



**Sugar #11 and #5 : prices**

**July: another drop in sugar value, with pressure from speculators and the BRL**

Sugar suffered in July, before recovering slightly in August. Raw sugar (October term) ended the month below 18 cts/lb, a two-year low. At the beginning of July, Czarnikow published a revised world balance with a surprising surplus for 2024-2025 (8.8 Mt), not at all in line with other analysts (S&P still forecast a deficit of -0.2Mt, Global Data a surplus of +1.1 Mt) – note that Czarnikow corrected its forecast in mid-August (+5.9 Mt).  
 Uncertainties are at a highest at this period of time: the Brazilian campaign is beginning to slow down, and production in the Centre-South is now expected to be around 40 million tonnes (-2 Mt compared to last year), according to S&P and Global Data). In India, the production is expected to fall by 2.7 Mt according to Global Data (29.3 Mt). So, how can there be a surplus? It could come from increased production in Thailand, China, Europe and Pakistan, but, as Marex wrote in July: “the higher productions to come [...] are still probabilities and subject to weather”.  
 In this context, speculators totally changed their views: they were almost flat at the beginning of the month, they ended the month as net sellers of more than 2 Mt (page 2).  
 In addition, the Brazilian Real (BRL) lost another 4% against the US dollar during the month. At the beginning of August, it took 5.7 BRL to buy 1 US\$, 20 % more than last summer! And as 44 % of the world’s exported sugar (sold in US\$) comes from Brazil, this had a dramatic impact on the value of raw sugar, which lost another 6 % in July...

	Settling date	First week of July-24	Last week of July-24	Difference in currency	Difference in %
<b>White sugar</b> (sugar#5, London, \$/t)	Oct 24	562,0	527,5	-34,4	-6,1%
	Dec 24	557,1	517,9	-39,2	-7,0%
	Mar 25	552,0	515,5	-36,6	-6,6%
	May 25	551,4	512,7	-38,7	-7,0%
<b>Raw sugar</b> (sugar#11, NY, cts/lb)	Oct 24	19,90	18,63	-1,27	-6,4%
	Mar 25	20,27	18,95	-1,32	-6,5%
	May 25	19,48	18,19	-1,30	-6,7%
<b>Raw sugar</b> (sugar#11, NY, \$/t)	Oct 24	438,8	410,7	-28,1	-6,4%
	Mar 25	447,0	417,9	-29,1	-6,5%
	May 25	429,5	400,9	-28,6	-6,7%
	Jul 25	417,3	391,9	-25,4	-6,1%
<b>Premium</b>	Oct 24 / Oct 24	123,2	116,8	-6,4	-5,2%

