terensis

TERENSIS MARGIN CALL | WHITE SUGAR (EU) | 2026-W48

# Can sugar keep falling while stocks shrink and the EU crop is short?

*Will sugar cost an example EU buyer less, the same or more over the next 12 months?*

Prices as of the close on 20 November 2026. The scenarios move the sugar price by one standard 12-month move: 32.4% on ICE raw sugar.

## Since last week

Compared with the edition of 16 November 2026, the central question is unchanged but the lead has moved from scenario A to scenario C: 5 of 12 signals now point to scenario C (3 to scenario A, 4 to scenario B), against 5 for scenario A, 4 for scenario B and 3 for scenario C a week ago. World stocks moved from scenario A to scenario C after USDA cut its 2026/27 figure to 39.79 Mt from 44.41 Mt, and the ethanol-to-sugar earnings difference now points to scenario C. ICE raw sugar fell to 17.07 US cents per pound from 18.41. The margin effect of scenario A is +20.9 points (+18.4 a week ago) because one standard move is now 32.4% (28.6% a week ago).

## Short answer

**Scenario C (higher price) is the most realistic, only just:** 5 of 12 signals point to it, 4 to scenario B (same level) and 3 to scenario A (lower price). This is the share of signals, not a statistical chance.

ICE raw sugar settled at 17.07 US cents per pound on 20 November 2026, 15.2% below a month earlier and at a 3-month low. The weak Brazilian real (5.94 per US dollar, the weakest in 52 weeks), cheaper crude oil and more Indian sugar weigh on the price. Against that, USDA cut 2026/27 world ending stocks by 11.7% on the year, the EU crop is 22.2% smaller and nearby prices stand above later prices.

For an example EU white sugar buyer with 65% of the selling price in sugar, scenario A adds 20.9 points of margin, scenario B changes it by -0.2 points and scenario C costs 21.4 points. Our reading: the lead is one signal and the price is still falling, so buy ahead part of the next 12 months in steps (part 4).

## Three scenarios for the sugar price over the next 12 months

### Scenario A: lower price

**Verdict: 3 of 12 signals point here**

ICE raw sugar falls by one standard 12-month move and the EU raw sugar price follows. The weak real, cheaper crude oil and extra Indian and Chinese supply carry this scenario.

**EU raw sugar price you pay (EUR per tonne)**
**EUR 221.40 per tonne**

**Margin change for an example buyer, points**
**+20.9**

*Confirmed if: ICE raw sugar settles near 11.54 US cents per pound (17.07 less 32.4%).*

### Scenario B: same price

**Verdict: 4 of 12 signals point here**

Sugar stays near today's level: fund positions, near-normal cane weather and the flat EU raw sugar price offset the tighter balances.

**EU raw sugar price you pay (EUR per tonne)**
**EUR 327.50 per tonne**

**Margin change for an example buyer, points**
**-0.2**

*Confirmed if: ICE raw sugar stays near 17.07 US cents per pound and EU raw sugar near 0.37 US dollars per kilogram.*

### Scenario C: higher price

**Verdict: 5 of 12 signals point here, most likely**

ICE raw sugar rises by one standard move as the cut to world stocks, the short EU crop and Brazilian mills favouring ethanol take hold, or the real recovers.

