ADM Investor Services, Inc.

Weekly Futures Market Summary

April 17, 2023 **by the ADMIS Research Team**

BONDS:

We were surprised with the washout in treasury prices last Friday, especially following much weaker than expected US retail sales readings and declines in both import and export prices. However, subsequent US scheduled data from capacity utilization, industrial production, and Michigan consumer sentiment came in much better than expected and in turn seem to prompt a wave of stop loss selling in bonds and notes. Some traders suggest that talk of a one and done decision in May added to the selling pressure. While treasury bonds and notes have held above last Friday's spike low, the technical bias favors the bear camp to start this week. We suspect a modest risk on vibe from equities and positive Chinese housing sector news provides negative carryover for Treasuries from the global markets into the US trade early this week. While the market should see support from another negative New York Empire State Manufacturing Index reading, the magnitude of the contraction in the index is expected to have moderated from last month.

While it does not appear to be dominating, there is a general expectation for the US Fed to "go ahead" with a May interest rate hike, but those views might be tempered by comments from US Treasury Secretary Janet Yellen who indicated US banks could tighten lending which in turn could do some work for the Fed! In a development that could provide volatility in treasury futures, the Chairman of the US Securities and Exchange Commission has indicated a need for greater scrutiny of hedge funds and other entities in the "shadow banking system". The Chairman pointed to massive volatility around the mid-March US banking sector crisis as a potential contagion threat signal. The Commitments of Traders report for the week ending April 11th showed Bonds Non-Commercial & Non-Reportable traders net bought 11,888 contracts and are now net short 69,374 contracts. In the T-Notes market Non-Commercial & Non-Reportable traders are net short 628,631 contracts after net selling 3,378 contracts.

CURRENCIES:

In our opinion, the dollar was significantly oversold while the Swiss franc and euro were significantly overbought into last Friday’s pivot in price action. However, bearish fundamentals for the dollar are likely entrenched with US scheduled data last week clearly showing signs of a decelerating economy. However, with the Swiss franc extremely overbought, traders should expect a significant corrective setback early next week.
In our opinion, the strength in the dollar from last week's low is mostly technical short covering and only partially the result of lingering hope for a US rate hike next month.

In fact, a noted portion of the trade still believes the US Fed will "go ahead" with a May hike and that probably adds a fundamental measure of buying. US scheduled data today is expected to show improvement but the New York Empire State Manufacturing report is expected to remain in contraction territory which should limit the upside in the dollar. The Commitments of Traders report for the week ending April 11th showed Dollar Non-Commercial & Non-Reportable Traders are net long 15,004 contracts after net selling 1,112 contracts. We see a significant overhead result in the dollar at 101.83 and do not see a fundamental basis for a sustained rally.

With a significant contraction in Italian Consumer Price Index readings for March a portion of the May ECB rate hike expectation is discounted, and the euro needs further technical corrective balancing following last week's 270-point rally. The Commitments of Traders report for the week ending April 11th showed Euro Non-Commercial & Non-Reportable traders added 7,179 contracts to their already long position and are now net long 219,012.

With the Japanese Central Bank Governor making it clear to G7 Finance ministers that Japan will maintain its dovish policy stance and the dollar posting initial gains we see a failure of 75.00 and further erosion in the Japanese currency in the days ahead. In fact, the assistant governor at the Bank of Japan warned of extremely high economic uncertainty in Japan and that could result in a trade this week down to 74.50.

While we are not prepared to call for an end to the uptrend in the Swiss franc, the currency is significantly short-term overbought from last week's low to high rally of 318 points. In fact, to restart the strong upward track in the Swiss probably requires a definitive global risk on wave to justify pushing the Swiss above the last 10 years high of 1.1430.

Like other nondollar currencies, the Pound is deserving of a technical correction and to a lesser degree deserving of a slight fundamental adjustment lower. However, the Bank of England is being proactive with "urgent" reform of its bank deposit insurance system and that should provide the Pound with flight to quality buying in the event of another bank sector debacle. In the near term, the Pound is likely to retest 1.2364 but should not come under aggressive selling pressure.

With reports the Bank of Canada considered hiking rates in its recent meeting, combined with periodic strength in commodities, the upward bias in the Canadian dollar has a fundamental foundation. However, the Canadian is overbought from last week's low to high rally of 180 points and the currency might fail at key support early this week.

