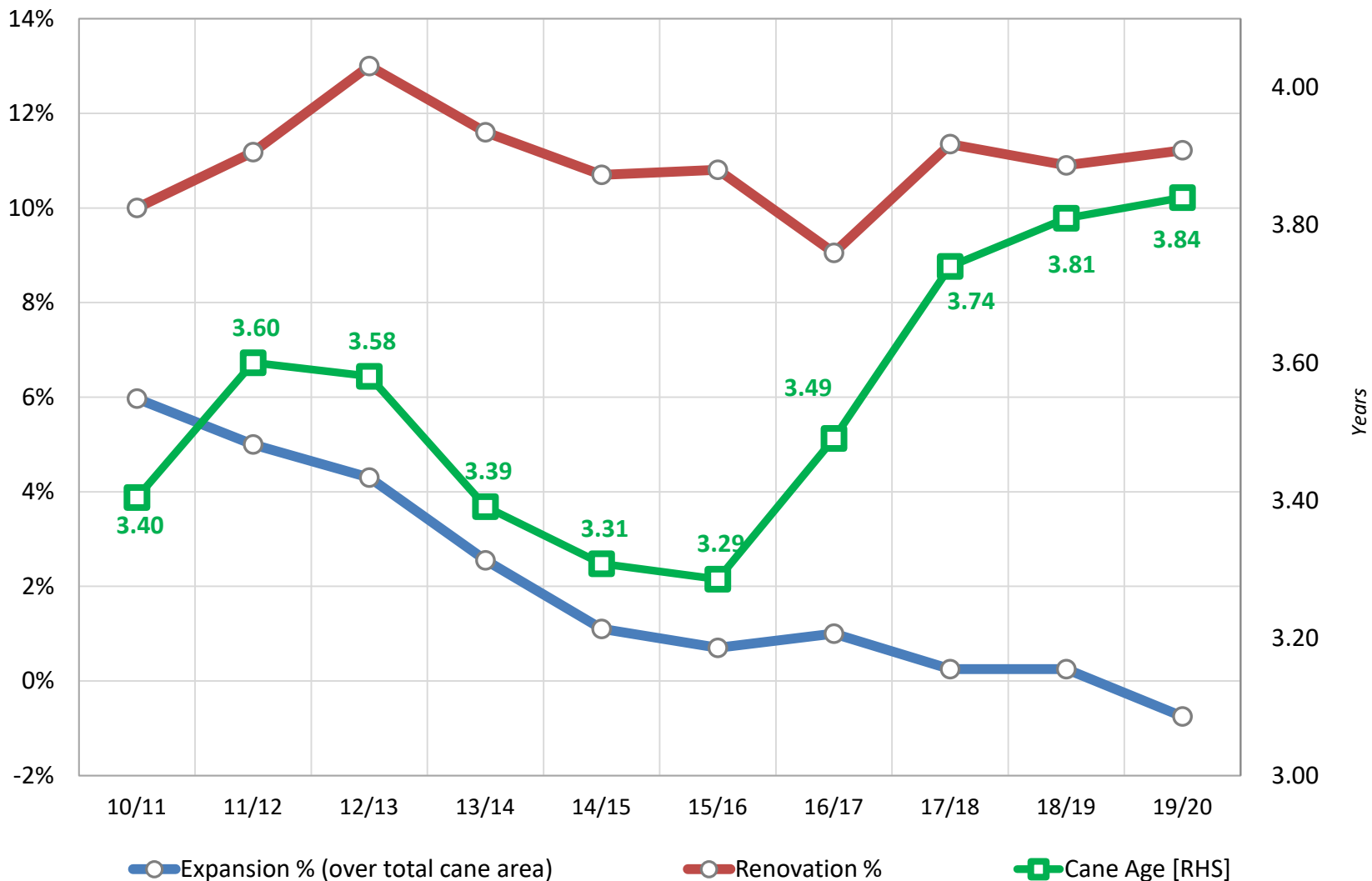


BRAZIL

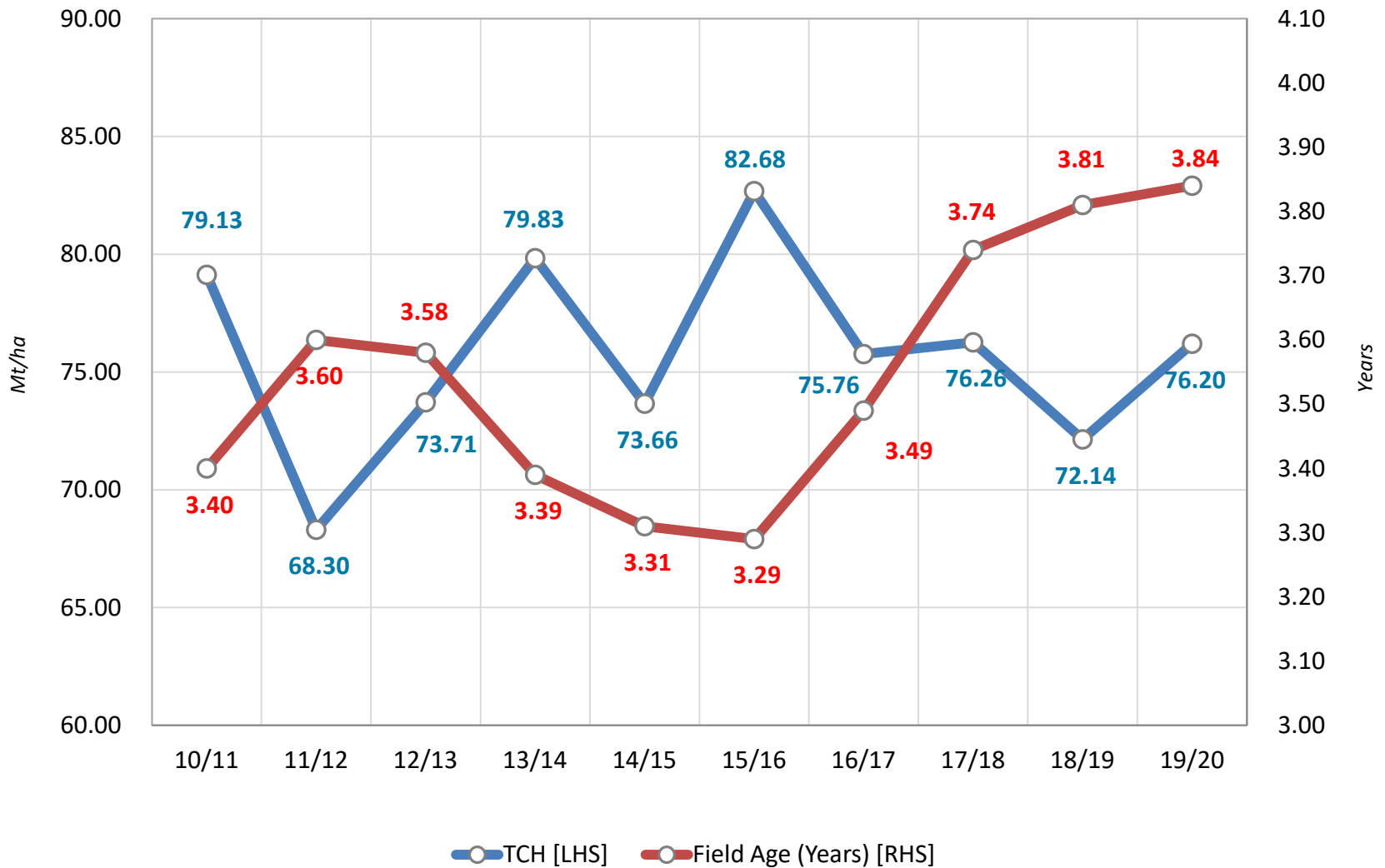
CS Brazil – Pre Crop Rains *(Oct/Sep accumulated for 24 cities)*