**EU raw sugar price you pay (EUR per tonne)**
**EUR 433.60 per tonne**

**Margin change for an example buyer, points**
**-21.4**

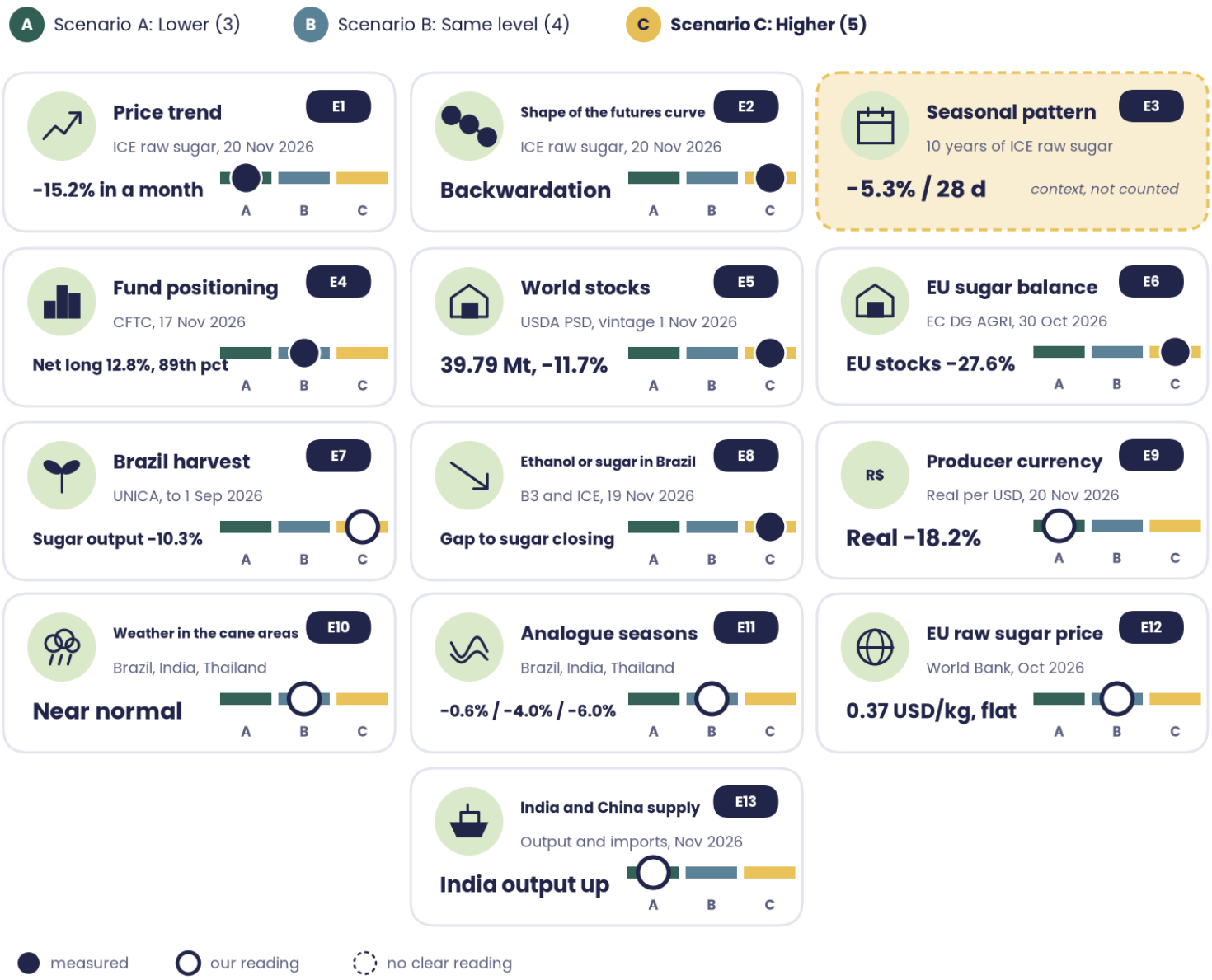
*Confirmed if: ICE raw sugar settles near 22.60 US cents per pound (17.07 plus 32.4%).*

*Margin effect for an example EU white sugar buyer with 12 months of cover and an unchanged selling price. Sources: World Bank (EU raw sugar, 1 October 2026), ICE Futures US (20 November 2026), Terensis cost model of 23 November 2026. A market curve check adds +1.8 points.*

## 1. Which scenario is most realistic?

Of 12 signals with a current reading, 5 point to scenario C (higher price), 4 to scenario B (same level) and 3 to scenario A (lower price). Each signal links to its evidence row in part 5. The seasonal pattern describes other years and is context, not counted. Dots with a ring are our reading; filled dots are the direction the data itself gives.

### Signals for the sugar price over the next 12 months: what each one says and which scenario it points to (ICE, CFTC, UNICA, EC DG AGRI, USDA and others, 20 November 2026)




*ICE Futures US, CFTC, UNICA, European Commission, USDA, ECB, World Bank, 20 November 2026*

**What carries scenario C.** USDA now puts 2026/27 world ending stocks at 39.79 Mt against 45.04 Mt a year earlier (-11.7%), 4.62 Mt below its May 2026 edition (USDA, data of 1 November 2026). The EU crop is 22.2% smaller and EU ending stocks 27.6% lower (European Commission, 30 October 2026); the German sugar association forecasts German output 25% lower at 3.316 Mt (17 November 2026). Brazil Centre-South sugar output from 1 April 2026 to 1 September 2026 is 10.3% below the year before as mills made more ethanol, and the difference between ethanol and sugar earnings in Brazil narrowed by 15.91 US dollars per tonne in a week. Prices for later months are below nearby months, which the market reads as tight nearby supply.

