



Sugar #11 and #5 : prices

April: sugar lost 10 %, weighed down by speculators

At the end of April, statistics on non-commercial operators, the so-called speculators, showed that they were net sellers of 1.4 million tonnes on the sugar market (p. 2). Such a level has not been seen since October 2022 - how can it be explained? The statistics for Brazil's 2023-2024 harvest are in: with 42.4 Mt of sugar produced, a new all-time record for the country, which has smashed its last record (38.5 Mt in 2020-21) - and an increase of 25% in one year! In addition, in the very short term, the weather in Brazil has been good, enabling the Brazilian campaign to get off to a rapid start.

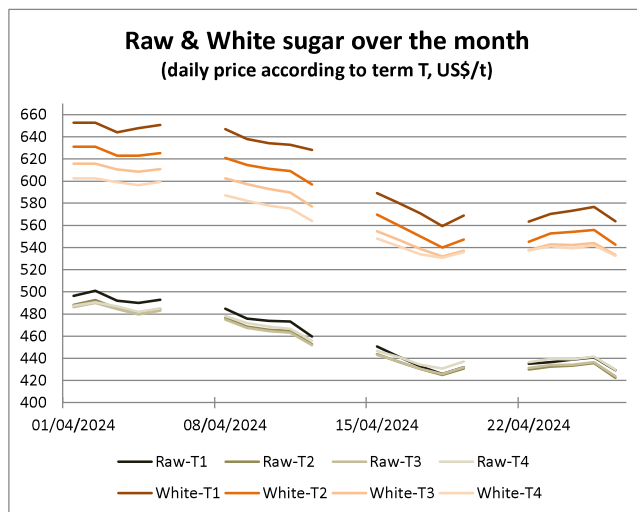
These two announcements may have convinced speculators that the trend would be downwards – and they provoked it: raw sugar lost more than 10% over the month!

However, most analysts, which met in Geneva in mid-April at the invitation of S&P, expect a return to around 20-23 cts/lb. Global stocks in consuming countries remain low, Indian and Thai production will not be available until the autumn, and a global deficit is still expected for the 2024-25 season...

And when you realize that the market is down 'only' 10% despite the announcement of a truly historic production level in Brazil, it seems that the fundamentals are robust!

Regarding currency, the BRL lost 2% against the dollar. During the month, it cost more than 5.2 BRL to buy one dollar: a situation we haven't seen for a year and which is also contributing to the drop in sugar value... At the end of the month, however, there was a slight recovery.

	Settling date	First week of April-23	Last week of April-23	Difference in currency	Difference in %
White sugar (sugar#5, London, \$/t)	May 24	649,5	569,5	-80,0	-12,3%
	Aug 24	626,5	550,1	-76,4	-12,2%
	Oct 24	612,2	540,0	-72,2	-11,8%
	Dec 24	599,9	538,4	-61,5	-10,2%
Raw sugar (sugar#11, NY, cts/lb)	May 24	22,43	19,78	-2,64	-11,8%
	Jul 24	22,06	19,54	-2,52	-11,4%
	Oct 24	21,98	19,59	-2,39	-10,9%
	Mar 25	22,06	19,83	-2,23	-10,1%
Raw sugar (sugar#11, NY, \$/t)	May 24	494,4	436,2	-58,3	-11,8%
	Jul 24	486,4	430,8	-55,6	-11,4%
	Oct 24	484,6	432,0	-52,6	-10,9%
	Mar 25	486,3	437,2	-49,1	-10,1%
Premium	May 24-May 24	155,0	133,3	-21,7	-14,0%



Warning ! Terms changed for the white at mid Apr. And for the raw at the end of April ! Thus, the last week in the table above refers to the new terms.

