



Sugar #11 and #5 : prices

February: sugar values at a 4 year-high...

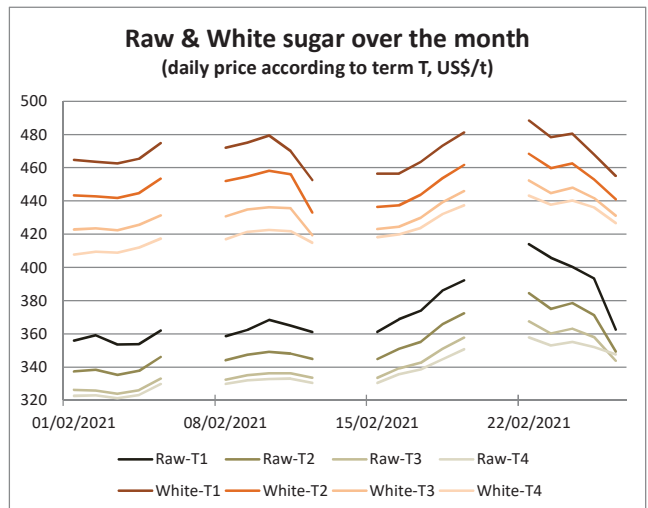
February has always be a special month, with new terms for white and raw sugar, on the eve of the beginning of the new Brazilian campaign. Raw sugar rose to almost 18.8 ct/lb on the 22nd February, and white sugar to almost 490 US\$/t. Since then, the term of May moved closer to 16 cts/lb, a level that remains a highest since May 2017.

Fundamentals, on the short term, are supportive. On the 25th of February, ISO published a new world balance sheet, and now estimates that the deficit in 2020/21 will be at -4.8 Mt, thus larger than in the forecasts made last November (-3.5 Mt). And the forecast in India is still at 36.5 Mt, although ISMA consider it to be much lower: at the very end of January, they published an estimate of 30.2 Mt.

Thus, the availability on the short term remains low, and speculators estimate that the increase will probably go on. They moved back again to a position of net buyer of more than 8 Mt (p. 2), probably anticipating that the rise in all commodities (corn again gained 1 % this month, Soy 3% and wheat 3.5 %, p. 5) will continue in the context of bullish oil prices. Brent, representing the 2/3 of petrol exchanges, gained 12 % during the month, and now moves around 65 US\$/barrel.

As the Real again lost 1.5 % during the month, the value of sugar in the Brazilian currency reached new records (the graph p. 3 is amazing!), which explains that, according to analysts, almost 80 % of the sugar that will be produced during the campaign beginning from next April is already hedged! But, have a look at the graph p. 4: the oil and currency situation also strongly supports domestic ethanol value (+20 % during the month, in Real!) which is also at a record high. Thus, the production of ethanol in the country will probably be encouraged in the new campaign, which may again weigh on the world balance...

	Settling date	First week of February-21	Last week of February-21	Difference in currency	Difference in %
White sugar (sugar#5, London, \$/t)	May 21	466,2	474,1	7,9	1,7%
	Aug 21	445,2	457,0	11,7	2,6%
	Oct 21	425,1	443,6	18,5	4,3%
	Dec 21	411,1	436,8	25,7	6,2%
Raw sugar (sugar#11, NY, cts/lb)	May 21	16,19	17,93	1,74	10,7%
	Jul 21	15,38	16,86	1,49	9,7%
	Oct 21	14,83	16,26	1,43	9,6%
	Mar 22	14,70	16,02	1,32	9,0%
Raw sugar (sugar#11, NY, \$/t)	May 21	356,9	395,2	38,3	10,7%
	Jul 21	339,0	371,7	32,8	9,7%
	Oct 21	327,0	358,6	31,5	9,6%
	Mar 22	324,0	353,1	29,1	9,0%
Premium	May 21-May 21	109,3	78,8	-30,5	-27,9%



Warning ! Terms changed for the white on the 15th of Feb. And for the raw on the 28th of Feb. ! Thus, the first week of Feb. In the table above refers to the previous terms.

Sugar#11 and #5 prices since January 2010 front term, US\$/t

