

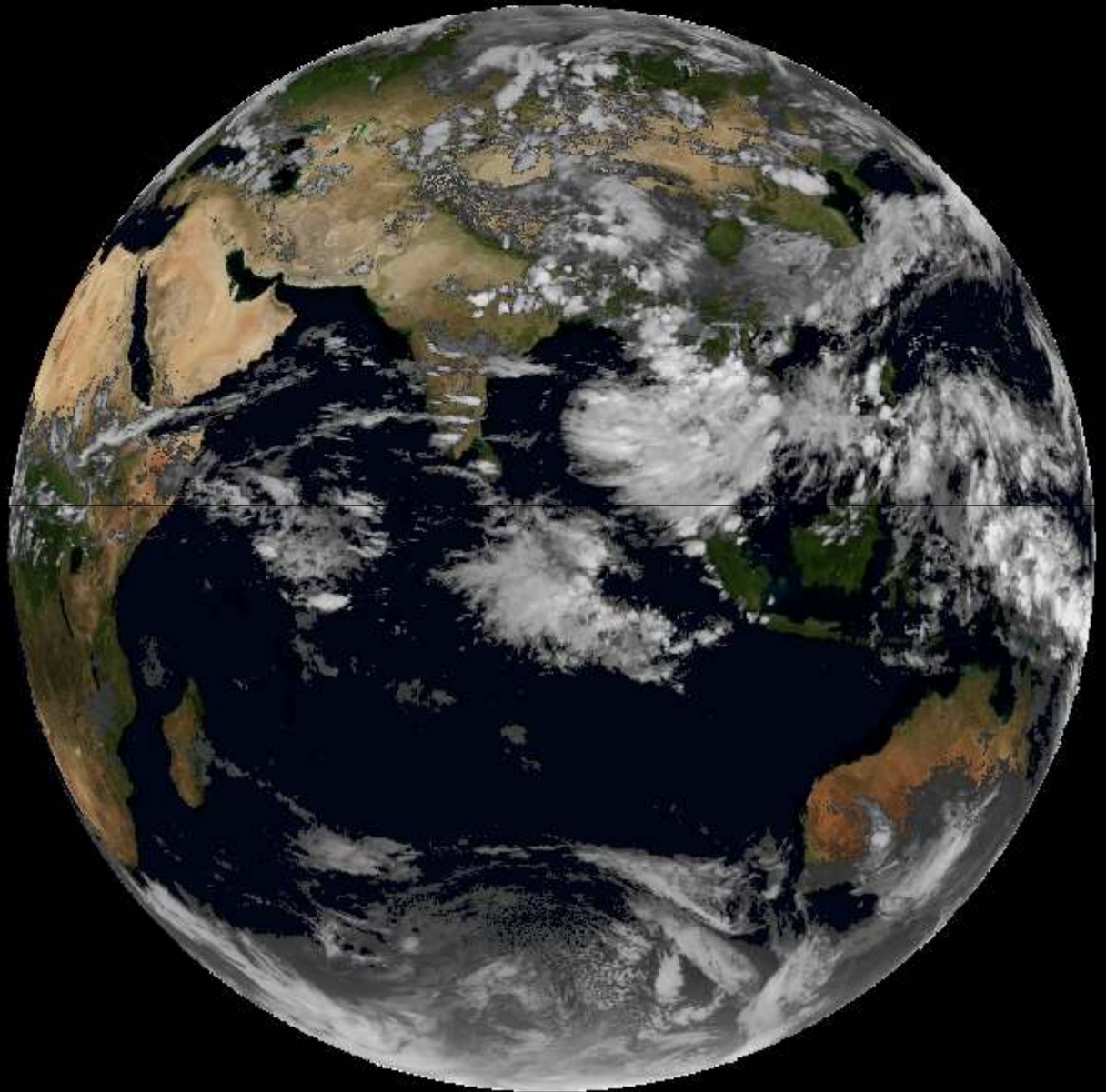


GLOBAL WEATHER AND COMMODITY RESEARCH
WORLD SUGAR/SOFTS REPORT

BETTER BUSINESS IN ANY WEATHER™

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Weather and Market Discussion



July ICE sugar futures are starting off the week in the same range as last week, still bouncing between the 15/16 cent range. Speculation is focusing on increased demand for the coming months in both white and refined markets, and in recent weeks, the brief episodes of the market scaling back have been met with a stronger response to the upside and we expect this pattern to continue. We are hearing more of tightness in the physical market, and some doubts on the Indian monsoon are helping to support a constructive pattern through Oct.

Monsoon activity in the south looks to decrease this week (vs. last week) and we should note here that this type of pattern is what WTI has been calling for. The initial onset of rains in southern cane regions has been strong, but we do see the pattern scaling back a bit over the next two weeks, and this cause some concern for producers and traders alike. However, the northern regions should receive favorable totals next week, offsetting some of the risk.

Two week India precipitation forecast

Weekly Rainfall (21 JUN 2010 - 27 JUN 2010)

Weekly Rainfall (28 JUN 2010 - 04 JUL 2010)