**What speaks against it.** ICE raw sugar is down from 18.41 US cents per pound on 13 November 2026 to 17.07, and from 21.29 on 14 October 2026. Brazil's real lost 18.2% in a month, and Barchart ties the falls of 19 November 2026 (-4.88%) and 20 November 2026 to it. Brent crude is 20.5% lower than a month earlier at 89.95 US dollars per barrel. India's October 2026 sugar output was 845,000 t against 100,000 t a year earlier, and StoneX expects China to import 9.3% less in 2026/27 (19 November 2026).

**What the headline hides.** The 15.2% fall in a month came while the world balance got tighter, so the fall is led by the real and crude oil rather than by supply and demand. The price is still 16.4% above a year ago (ICE Futures US, 20 November 2026). The EU raw sugar price that the cost model values has stayed between 0.37 and 0.39 US dollars per kilogram for 12 months (World Bank, 1 October 2026), so it has followed neither the rise nor the fall.

**Compound risk.** Investment funds still hold net bets on rising prices equal to 12.8% of open interest (89th percentile of three years, CFTC, 17 November 2026) while the price is below its 20-day and 50-day averages: a break below 16.82 US cents per pound (the low of 20 November 2026) could be fast. Producers and merchants are net short 23.0% (6th percentile).

| Other market participants | Their view | Compared with scenario C |
|---|---|---|
| **ISO, the international sugar body, 13 November 2026** | Forecasts 2026/27 world sugar production 1% lower at 180.1 Mt; Barchart reads this as support for prices. The view pre-dates the fall of 19 November 2026. | Agrees with scenario C |
| **Green Pool Commodity Specialists, 21 October 2026** | Raised its 2026/27 global deficit to 6.28 Mt, 3 Mt more than before, blaming poor output in Brazil, India and the EU. The view pre-dates the falls of 26 October 2026 and 19 November 2026. | Agrees with scenario C |
| **StoneX, 19 November 2026** | Projects China's 2026/27 sugar output 1.4% higher at 13.5 Mt and its imports 9.3% lower at 3.9 Mt. | Differs: points to scenario A |
| **Barchart, 20 November 2026** | Reports a five-week sell-off with NY sugar at a 3-month low and cites an improved supply outlook. | Differs: points to scenario A |

*Barchart (20 November 2026, 13 November 2026) and Commodity3 (19 November 2026, 21 October 2026) headlines; context, not counted.*

## 2. How do the other scenarios answer it?

- **Scenario B (same level), 4 of 12 signals.** Fund positioning, realised weather, analogue seasons and the flat EU raw sugar price all point to no change. The price holds near 17.07 US cents per pound if the real stops falling and the tighter balances are matched by Indian and Chinese supply. It is confirmed if ICE raw sugar stays between 16.82 and 19.89 US cents per pound (the 20-day range to 20 November 2026).
- **Scenario A (lower price), 3 of 12 signals.** The price trend, the weak real and the Indian and Chinese supply point down. It needs the real to keep weakening and Brazilian mills to move cane back to sugar, and it is confirmed if ICE raw sugar settles near 11.54 US cents per pound, well under the 52-week low of 13.22 set on 17 April 2026.
- **What would break the tie.** Scenario C leads scenario B by one signal. The nearest release is the next UNICA report, expected by 27 November 2026: a Brazilian sugar share above 52.77% (the same period of 2025) would move the Brazil harvest signal to scenario A and give scenario B the lead.

## 3. What do the scenarios mean for margin?

### How the margin is calculated

Base: the sugar cost that is already in the selling price today. It is the average price of equal monthly purchases from 20 December 2025 to 20 November 2026. How to read the numbers: "-2.0" means that of every EUR 100 of sales, EUR 2 less stays as margin. "+1.0" means EUR 1 more stays. The selling price is assumed unchanged.

An example buyer of white sugar is used and is illustrative: sugar is 65% of the selling price and other costs and margin 35%. Only sugar moves; every other cost stays at today's level.