STOCKS:

With equity markets failing to distinctly benefit from evidence that US inflation is moderating, and failing to benefit from strong major bank earnings, market sentiment remains bearish. In fact, a combination of lower inflation, an uptick in initial claims and a large decline in US retail sales has discouraged investors. Adding further pressure are fresh concerns regarding manufacturing procedures at Boeing, and residual chatter that the US central bank may go ahead with one final rate hike next month. Global equity markets were higher early this week except for the Spanish market which traded fractionally lower. With another positive weekly trade last week, the markets have a slightly bullish track to start the new trading week. The markets should draft support from news this morning of a $10.8 billion Merck buyout of an immunology company but the focus of the trade this week will be primarily on corporate earnings.

In retrospect, clear signs of an abatement of inflation should not be discounted as a bullish development as the fear of over tightening by the US Fed to battle inflation has dominated investor sentiment over the last year. Early big bank earnings were supportive, and we expect other financial sector earnings this morning to add a small measure of optimism. However, traders should take direction from J.B. Hunt Transport services earnings as those earnings should offer a measure of guidance on the status of the US economy. With the S&P Mini contract holding an extreme net spec and fund short positioning (posting the most extreme short since the 2012 debacle) the market clearly has significant speculative and stop loss buying capacity. E-Mini S&P positioning in the Commitments of Traders for the week ending April 11th showed Non-Commercial & Non-Reportable traders are net short 349,319 contracts after net selling 60,114 contracts.

As in the S&P, we expect large cap stocks in the Dow to benefit from evidence of moderating inflation and from the medical technology sector buyout offer this morning. Like other stock index futures, the Dow index holds a large net spec and fund short position which could provide noted speculative and stop loss buying today. Dow Jones $5 positioning in the Commitments of Traders for the week ending April 11th showed Non-Commercial & Non-Reportable traders net bought 4,535 contracts and are now net short 28,081 contracts. Tech sector news is mixed for the NASDAQ with strong Apple sales in India offsetting negative news from Tesla and a Netflix outage. The April 11th Commitments of Traders report showed Nasdaq Mini Non-Commercial & Non-Reportable traders were net short 11,422 contracts after decreasing their short position by 5,283 contracts.

GOLD, SILVER & PLATINUM:

We see gold and silver in corrective postures to start the new trading week. In fact, several bullish fundamentals have reversed course and we expect a downtrend to unfold. Obviously, a dampening of inflationary expectations removed a primary pillar of the bull case, but seeing a reversal of a downside breakout in the dollar combined with talk that the Fed will “go ahead” with a rate hike in May provides a lot of bearish ammunition. Furthermore, the recent surge in gold and silver prices apparently resulted in a significant pullback in Asian demand because of price sensitivity. Even the technical picture is negative for gold and silver with both markets holding burdensome net spec and fund long positions as of early last week.

In fact, in the gold market the net spec and fund long position was the highest since May of last year and that reading was likely understated given the post COT report rally of $44. Gold positioning in the Commitments of Traders for the week ending April 11th showed Managed Money traders reduced their net long position by 7,423 contracts to a net long 137,563 contracts. Non-Commercial & Non-Reportable traders are net long 240,009 contracts after net selling 2,025 contracts. While silver showed signs of diverging with gold, Friday’s sweeping reversal on significant volume combined with deterioration in classic fundamentals projects prices to fall sharply directly ahead. The Commitments of Traders report for the week ending April 11th showed Silver Managed Money traders are net long 19,231 contracts after net selling 262 contracts. Non-Commercial & Non-Reportable traders are net long 38,584 contracts after net buying 4,149 contracts.

While the reversal in platinum was not as destructive as in gold and silver in last Friday’s trade, last Thursday’s massive range up move on strong volume might foster significant stop loss selling to start the new trading week. Fortunately for the bull camp the most recent net spec and fund long position in platinum was modest even though it was likely understated given the post report rally of $66. The April 11th Commitments of Traders report showed Platinum Managed Money traders net sold 3,220 contracts and are now net long 5,621 contracts. Non-Commercial & Non-Reportable traders net long 18,903 contracts after net selling 1,042 contracts.

With the most recent COT positioning in palladium registering a record net spec and fund short the market might hold up in the face of a likely liquidation wave in gold, silver, and platinum early this week. Palladium positioning in the Commitments of Traders for the week ending April 11th showed Managed Money traders net sold 473 contracts and are now net short 6,149 contracts. Palladium Non-Commercial & Non-Reportable traders hit a new extreme short of 7,451 contracts. Non-Commercial & Non-Reportable traders are net short 7,451 contracts after net selling 484 contracts.

