FlashMarket October-26

The 'FlashMarket' is the monthly market news issued by the World Association of Beet and Cane Growers to its members

data from 05/10/2026 to 30/10/2026

Sugar #11 and #5 : prices

October: Macroeconomic factors are back

What a start to October for the sugar market! Fears about the impact of El Niño on harvests pushed raw sugar prices temporarily above 21 cts/lb during the first half of the month.

Concerns about lower yields are particularly strong in India, the world's second-largest sugar producer. As we know, India has been developing its ethanol industry at a remarkable pace. Last year, 3 million tonnes of sugar were diverted to bioethanol production, allowing the country to reach a 20% ethanol blending rate in gasoline, compared with almost zero ten years ago. However, for the current season, the sugarcane industry has been asked not to take part in tenders for ethanol used as fuel. This shows just how poor the Indian harvest is expected to be! Some analysts even believe that India may need to import 3 million tonnes of sugar to balance its domestic market…

Since this announcement, prices have eased somewhat, with the nearest futures contract (March) falling back below 19 cts/lb. Speculators have become more cautious (p. 2), although they still hold a net long position equivalent to around 6.5 million tonnes of sugar. This is a large volume, but 2 Mt less than two weeks ago.

At the same time, macroeconomic factors are once again playing a major role. Oil prices have risen sharply, gaining 13% over the month (p. 4). They briefly exceeded $115 per barrel before falling back. All energy prices are rising, pushing up the prices of directly related products: Brazilian ethanol has gained 11% in local currency, while freight rates have also increased by 5%. By-product prices are soaring (p. 6), with sugar beet pulp prices in the Netherlands reaching a record high (p. 6).

But it is above all the Brazilian currency that is putting downward pressure on sugar prices. Lula's re-election as President has caused the Brazilian real to fall sharply against the US dollar. The real has lost almost 8% over the month (p. 7), with nearly 5.5 BRL now needed to buy one dollar, a level not seen for a year. This puts pressure on sugar prices, which are quoted in US dollars. Indeed, a weaker real allows Brazil, the world's main sugar supplier, to sell its sugar at a lower price in dollars while receiving the same amount in its own currency. This explains an interesting contrast: while raw sugar prices have fallen by 6% in US dollars during the month, they have actually risen by 1.5% when expressed in Brazilian reals!

	Settling date	First week of October-26	Last week of October-26	Difference in currency	Difference in %
White sugar (sugar#5, London, $/t)	Oct 26	548,7	520,8	-27,8	***-5,1%***
	Dec 26	561,2	535,5	-25,7	***-4,6%***
	Mar 27	565,5	541,3	-24,2	***-4,3%***
	May 27	557,5	536,7	-20,8	***-3,7%***
Raw sugar (sugar#11, NY, cts/lb)	Oct 26	20,56	19,29	-1,26	***-6,1%***
	Mar 27	19,73	18,76	-0,98	***-5,0%***
	May 27	19,21	18,56	-0,66	***-3,4%***
	Jul 27	19,07	18,31	-0,76	***-4,0%***
Raw sugar (sugar#11, NY, $/t)	Oct 26	453,2	425,4	-27,8	***-6,1%***
	Mar 27	435,1	413,5	-21,6	***-5,0%***
	May 27	423,6	409,1	-14,5	***-3,4%***
	Jul 27	420,5	403,7	-16,8	***-4,0%***
Premium	Oct 26-Oct 26	95,5	95,5	0,0	***0,0%***