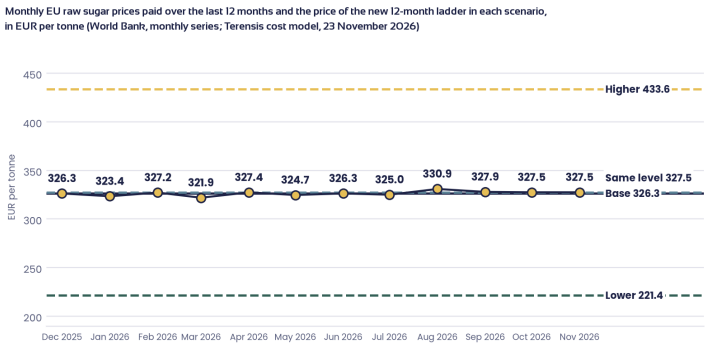
| Scenario | Sugar price paid on the new purchases (EUR per tonne) | Change against the base | Margin effect (points) |
|---|---|---|---|
| **Base (average of 12 monthly purchases)** | 326.30 | - | - |

| Scenario | Sugar price paid on the new purchases (EUR per tonne) | Change against the base | Margin effect (points) |
|---|---|---|---|
| A Lower | 221.40 | -32.2% | +20.9 |
| B Same level | 327.50 | +0.4% | -0.2 |
| C Higher | 433.60 | +32.9% | -21.4 |
| **Market curve (check)** | 317.20 | -2.8% | +1.8 |

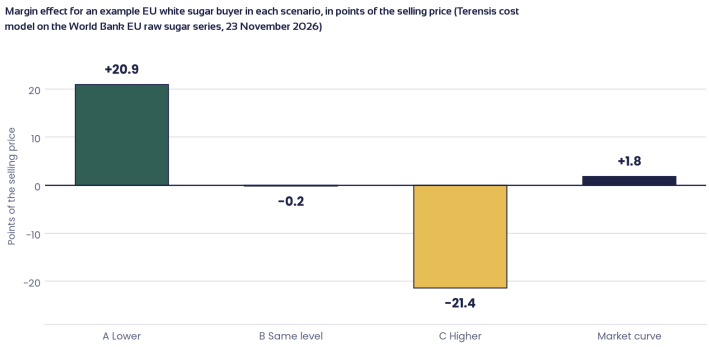
*Terensis cost model for an example EU white sugar buyer (illustrative shares), World Bank EU raw sugar series (1 October 2026), ICE Futures US (20 November 2026), run on 23 November 2026.*

**Why the three margin figures differ.** The scenarios move today's price by the same step in both directions: 32.4%, the typical size of price swings over the 12 months of cover (about EUR 106 per tonne). The margin is measured against the base of EUR 326.30 per tonne that is already in the selling price, not against today's price. That is why the same-level scenario is close to zero (today's price is only 0.4% dearer than the base), why a rise costs almost as much margin as a fall saves (32.9% dearer against 32.2% cheaper), and why the figures scale with the sugar share of 65% in the selling price: 32.2% of 65% is 20.9 points. (Terensis cost model, 23 November 2026)

**Sizing.** One standard move is the realised 20-day volatility of ICE raw sugar (32.4% a year, from the daily settlements between 23 October 2026 and 20 November 2026) times the square root of 12 divided by 12, so 32.4%. Lower is the EU raw sugar price less one move, higher is the price plus one move, same level is the latest price of 0.37 US dollars per kilogram (EUR 327.50 per tonne). The move is sized on the March 2027 ICE contract because the EU series is monthly. The market curve check prices the 12 purchases on the ICE curve of 20 November 2026 and differs from same level by more than 0.5 points, so it is shown. Conversion: 1 tonne = 2,204.62 lb, so 17.07 US cents per pound is USD 376.33 per tonne.




*World Bank, EU raw sugar, 1 December 2025 to 1 October 2026; Terensis cost model, 23 November 2026*




*Terensis cost model, 23 November 2026*

## 4. What should I do now?

Our reading: the evidence leans to scenario C by one signal, but each scenario is a 32.4% move either way and the next UNICA report can change the count within days.

**1**

**Buy part of the cover ahead**

Scenario C is the most realistic: fix part of the next 12 months of sugar in equal monthly steps while ICE raw sugar is at a 3-month low, and keep the rest open in case the real keeps falling.