COPPER:

With a deterioration in global macroeconomic sentiment (from signs of softening in the US and ongoing rate hike fears) combined with a lack of definitive signs of recovery flowing from China, the reversal in copper prices at the end of last week leaves the market vulnerable to some back and fill action. However, both LME and Shanghai copper exchange warehouse stocks continue to be supportive with both exchanges holding little cushion for physical users. In fact, last week LME copper warehouse stocks reached the lowest levels in nearly 18 years and Shanghai copper stocks have returned to a pattern of weekly declines.

While the rally of $0.16 following the COT report measurement leaves the number of longs understated into the new trading week, the net long is likely minimal given the market was net spec and fund short as of last Tuesday's close. The Commitments of Traders report for the week ending April 11th showed Copper Managed Money traders added 1,864 contracts to their already long position and are now net long 5,982. Non-Commercial & Non-Reportable traders net sold 3,100 contracts which moved them from a net long to a net short position of 349 contracts.

ENERGY COMPLEX:

In retrospect, the oil bulls showed impressive action over the last 2 weeks as prices forged two stairstep higher moves on the charts and managed those rallies in the face of economic conditions ordinarily seen as undermining to energy demand expectations. However, as indicated over the last several months, the net spec and fund long positioning in crude oil was very low (lowest in 7 years) prior to the April gap higher opening. Obviously, the net spec and fund long is growing with the most recent tally understated because of the post report rally of $2.00. The April 11th Commitments of Traders report showed Crude Oil Managed Money traders were net long 198,493 contracts after increasing their already long position by 22,079 contracts. Non-Commercial & Non-Reportable traders are net long 297,366 contracts after net buying 19,879 contracts.

From a fundamental perspective, the trade remains fixed on the idea that the OPEC plus reduction will more than counter disappointing 2nd quarter energy consumption. In fact, the IEA has suggested the production cuts will likely result in a global deficit and in turn present significant headwinds to the global recovery. Nonetheless, the IEA in its latest monthly report projected record world demand this year with a growth rate of 2 million barrels per day. In a longer-term supportive development, the weekly Baker Hughes oil rig drilling count report posted a 3rd straight weekly decline and in turn activity reached the lowest level since June 2022.

While it feels like the global economic outlook deteriorated last week, seeing US inflation clearly moderate and seeing the markets embracing another US rate hike suggests negative demand views are likely misplaced. However, a very important energy demand window will present Tuesday morning Asian time with Chinese GDP, industrial production, and retail sales figures for March scheduled for release. Estimates for this week's Chinese data project 2 of 3 initial data points coming in stronger. Going forward, traders should take energy demand direction from action in equities.

While the bias in crude oil prices looks to remain up and US gasoline supply and demand fundamentals are the most supportive in the petroleum complex, the market is amid a seasonal demand lull with Russia and China currently in aggressive fuel export modes. Nonetheless, as can be verified in our website charts from weekly EIA data, gasoline demand should rise consistently over the next several months. Furthermore, with EIA gasoline stocks at a 10.8-million-barrel deficit and recent implied gasoline demand readings showing summer like consumption.

On the other hand, gasoline technical signals are not overbought yet with the most recent positioning report showing a very modest net long despite the market's explosion over the last 30 days. The Commitments of Traders report for the week ending April 11th showed Gas (RBOB) Managed Money traders were net long 62,567 contracts after increasing their already long position by 12,668 contracts. Non-Commercial & Non-Reportable traders are net long 63,973 contracts after net buying 8,451 contracts.

As opposed to the gasoline market the diesel market has the least bullish supply and demand fundamentals within the petroleum complex. While distillate and diesel stocks surplus are versus year ago levels are minimal, weekly implied distillate demand has been very soft and several major players have been exporting copious amounts of diesel. Fortunately for the bull camp, the net spec and fund long position in diesel is very minimal which should diffuse selling from violations of chart support. Heating Oil positioning in the Commitments of Traders for the week ending April 11th showed Managed Money traders added 4,198 contracts to their already long position and are now net long 17,247. Non-Commercial & Non-Reportable traders added 7,908 contracts to their already long position and are now net long 31,096.