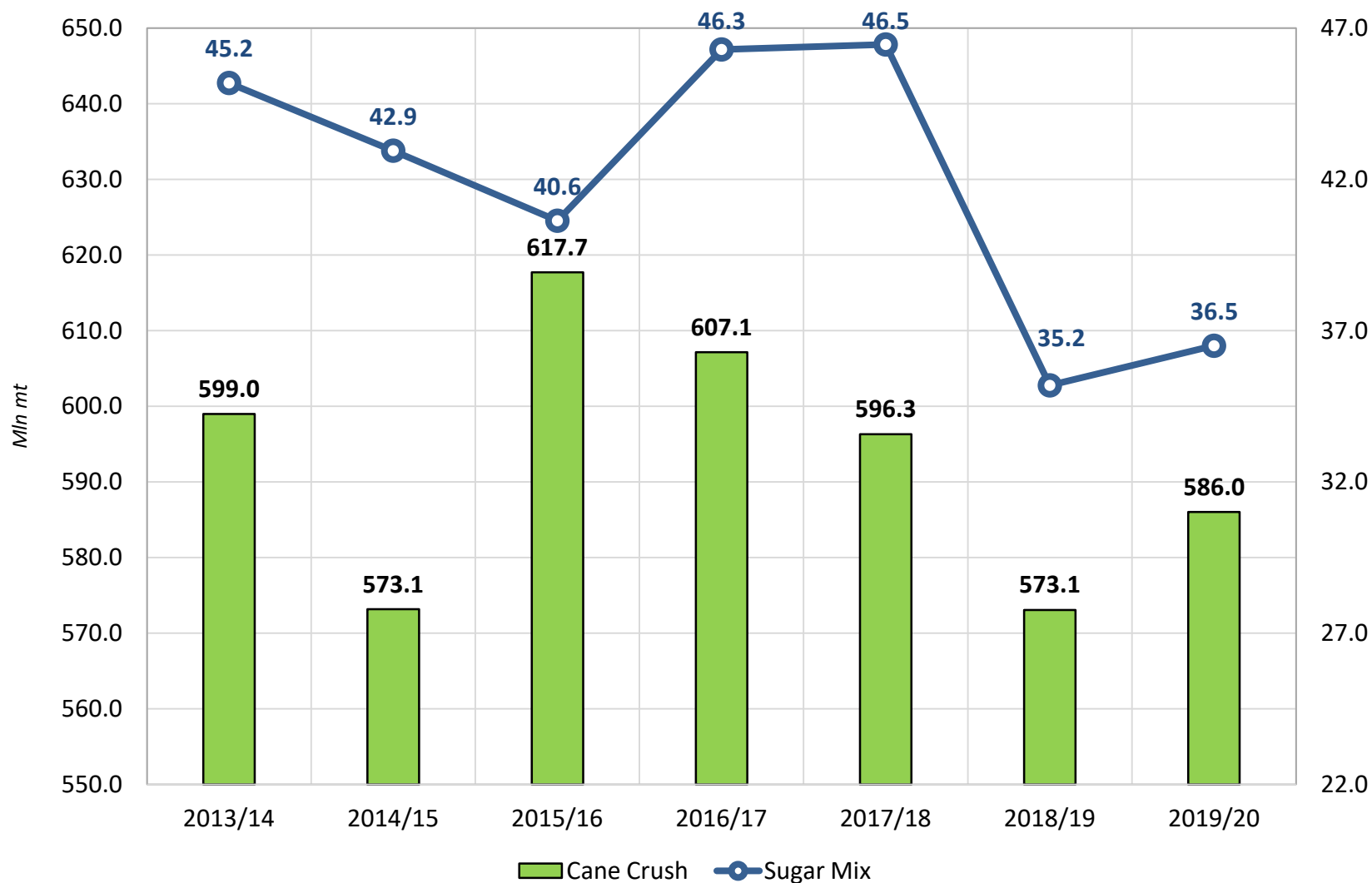
CS Brazil – Field Expansion & Renovation



