

**Sugar #11 and #5 : prices****February: towards more uncertainty in the short term than in the medium term?**

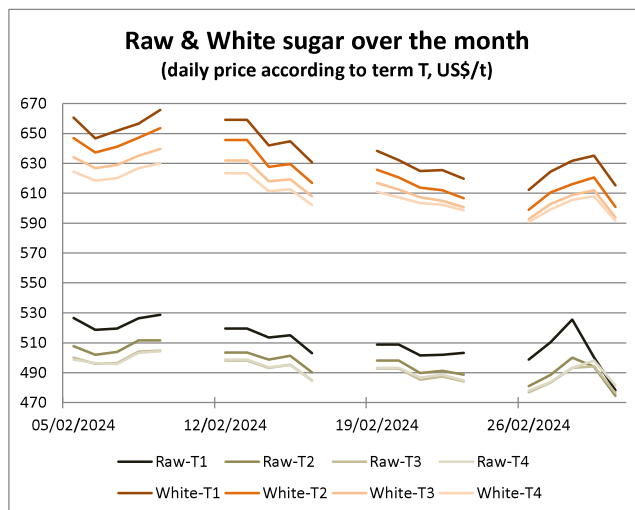
February was a month of high volatility on the world sugar markets, with the May term moving from over 23 cts/lb to under 21 cts/lb. This term is now the closest and speculators have been very active this month – and also very hesitant! They moved from "neutral" positions to "net buyers of over a million tonnes of sugar" in the space of a month.

And today, at the beginning of March, they seem to have gone back to neutral on the nearest term (May 2024), although the later terms reflect the tension in the market: the May 2024 term is now priced below the March 2025 term! Is this a sign that the further we go into the future, the less sugar will be available on the world market?

That's what you might think if you read the latest forecasts from the ISO (International Sugar Organisation), which on 28th February revised upwards the deficit for the current marketing year (2023/24) to -0.7 million tonnes (Mt), compared with -0.3 Mt estimated last November. The previous day, Sucden had published a different view: the analyst was less alarmist about the current campaign (+0.2 Mt) but was already anticipating major tensions in the future: it expected a new major deficit in 2024/2025 (> 4 Mt)!

So, before analysing the fall in world sugar prices (-5% in February, as for cereals, p. 5), let's wait... at least until the next Brazilian campaign starts next month. And the recent rally in Brazilian ethanol, p. 7, and in the Brazilian currency (p. 7), is a good sign...

	Settling date	First week of February-23	Last week of February-23	Difference in currency	Difference in %
White sugar (sugar#5, London, \$/t)	Mar 24	656,3	623,7	-32,6	-5,0%
	May 24	645,2	609,4	-35,8	-5,6%
	Aug 24	632,9	602,0	-30,9	-4,9%
	Oct 24	623,9	599,0	-24,9	-4,0%
Raw sugar (sugar#11, NY, cts/lb)	Mar 24	23,77	22,80	-0,97	-4,1%
	May 24	23,01	22,12	-0,89	-3,9%
	Jul 24	22,69	21,99	-0,70	-3,1%
	Oct 24	22,67	22,08	-0,59	-2,6%
Raw sugar (sugar#11, NY, \$/t)	Mar 24	524,0	502,6	-21,4	-4,1%
	May 24	507,4	487,7	-19,7	-3,9%
	Jul 24	500,3	484,8	-15,5	-3,1%
	Oct 24	499,8	486,9	-12,9	-2,6%
Premium	Mar 24-Mar 24	132,3	121,1	-11,2	-8,5%



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