



Sugar #11 and #5 : prices

October: another good month for sugar

A new month, a new record high! On 25<sup>th</sup> October, raw sugar temporarily reached 28 cts/lb, a value that we had not seen for 12 years... In fact, there was no major news concerning the market in October. Almost everyone forecast a world sugar deficit during the ongoing campaign (the latest prevision came from Sucden, in the middle of the month, with an estimated deficit at -2 Mt of sugar): the excellent campaign in Brazil will clearly not be enough to compensate the bad yields in Thailand and in India. Despite the tragedy in the Middle East, oil remained quite calm during the month, and domestic ethanol went flat in Brazil (p. 4). Thus, it did not impact sugar value. But it seems that from the beginning of 2023, sugar and ethanol have been evolving in a completely different way. The graph on page 4 is clear: sugar is far more remunerative for Brazilian millers than ethanol – to such an extent that ethanol lost its capacity to impact sugar value. In this context, let's move back to the old players: currencies. Did sugar value in October only follow Brazilian strength compared to the US dollar? The answer would seem to be yes: sugar value, in Real, was totally flat during the month (p. 3). White sugar evolved in a stronger way. The white premium (the difference between raw and refined sugar) went up again, to close to 150 US\$/t, although energy costs calmed down slightly everywhere. This is due to the fact that operators are anticipating that India, which usually exports white sugar, will not export this ongoing campaign – so the market needs ready-to-use sugar in the short term, and white sugar entered November over 750 US\$/t: it looks like a new fever... Last but not least, speculators played a minor role this month (p. 2). The record prices that we had were thus not – only – due to speculation. This is good news! And quite unique: take a look at cereals (p. 5), which feel depressed – and even have quite a strong impact on values of coproducts such as beet pulp in Europe (p. 6).

	Settling date	First week of October-23	Last week of October-23	Difference in currency	Difference in %
<b>White sugar</b> (sugar#5, London, \$/t)	Dec 23	714,1	738,9	24,8	<b>3,5%</b>
	Mar 24	711,7	732,5	20,8	<b>2,9%</b>
	May 24	700,9	715,8	14,9	<b>2,1%</b>
	Aug 24	676,8	689,2	12,4	<b>1,8%</b>
<b>Raw sugar</b> (sugar#11, NY, cts/lb)	Mar 24	26,74	27,23	0,49	<b>1,8%</b>
	May 24	25,51	25,89	0,39	<b>1,5%</b>
	Jul 24	24,54	24,78	0,24	<b>1,0%</b>
	Oct 24	24,01	24,28	0,27	<b>1,1%</b>
<b>Raw sugar</b> (sugar#11, NY, \$/t)	Mar 24	589,6	600,4	10,8	<b>1,8%</b>
	May 24	562,3	570,9	8,6	<b>1,5%</b>
	Jul 24	540,9	546,3	5,4	<b>1,0%</b>
	Oct 24	529,3	535,3	6,0	<b>1,1%</b>
<b>Premium</b>	Dec 23-Mar 23	124,5	138,5	14,0	<b>11,3%</b>