CS Brazil – Cane Age vs Agricultural Yields



CS Brazil – Cane Crush & Sugar Mix



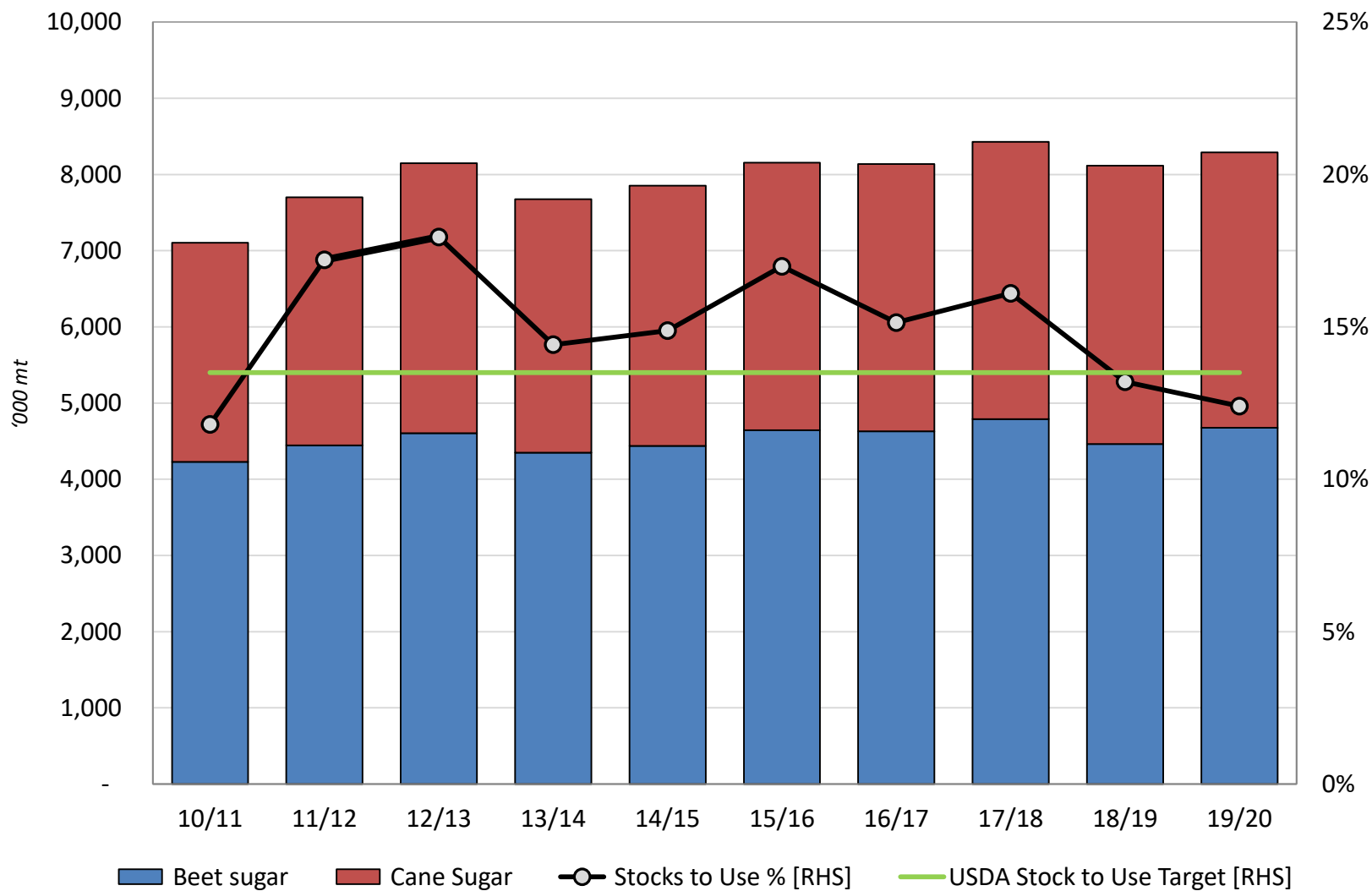
CS Brazil – Balance Sheet

	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

