



Sugar #11 and #5 : prices

September: a flat month which hid the consolidation of past gains

If you had to keep just two graphs this month, choose the one regarding the 'white premium' (p. 3) and the one regarding freight indexes (p. 8)! Why? Because, for those who doubt a recovery in global demand, they are crystal clear! Freight costs are at a highest, and not only due to the rise in oil prices (Brent reach 80 US\$/barrel, a value that was not seen since 2018, p. 4). Commerce is back: WTO just informed that the level of transported goods is now higher than before the Covid-19 crisis. Does this concern sugar? Well, when you look at the level of the 'white premium', which doubled this month and is now back to the 5 year-average, this clearly seems to be the case.

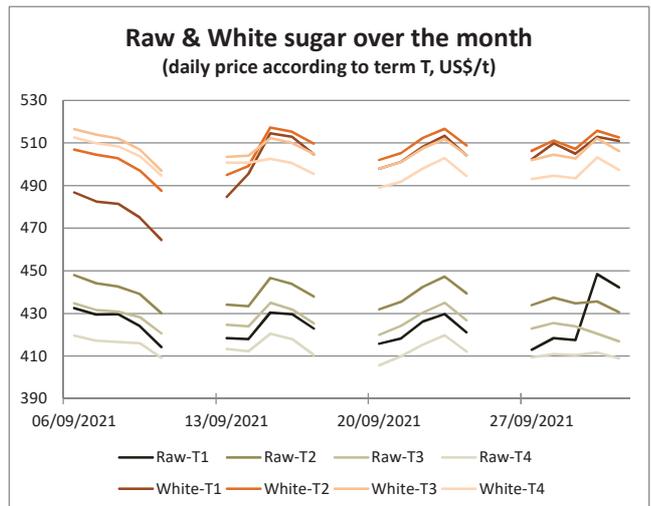
And although raw sugar remained flat during the month, we can celebrate it, as it is quite a feat when you consider that speculators' net-buyer positions have dropped by 2 Mt since August – they are still net-buyer of 8.1 Mt. But white sugar remains high (>500\$/t), meaning that there is a need for ready-to-eat sugar.

Note that the Indians consider that it will last: the government just informed that it will not budget subsidies for export during the campaign that began this month, for the first time in 3 years.

Fundamentals are, indeed, supportive: this month FoLicht published a new world balance, anticipating a world deficit of over 3 Mt for the third consecutive campaign, and end of campaign stocks (in Sept. 2022) below 36 % of consumption - a lowest for ten years!

Nevertheless, there are a few clouds: with the rise in oil prices, fertilizer values are beginning to rise (p. 8). Moreover, the Brazilian currency suffered this month (almost -4 % against the US\$, p. 7), stopping the rise in domestic ethanol (p. 4) – which still remains at a highest. But the impact of this last point may be lower nowadays than it could have been earlier in the year: the campaign is now slowly coming to an end.

	Settling date	First week of September-21	Last week of September-21	Difference in currency	Difference in %
White sugar (sugar#5, London, \$/t)	Oct 21	478,1	508,2	30,1	6,3%
	Dec 21	499,8	510,6	10,8	2,2%
	Mar 22	509,3	505,5	-3,8	-0,7%
	May 22	505,9	496,4	-9,6	-1,9%
Raw sugar (sugar#11, NY, cts/lb)	Oct 21	19,32	19,41	0,09	0,4%
	Mar 22	20,00	19,71	-0,29	-1,5%
	May 22	19,47	19,14	-0,33	-1,7%
	Jul 22	18,86	18,61	-0,25	-1,3%
Raw sugar (sugar#11, NY, \$/t)	Oct 21	426,0	427,9	1,9	0,4%
	Mar 22	440,8	434,4	-6,4	-1,5%
	May 22	429,2	421,9	-7,3	-1,7%
	Jul 22	415,7	410,3	-5,4	-1,3%
Premium	Oct 21 - Oct 21	52,1	80,3	28,2	54,2%



Warning ! Terms changed for the white on the 15th of Sept. And for the raw on the 30th of September ! Thus, the last week of Sept. In the table above refers to the new terms.

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