With a lower low posted several times last week, the bias in natural gas is obviously pointing downward. However, given the strong rejection of the new low Friday and the slow declines recently the bear camp appears to be losing momentum. In fact, the lower lows at the end of the week saw volume and open interest decline! While the most recent COT positioning report over states the size of the net spec and fund short because of the $0.05 break after the report was measured the trade has priced a large measure of the bearish condition. The April 11th Commitments of Traders report showed Natural Gas Managed Money traders were net short 10,462 contracts after decreasing their short position by 1,034 contracts. Non-Commercial & Non-Reportable traders net sold 9,922 contracts and are now net short 113,272 contracts. Unfortunately for the bull camp, the only bullish fundamental is the steady recovery in US LNG exports.

BEANS:

July soybeans closed moderately lower on the session but managed to hold above the April lows on Friday. Talk of the record crop from Brazil helped to spark some long liquidation selling. July soybean oil closed near the highs of the day after in early break to the lowest level since March 24. Outside market forces carried a bearish tilt. July Soybean Meal experienced an impressive rally last week, but it gave back part of its gains on Friday. There are expectations that US old crop supply could tighten further if Argentina is unable to increase its output over the near term.

US export sales for meal are already picking up, and the steep drop in US crush margins could limit near-term supply. Weekly export sales for soybean meal came in near the high end of trade expectations last week. In the monthly USDA supply/demand report on Tuesday, Argentina's 2022/23 soybean production was lowered to 27 million tonnes from 33 million in the March update. The Rosario Grain Exchange lowered their production forecast to 23 million tonnes from 27 million previously.

Looking ahead to the 2023/24 marketing year, if we plug the USDA's new US soybean ending stocks estimate for 2022/23 and the perspective plantings data from March 31, a trend yield this year could bring 2023/24 ending stocks in at 239 million bushels and result in a stocks/usage ratio of 5.4%. This would be only slightly higher than the tight ending stocks of 210 million and stocks/usage of 4.8% for the 2022/23 season. If yield comes in 3% below trend, ending stocks could fall to 100 million bushels, the lowest since 2013/14, and stocks/usage at 2.2%, a record low. If yield comes in at 49.5 million bushels per acre (the same as last year), ending stocks could drop to 48 million bushels, the lowest since 1965/66.

The April 11th Commitments of Traders report showed Soybeans Managed Money traders reduced their net long position by 20,942 contracts to a net long 125,022 contracts. Non-Commercial & Non-Reportable traders net sold 22,893 contracts and are now net long 117,033 contracts. For Soyoil, Managed Money traders added 1,981 contracts to their already short position and are now net short 12,566. For Soymeal, Managed Money traders were net long 95,680 contracts after decreasing their long position by 55 contracts. Non-Commercial & Non-Reportable traders added 4,192 contracts to their already long position and are now net long 130,884.

CORN:

Friday's technical action was bullish for the July corn contract as a combination of strong demand from China and a cold and wet forecast for the upper Midwest helped to support. There is plenty of rain in the five day forecast models for the upper Midwest. The 6–10 day forecast models show below to much below normal temperatures but drier. The 8–14 day models are similar. July corn closed sharply higher on the session Friday with an outside day up. It was the highest close since April 3. Renewed aggressive buying from China helped support the market. Exporters announced the sale of 246,000 tonnes of US corn to China for the 22/23 season.

In addition, China bought 136,000 tonnes of US corn for the 23/24 season. South Korea bought 68,000 tonnes at their tender. December corn also closed higher on the day after first trading down to the lowest level since April 10. The technical action is supportive for July corn. Talk that end user buyers are more active and ideas that ethanol producer demand is strong added to the positive tone. The April 11th Commitments of Traders report showed Corn Managed Money traders are net long 27,112 contracts after net buying 5,565 contracts. Non-Commercial & Non-Reportable traders reduced their net long position by 4,037 contracts to a net long 11,687 contracts.

WHEAT:

July wheat closed sharply higher on the session last Friday with an outside day up. This is impressive technical action and leaves the appearance of a head and shoulders bottom formation. Keep in mind that managed money traders hold a net short position of 104,247 contracts. The extreme dry conditions in Kansas are helping to support the market and there is a significant threat to short covering ahead. In the last seven days, only the Eastern and northern quadrant of Kansas received 1/2 inch or more of rain, and much of the rest of the state was 1/10 of an inch or less. For the next five days, the Western two thirds of Kansas receive little or no rain, and the far eastern areas might get 1/4 to 1/2 inch of rain.