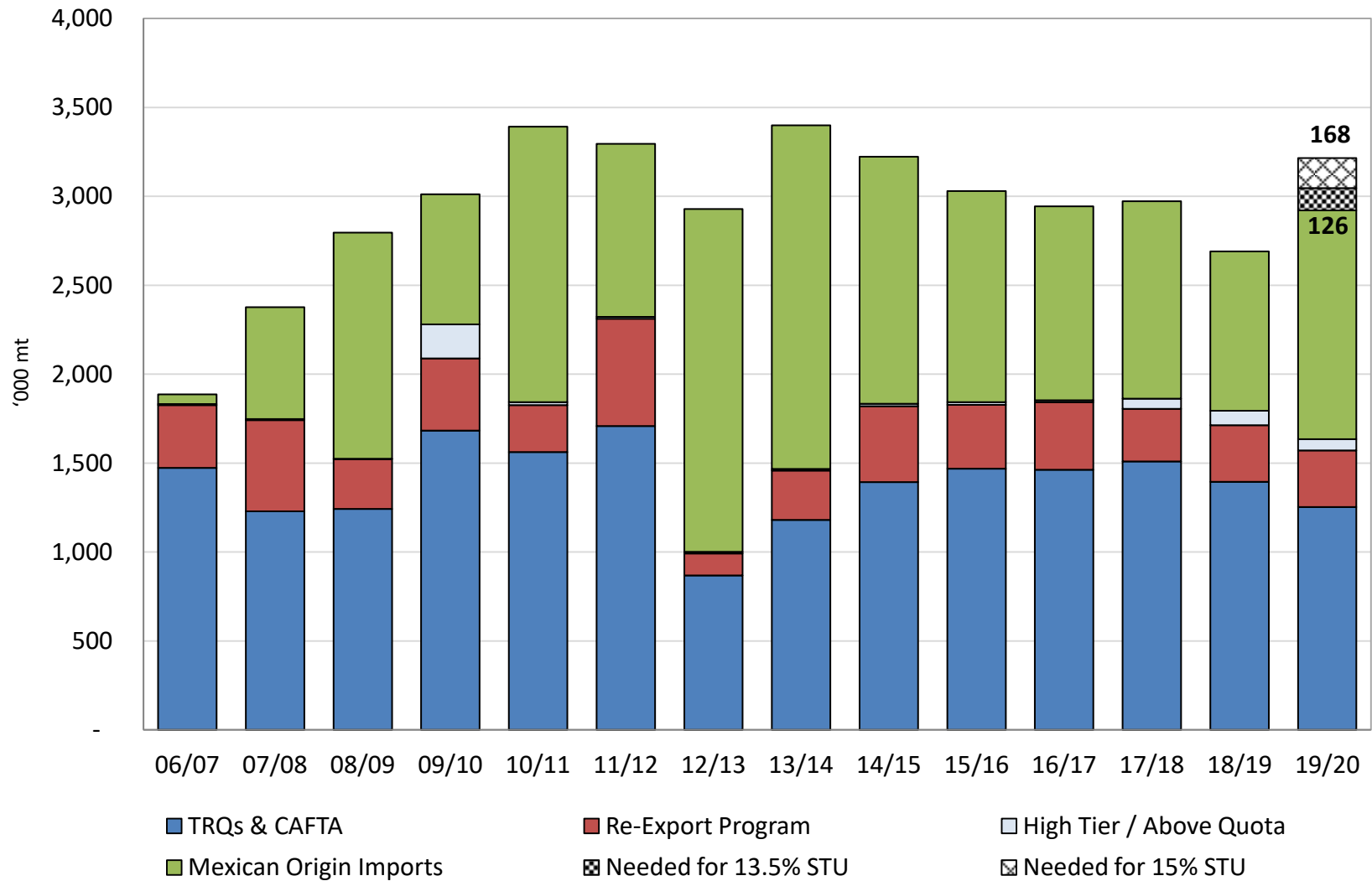


USA & Mexico

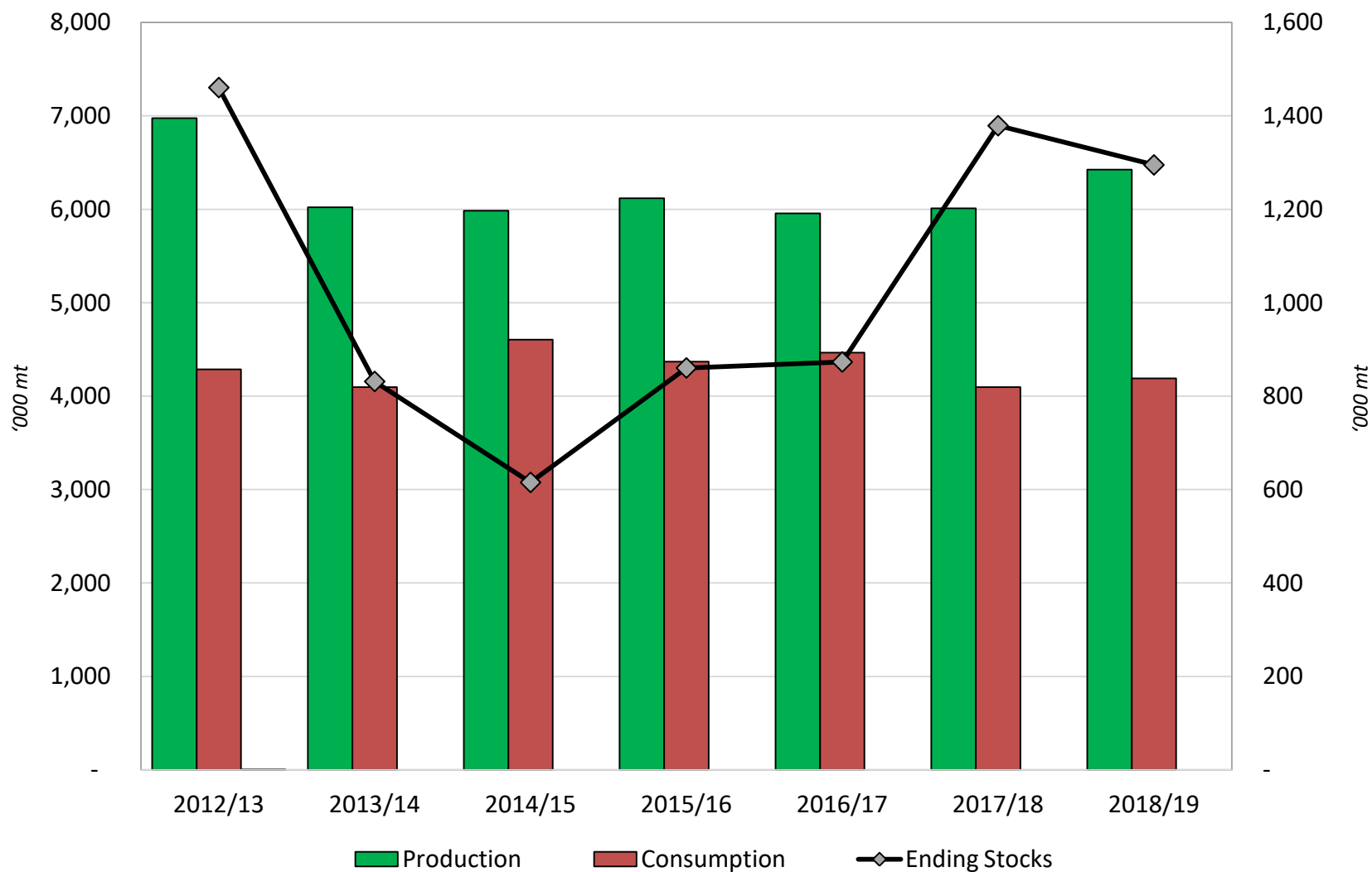
USA – Sugar Production and Stock to Use



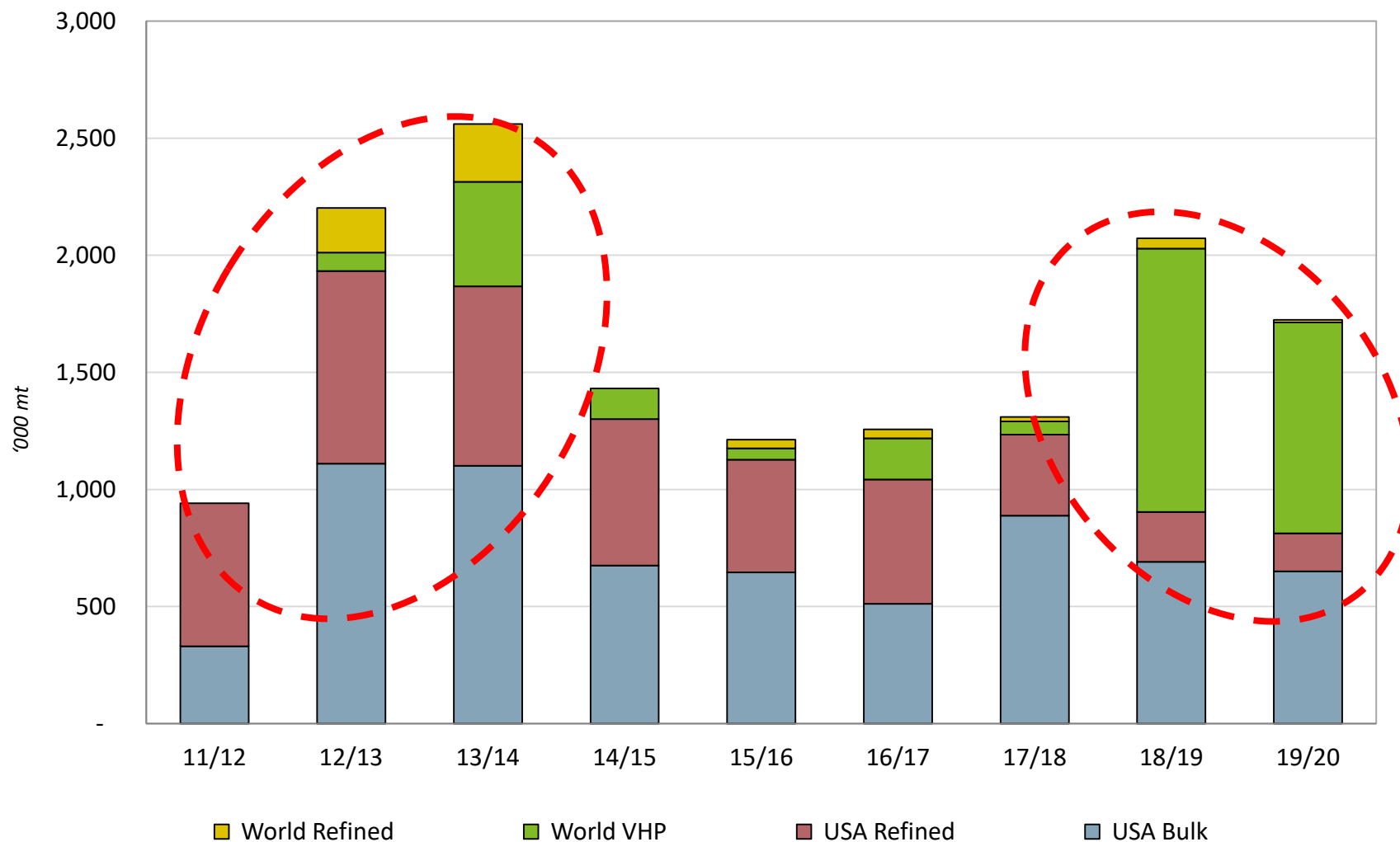