**2**

**Ask for the price base**

Ask each supplier which price and which contract year an increase rests on. The World Bank EU raw sugar price has not moved in 12 months (0.37 US dollars per kilogram, 1 October 2026).

**3**

**Re-run on the price levels**

Check the call again if ICE raw sugar settles below 16.82 US cents per pound or above 19.89, or when the UNICA report is out (expected by 27 November 2026).

### Price levels that change the call

**SCENARIO A**
ICE raw sugar settles below 16.82 US cents per pound, the low of 20 November 2026. Scenario A is complete near 11.54.

**SCENARIO B**
ICE raw sugar stays between 16.82 and 19.89 US cents per pound, the 20-day range to 20 November 2026.

**SCENARIO C**
ICE raw sugar settles above 19.89 US cents per pound, the high of 26 October 2026. Scenario C is complete near 22.60.

### Open questions the market has not answered yet

- **What sugar share do Brazilian mills run now?** The latest UNICA data end on 1 September 2026 (46.56% against 52.77% a year earlier); the next report is expected by 27 November 2026.
- **Does the Brazilian real stop falling?** The real is at 5.94 per US dollar, 18.2% weaker in a month; Barchart ties most of the sugar falls to it. Its direction decides whether the weak-real signal holds.
- **Does the Indian cane crop hold?** Output in October 2026 was early and large, but a headline of 4 November 2026 reports the lowest monsoon rain in more than a decade, while measured cane-area rain is at the 37th percentile and the mean temperature at the 97th.

| Date | Release | Signals it can change | What would change the call |
|---|---|---|---|
| **25 November 2026** | EIA weekly petroleum report (projected date) | E8 Ethanol or sugar | Falling petrol stocks and a higher crude price keep ethanol closing on sugar (difference -158.37 US dollars per tonne now) and E8 on scenario C; the reverse moves E8 towards scenario A. |
| **25 November 2026** | US personal income and outlays (PCE) | E9 Producer currency | Past prints above 0.278% month on month saw ICE raw sugar move -0.09% on average, below 0.16% +0.56%; no reliable effect, so it changes the call only through the real. |
| **27 November 2026** | UNICA harvest report (expected by this date) | E7 Brazil harvest | A sugar share above 52.77% would move E7 to scenario A; a share still below keeps E7 on scenario C. |
| **2 December 2026** | World Bank Pink Sheet | E12 EU raw sugar price | An EU raw sugar price for November 2026 above 0.37 US dollars per kilogram moves E12 to scenario C, below it to scenario A. |

*EIA, BEA, UNICA and World Bank release calendars, read on 23 November 2026; past reactions from ICE Futures US data since 2010.*

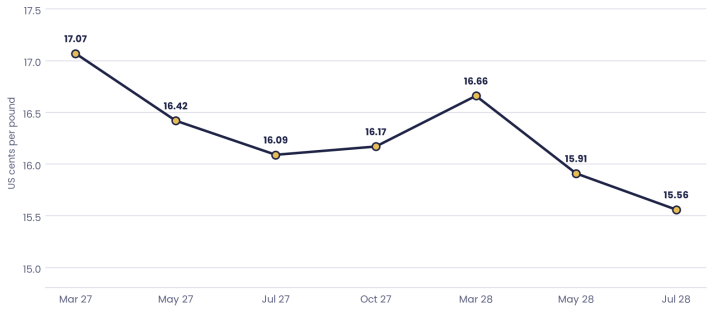
## 5. Evidence

| Evidence | What it says | Source and date | Points to |
|---|---|---|---|
| **E1 Price trend** ↑ | ICE raw sugar (March 2027 contract) settled at 17.07 US cents per pound, 15.2% below a month earlier, 7.3% below a week earlier and 16.4% above a year earlier. It is under its 20-day average (18.45) and 50-day average (18.94) and above its 100-day (17.58) and 200-day (15.97) averages. The one-month fall gives the direction. | ICE Futures US, settled 20 November 2026 | **A Lower** |
| **E2 Shape of the futures curve** ↑ | Prices for later months are below nearby months: 17.07 for March 2027 down to 15.56 for July 2028 (US cents per pound). White sugar settled at 487.90 USD per tonne and is in the same shape (487.90 for March 2027, 482.30 for March 2028); the white premium over raw sugar is 111.57 USD per tonne (68th percentile of 10 years). The market reads the shape as tight nearby supply. | ICE Futures US; ICE Futures Europe, 20 November 2026 | **C Higher** |
| **E3 Seasonal pattern** ↑ | In the last 10 years ICE raw sugar fell 5.3% over the next 28 days and 2.5% over 61 days from this point of the year, and rose 0.4% over 91 days. It describes other years, so it is context. | ICE Futures US, 20 November 2026 | Context, not counted |
| **E4 Fund positioning** ↑ | Investment funds hold net bets on rising prices equal to 12.8% of open interest, the 89th percentile of three years (crowded), 0.8 points lower on the week and down from 16.1% on 27 October 2026. The weekly change counts as flat. Producers and merchants are net short 23.0% (6th percentile). | CFTC, data of 17 November 2026 | **B Same level** |