The 6–10 and 8–14 day forecast models show normal precipitation. This does not appear to be enough moisture to dent the extreme dryness in Kansas soils. The recent weekly Crop Progress report (a week old) showed 27% of the US winter wheat crop was rated good/excellent as of April 9, down from 28% the previous week and well below the 10-year average at 46%. The poor/very poor reading came in at 37% versus a 10-year average of 21%. The good/excellent ratings for the top producing states showed Kansas at 13% (-3% from the previous week), Texas 17% (-1%), Oklahoma 20% (-6%), Colorado 25% (-2%), and Montana 30% (+6%). Topsoil moisture in Kansas is rated 47% very short and 33% short. Subsoil moisture is rated 52% very short and 31% short.

The Commitments of Traders report for the week ending April 11th showed Wheat Managed Money traders were net short 104,247 contracts after increasing their already short position by 17,164 contracts in just one week. Non-Commercial & Non-Reportable traders are net short 67,601 contracts after net selling 8,451 contracts. For KC Wheat, Managed Money traders are net long 9,229 contracts after net buying 1,616 contracts. Non-Commercial & Non-Reportable traders went from a net short to a net long position of 1,165 contracts after net buying 1,950 contracts.

HOGS:

June hogs closed lower for last Friday's session and the selling pushed the market down into a new contract low. The downside breakout leaves 85.17 as the next downside target. While June is trading at a normal premium to the cash market, traders await a turn up in the cash market trend, and higher trade for the pork market. The USDA pork cutout released after the close Thursday came in at $75.96, up $1.46 from Wednesday but down from $76.69 the previous week. The USDA estimated hog slaughter came in at 484,000 head yesterday. This brings the total for the week so far to 1.790 million head, down from 1.924 million last week and 1.901 million a year ago.

The CME Lean Hog Index as of April 11 was 72.25, down from 72.52 the previous session and 73.91 the previous week. US pork export sales for the week ending April 6 came in at 27,124 tonnes, down from 53,913 the previous week and the lowest since March 2. Cumulative sales for 2023 have reached 681,400 tonnes, up from 643,100 a year ago but below the five-year average of 758,100. The largest buyer this week was Japan at 5,418 tonnes, followed by Mexico at 5,309. Mexico has the most commitments for 2023 at 240,900 tonnes, followed by Japan at 91,011 and China at 90,963.

CATTLE:

June cattle gapped higher on the opening and pushed into new contract highs for the fifth session in a row early in last Friday's trading before closing lower on the day. The key reversal is a bearish technical development. However, June cattle closed at 164.50 while cash live cattle prices are much stronger this week, with averages running $5-$7 higher than last week. As of last Thursday afternoon, the five-area weighted average price was $182.94 versus an average of $175.28 last week. The continued strength in the beef market and a strong uptrend in the cash market with June trading at a stiff discount to the cash may continue to support. April cattle traded as high as 177.70 which is yet another new all-time high for the nearby contract.

The USDA boxed beef cutout was up $1.92 at mid-session Friday and closed $1.94 higher at $300.42. This was up from $289.65 the previous week. This was the highest the cutout had been since September 28, 2021. The USDA estimated cattle slaughter came in at 125,000 head yesterday. This brings the total for the week so far to 489,000 head, up from 488,000 last week but down from 499,000 a year ago. US beef export sales for the week ending April 6 came in at 8,681 tonnes, down from 13,528 the previous week and the lowest since March 2. Cumulative sales for 2023 have reached 368,100 tonnes, down from 501,100 a year ago and the lowest for this point in the year since 2019. The five-year average is 411,000. The largest buyer this week was South Korea at 3,373 tonnes, followed by Japan at 2,881. South Korea has the most commitments for 2023 at 103,700 tonnes, followed by Japan at 85,100 and China at 61,800.

COCOA:

After starting the second quarter with choppy price action, July Cocoa rallied to its highest level since November 2020. With the market already overbought and having a significant spec long position, the cocoa market was vulnerable to a pullback. July cocoa found early support and reached a new 28-month high, but then turned back to the downside and fell into negative territory as it finished Friday's trading session with a sizable loss and a negative daily key reversal. For the week, however, July cocoa finished with a gain of 27 points which was a fourth positive weekly result over the past 5 weeks.