USA – Sugar Import Breakdown



Mexico – Production, Consumption and End Stocks



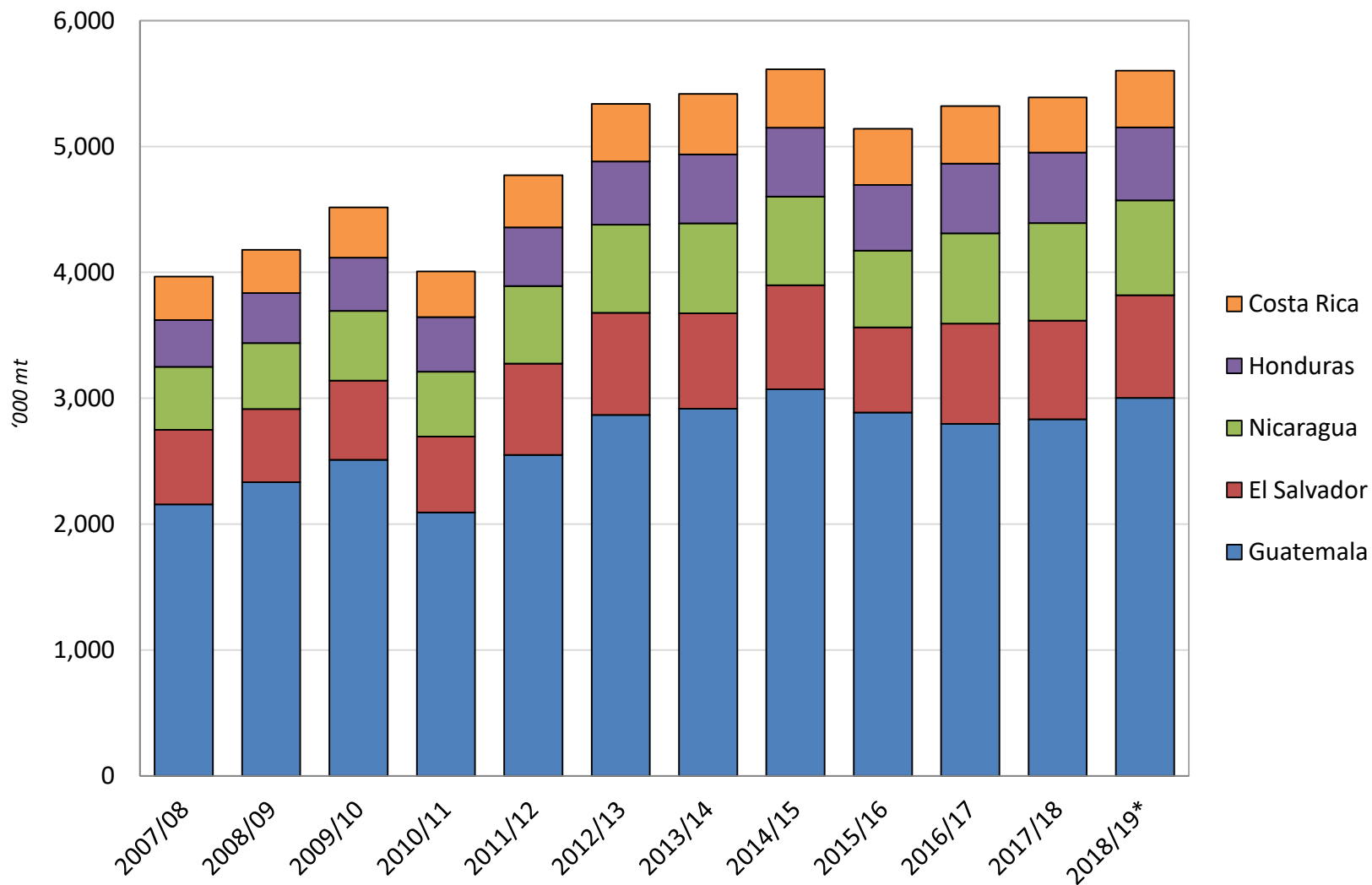
Mexico – Exports By Quality & Destination *(Raw Value)*