| Evidence | What it says | Source and date | Points to |
|---|---|---|---|
| **E5 World stocks** ↑ | World ending stocks 2026/27 are 39.79 Mt against 45.04 Mt the year before (-11.7%) and 4.62 Mt below the May 2026 edition (44.41 Mt); stocks as a share of use are 16.7% against 18.6%. World output is 4.8% lower at 178.08 Mt and use is unchanged. In the same edition, Brazil's output is 6.5% lower and India's season total was cut by 4.1 Mt. | USDA, data of 1 November 2026 | **C Higher** |
| **E6 EU sugar balance** ↑ | EU 2026/27 (1 October 2026 to 30 September 2027): production 12.90 Mt against 16.58 Mt (-22.2%); ending stocks 2.215 Mt against 3.060 Mt (-27.6%); imports 2.60 Mt against 1.76 Mt. The German sugar association WVZ forecasts German refined output 25% lower at 3.316 Mt against 4.421 Mt (Commodity3, 17 November 2026). | European Commission, DG AGRI, balance sheet of 30 October 2026 | **C Higher** |
| **E7 Brazil Centre-South harvest** ↑ | Our reading: from 1 April 2026 to 1 September 2026 cane crush is 1.8% higher at 412.4 Mt but sugar output is 10.3% lower at 24.08 Mt, because the sugar share of cane is 46.56% against 52.77% and ethanol output is 13.9% higher. August 2026 sugar output was 5.6% lower. Less Brazilian sugar supports the price; the next report confirms or not. The latest data are 83 days old. | UNICA, cut-off 1 September 2026 | **C Higher** |
| **E8 Ethanol or sugar in Brazil** ↑ | Per tonne of sugar given up, ethanol earns 158.37 USD less than white sugar (62nd percentile of its history), 15.91 USD closer than a week earlier as the sugar price fell; against raw sugar the difference is -48.48 USD. A smaller difference means cane can move to ethanol, which takes sugar off the market. The calculation uses provisional conversion factors and the price bases are not declared. Hydrous ethanol on B3 is 3,104 BRL per m3, 8.0% above a month earlier, and costs 65.6% of petrol at the pump (14 November 2026), which supports ethanol demand. Brent crude is 20.5% lower than a month earlier. | ICE Futures Europe, B3, 19 November 2026; ANP, weekly price of 14 November 2026 | **C Higher** |
| **E9 Producer currency** ↑ | Our reading: the real stands at 5.94 per US dollar, 18.2% weaker in a month and the weakest in 52 weeks. A weak real makes selling sugar more attractive for Brazilian mills, and Barchart ties falls in sugar to it on 26 October 2026, 19 November 2026 and 20 November 2026. The euro is 4.8% stronger on the year at 1.0990 US dollars, which lowers the euro cost of dollar-priced sugar. | European Central Bank, 20 November 2026; Barchart, 19 November 2026 | **A Lower** |
| **E10 Weather in the cane areas** ↑ | Our reading: cane-area rain is at the 63rd percentile of 30 years in Brazil (since 1 January 2026), the 37th in India (since 18 January 2026) and the 43rd in Thailand (since 1 January 2026). Mean temperature is near normal in Brazil (43rd percentile) and Thailand (77th); India's is at the 97th percentile, the second hottest in 30 years. No yield-sensitive window is open; the next ones open in June 2027. Weather in Brazil, the largest origin, gives no yield shock either way, so it points to no change. Indian heat is the risk to watch. | ECMWF AgERA5 and IFS data, 22 November 2026 | **B Same level** |
| **E11 Analogue seasons** ↑ | Our reading: the three closest past seasons for Brazil (2006, 2012, 2010) ran at +0.04%, -3.9% and +2.0% of trend yield; for India (2004, 2024, 2022) at -12.1%, -3.2% and +3.4%; for Thailand (2005, 2013, 2015) at -25.6%, +9.4% and -1.9%. Brazil is close to trend. India and Thailand lean below trend, but one season drives each of those means (2004 and 2005) and the spread is wide. Analogue seasons support an agency estimate and do not replace it; together they point to no change. | ECMWF AgERA5 weather and national yield statistics, 23 November 2026 | **B Same level** |
| **E12 EU raw sugar price** ↑ | Our reading: the EU raw sugar price is 0.37 US dollars per kilogram for October 2026 (43rd percentile of 66.8 years, EUR 327.50 per tonne) and has stayed between 0.37 and 0.39 for 12 months, while ICE raw sugar rose 16.4%. It points to an unchanged cost level until the next monthly value. | World Bank, monthly average of October 2026 | **B Same level** |
| **E13 India and China supply** ↑ | Our reading: India's sugar output in October 2026 was 845,000 t against 100,000 t a year earlier on early Maharashtra crushing (National Federation of Cooperative Sugar Factories, 3 November 2026), and the Indian sugar association ISMA reported higher output again on 16 November 2026. StoneX projects China's 2026/27 imports 9.3% lower at 3.9 Mt and its output 1.4% higher (19 November 2026). More sugar reaches the market and less is bought; the weak Indian monsoon is the counter-argument. | Barchart, 16 November 2026; Commodity3, 3 November 2026 and 19 November 2026 | **A Lower** |