A negative shift in global risk sentiment going into the weekend was a source of early pressure on cocoa prices. When the euro, British pound, European and US equity markets all turned lower, the cocoa market saw a wave of profit taking and addition long liquidation. First quarter European grindings released last week were 0.5% higher than a year ago, which was slightly above market expectations. However, this was also the largest first quarter European grind on record and the third largest for any quarter this century. First quarter grindings for North America and Asia will be released this week which may also show improvement in demand.

On the supply side of the market, early forecasts for West African mid-crop production call for a decline from last year, and that could result in full-season global production falling short of market expectations.

The April 11th Commitments of Traders report showed Cocoa Managed Money traders net bought 900 contracts and are now net long 52,390 contracts. CIT traders were net long 26,940 contracts after increasing their already long position by 168 contracts. Non-Commercial No CIT traders are net long 37,153 contracts after net buying 2,179 contracts. Non-Commercial & Non-Reportable traders are net long 62,151 contracts after net buying 3,295 contracts.

COFFEE:

While coffee ran out of upside momentum going into the weekend, it will start this week with prices more than 15% above their late March low. If global risk sentiment can regain a positive tone, coffee should extend its upside breakout this week. July coffee was unable to hold onto early strength as it came under late pressure to finish Friday's trading session with a moderate loss. For the week, however, July coffee finished with a gain of 9.80 cents which was a second sizable weekly gain in a row.

A negative shift in global risk sentiment weighed on coffee prices as that may weaken out-of-home consumption demand. Expectations that Brazil's upcoming 2023/24 Arabica crop will come in higher than last season also weighed on coffee prices. With the La Nina event ending, Brazil's growing areas should see normal weather in the second quarter than will benefit Arabica trees.

While Colombia will also benefit from the end of La Nina, their production over the last year reached their lowest annualized rate since early 2014. ICE exchange coffee stocks were unchanged on Friday, but continue to have no grading take place and no coffee that is waiting to go through the grading process. Already more than 32,000 bags below their March month-end total, ICE exchange coffee stocks are on-track for a third monthly decline in a row.

Coffee positioning in the Commitments of Traders for the week ending April 11th showed Managed Money traders added 12,103 contracts to their already long position and are now net long 21,772. CIT traders added 993 contracts to their already long position and are now net long 53,799. Non-Commercial No CIT traders net bought 11,249 contracts which moved them from a net short to a net long position of 10,907 contracts. Non-Commercial & Non-Reportable traders added 12,440 contracts to their already long position and are now net long 23,433.

COTTON:

July cotton closed lower on Friday but spent the week inside a relatively narrow 1.61-cent range. The recent US drought monitor showed some improvement in west Texas last week. Much of the region remains under moderate to severe drought, but conditions are much improved over a year ago. The 6-10 and 8-14-day forecasts call for mostly normal to some below normal chances of rainfall over west Texas.

Friday's Commitments of Traders report showed managed money traders were net buyers of 2,501 contracts of cotton for the week ending April 11, reducing their net short to 14,773 contracts. Non-commercial & non-reportable traders were net buyers of 5,570, reducing their net short to 4,608. The buying trend is short-term positive, especially coming from a moderately oversold position.

SUGAR:

While sugar prices were able to extend their rally last week, they went into the weekend well below last Wednesday's 11-year high. With Brazil's Center-South harvesting and crushing underway, sugar may need more carryover support from key outside market to avoid a correction. July sugar continued last week's coiling pattern as it shook off early pressure to finish Friday's trading with a mild gain. For the week, July sugar finished with a gain of 28 ticks and a fourth positive weekly result in a row.

India’s production is widely expected to come in below last season’s output with their top producing state of Maharashtra only having 6 mills in operation early in April. This has underpinned sugar prices as their government is more likely to prevent any further sugar export tranches during the rest of this season. A moderate rebound in crude oil and RBOB gasoline prices provided carryover support to the sugar market as that should give a boost to near-term ethanol demand in Brazil and India.

While Center-South crushing during the second half of March came in below trade forecasts, that shortfall was due in part to weather delays which should be made up during the first half of April. Sugar’s share of Center-South crushing was running ahead of last year during the first quarter and if that continues, it will result in sizable Center-South sugar production during April and May.

The Commitments of Traders report for the week ending April 11th showed Sugar Managed Money traders added 4,604 contracts to their already long position and are now net long 220,253. CIT traders net sold 2,902 contracts and are now net long 149,407 contracts. Non-Commercial No CIT traders are net long 155,146 contracts after net buying 3,593 contracts. Non-Commercial & Non-Reportable traders added 6,010 contracts to their already long position and are now net long 295,411.