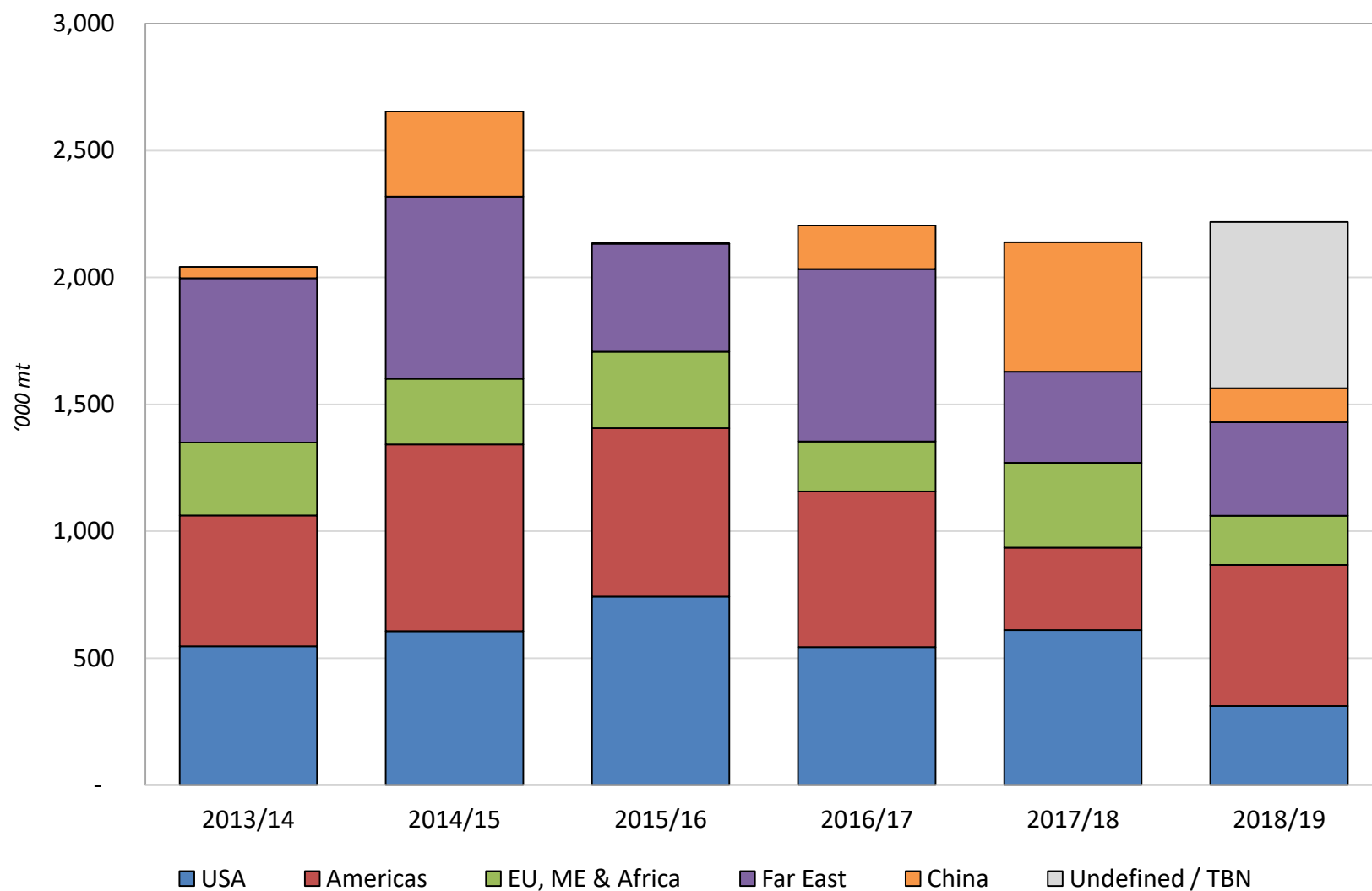


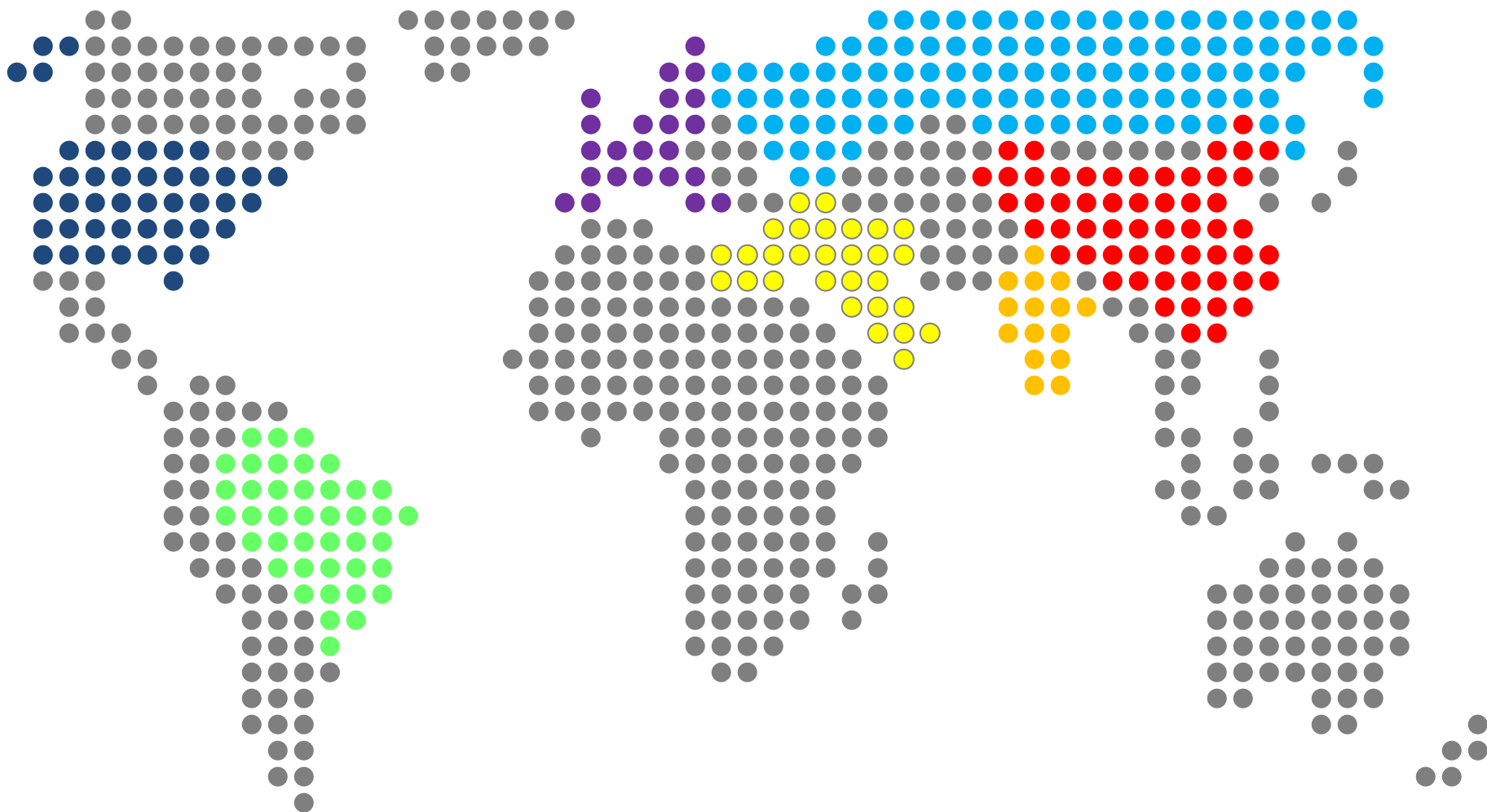
Central America

Central America – Production *(Oct/Sep)*



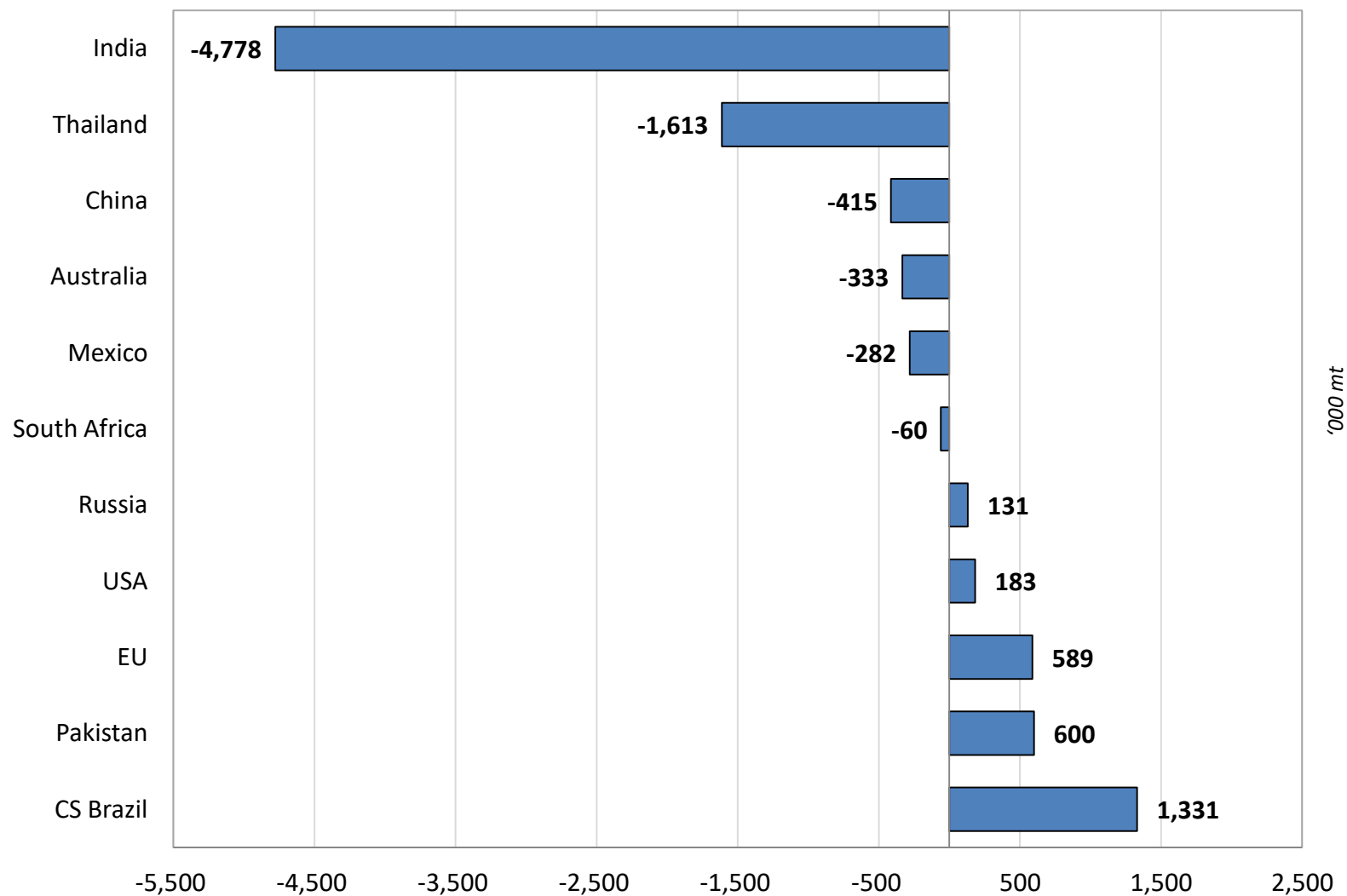
Central America – Raw Export Destinations