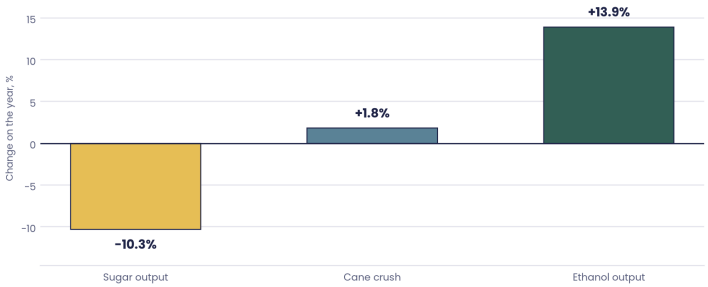
*Publishers as named in each row; readings of 20 November 2026 unless stated. A signal counts for the scenario its direction gives: a bearish reading for scenario A, neutral for scenario B, bullish for scenario C.*

ICE raw sugar #11 forward curve in US cents per pound by delivery month, settled 20 November 2026 (ICE Futures US)




*ICE Futures US, settled 20 November 2026*

Brazil Centre-South cumulative output from 1 April to 1 September 2026 against the same period of 2025, change in per cent (UNICA, cut-off 1 September 2026)




*UNICA, cut-off 1 September 2026*

The cost structure is an example buyer of white sugar with illustrative shares (sugar 65%, other costs and margin 35%); it is not the reader's own cost structure. Parameters of the ethanol-to-sugar calculation are conventions that have not been signed off.

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Illustrative example buyer; shares are not industry data. The count of signals is a share of signals, not a statistical probability. Exchange prices are in US cents per pound or USD per tonne; 1 tonne = 2,204.62 lb. The ethanol parity uses conventions that have not been signed off. Sources: ICE Futures US (raw sugar #11 settlements, 20 November 2026); ICE Futures Europe (white sugar #5 settlements, 20 November 2026); CFTC (Commitments of Traders, 17 November 2026); European Commission, DG AGRI (EU sugar balance sheet, 30 October 2026); USDA (world sugar balance, data of 1 November 2026); UNICA (Centre-South harvest report, 1 September 2026); World Bank (EU raw sugar price, 1 October 2026); European Central Bank (euro and real reference rates, 20 November 2026); B3 and ANP (hydrous ethanol futures and pump prices, 19 November 2026); Barchart (sugar market headlines, 20 November 2026); Commodity3 (Indian, Chinese and German sugar headlines, 19 November 2026); ECMWF (AgERA5 and IFS weather data, 22 November 2026). Photo: Victoria Priessnitz, Unsplash; Daniel Kraus, Unsplash.


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