

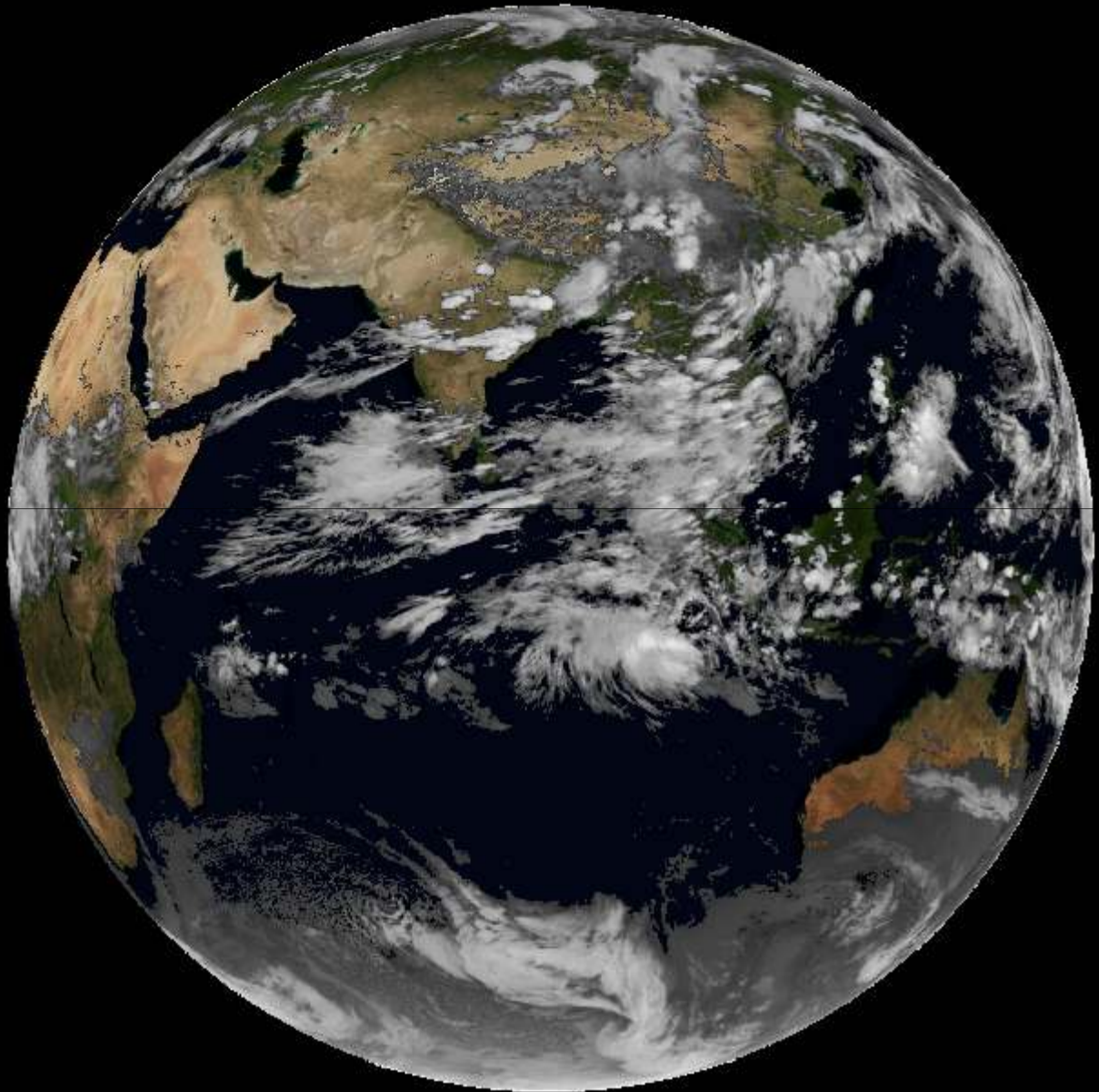


GLOBAL WEATHER AND COMMODITY RESEARCH
WORLD SUGAR/SOFTS REPORT

BETTER BUSINESS IN ANY WEATHER™

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Weather and Market Discussion



Raw sugar futures continue to exhibit stronger performance with the spot contract showing a surge last week on more concerns in the physical market. There was a good deal of discussion last week regarding potential decreases in the Thai crop; much of this weather related. Further, while the Licht report stated that the 2010/11 crop year will see a return to a positive S-D balance, this view has been priced into our outlook for several months, and there will still be a supply constraint to inhibit the market for 2010. We have also

been noting some signs of concern in India, as the Monsoon activity for late June is somewhat lighter than many were expecting in the northern cane belt. We stress that this pattern is verifying what was discussed in our early seasonal outlook: a healthy onset followed by weaker rainfall particularly in central through northern India. As such, while our crop expectations for the southern regions is favorable, we do have concerns for cane production in the northeast.

Two week India precipitation forecast

Weekly Rainfall (28 JUN 2010 - 04 JUL 2010)

Weekly Rainfall vs Previous Year (28 JUN 2010 - 04 JUL 2010)