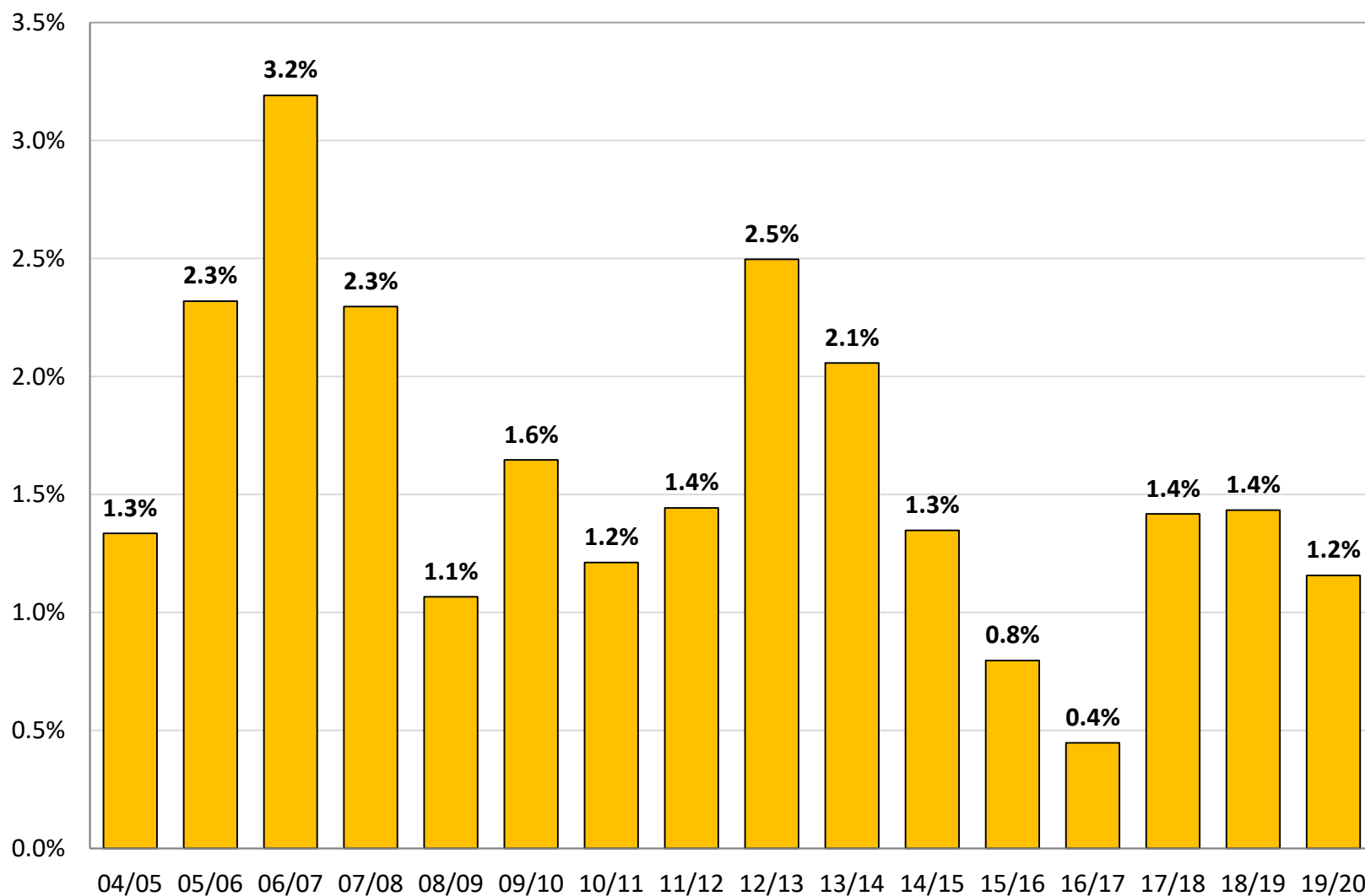


Concluding remarks

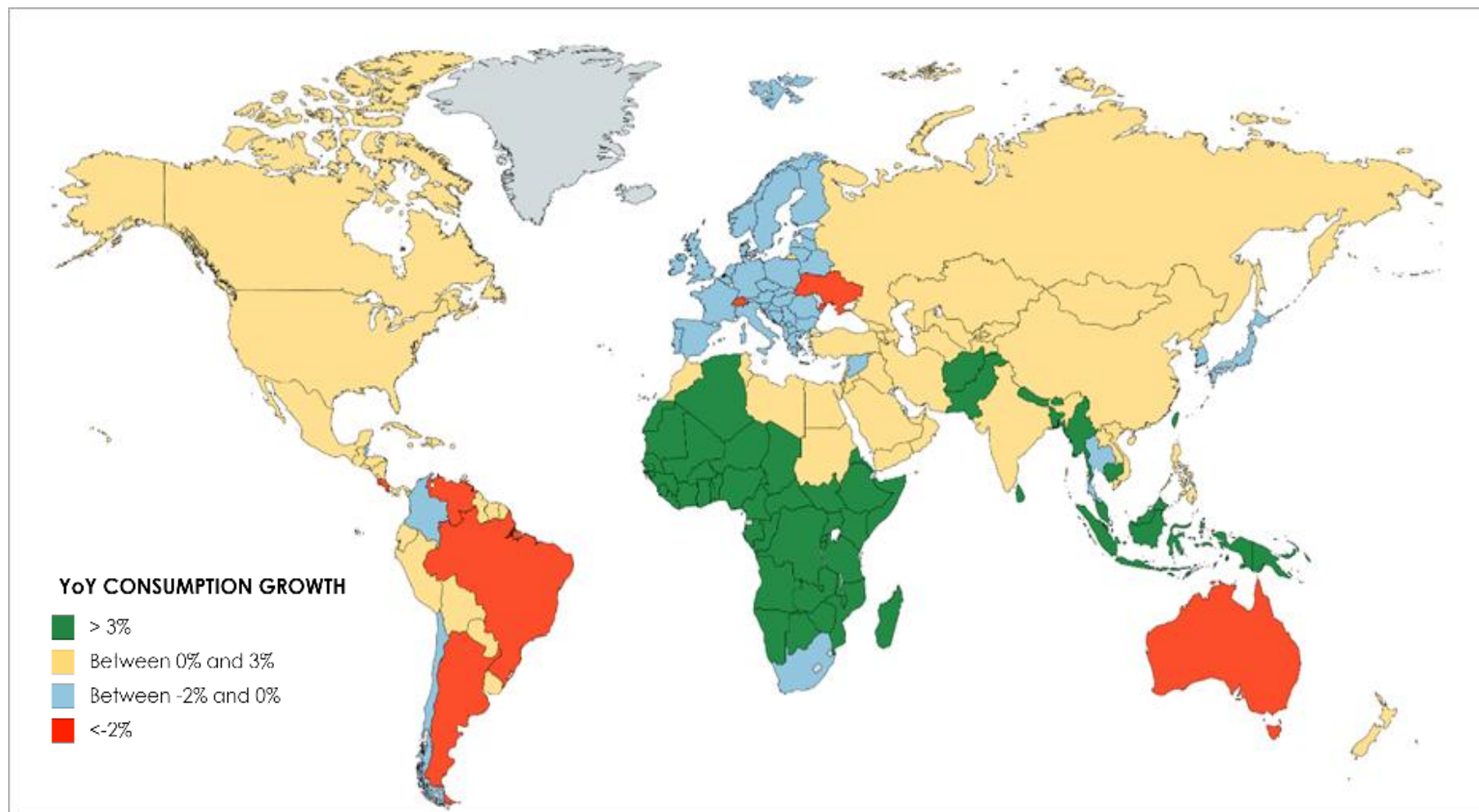
Change in Global Production (19/20 vs 18/19) – Crop Year



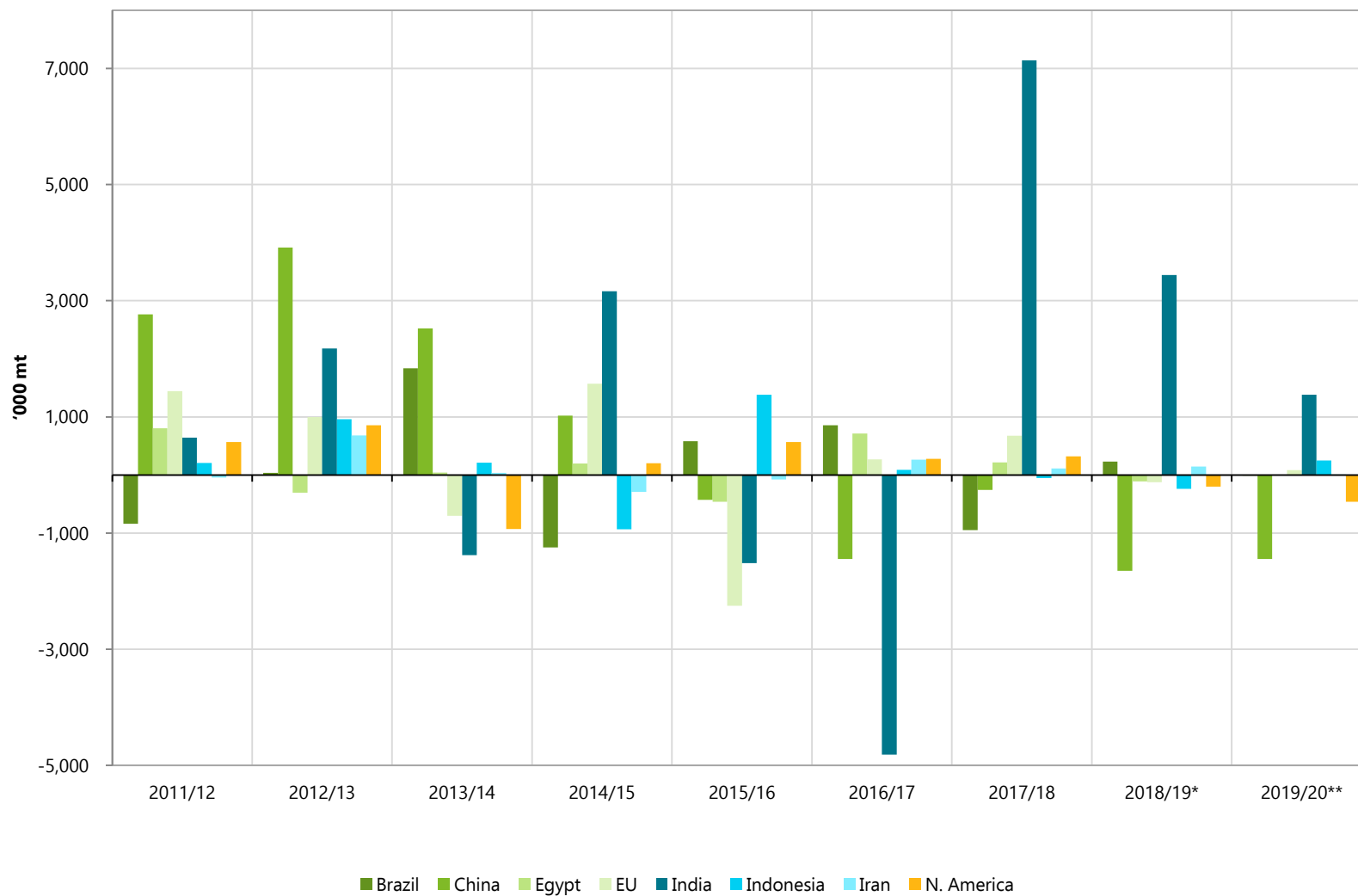
Change in Global Sugar Consumption *(Oct/Sep Season)*



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



- 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



- 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

