

SUGAR REVIEW

BY SIDNEY PLATO



The domestic sugar market over a period of the past month was almost entirely featureless. Buyers and sellers ideas covered a ten point range between P4.60 and P4.70 with the last week showing a firmer tendency at prices ranging between P4.70 and P4.75. However, there are indications of transactions having been made at prices slightly lower than the reported market quotations. This business was done by the smaller dealers and there were not any evidences of sizeable quantities with the old crop still being very much in evidence and awaiting further disposal by local traders. The trade is now awaiting the new year quotas which will point the way for new values of this commodity in 1938.

The export market was a more lively affair with increasing interest shown in the new crop sugars. The 1937 quotas had been filled up to about 97% by the end of November and all attention is now being given to the new milling season. The 1938 sugars are giving a good account of themselves, sellers' offerings being slightly above the current market. However, the trade is not anxious to make commitments

until the immediate future of this market is more clearly defined by the announcement of the new United States quotas for the coming year. This phase of the sugar picture is a trifle obscure, the fate of the quotas being entirely in the hands of Secretary Wallace. Philippine producers are, nevertheless, inclined to take an encouraging view of the final outcome. One prominent sugar grower expects to see the New York price for duty free sugar at about 3.60 or 3.65 during the middle of 1938. If this high price is realized, it will mean a more lenient attitude on the part of Mr. Wallace towards American refiners. On the present basis of 3.30¢ for spot sugar, refiners are getting \$4.85 per 100 lbs. for their manufactured product. An increase in the spot price will see higher values for refined sugar and which will probably be \$5.05.

A highlight in sugar during the past month was the freight situation. Ship-owners were not inclined to consign their vessels since a Conference Rate of \$12 per ton was indicated. This restricted the movement of sugar for some time but with the Rate now fixed at \$10, chartering is being done freely.

Spot prices in New York for Philippine sugar have experienced a widely fluctuating range. Over a period of approximately six weeks this market gradually advanced from a low of 3.5¢ per pound to 3.45¢. Currently, spots are quoted at 3.30¢.

The New York futures market has been a stagnant affair with the No. 3 contract showing very little change. This market has acted remarkably steady in view of its extremely nervous condition with fluctuations confined within a five point range. It seems to be torn between a steady but moderate demand from refiners, who have kept their stocks low, and uncertainty over what action to expect from the Administration. The next major move of this market depends entirely upon extraneous circumstances and, from a speculative angle, should not be too closely followed. On the other hand, the futures market may soon be in an excellent position to serve the Philippine sugar producer to good advantage. In that event, no better medium could be desired for actuals sugar operations.

NICANOR M. BAUTISTA

ARCHITECT

428 Rizal Ave.

Tel. 2-94-13

Manila

Compliments

of the

Insular Sugar Refining Corporation