

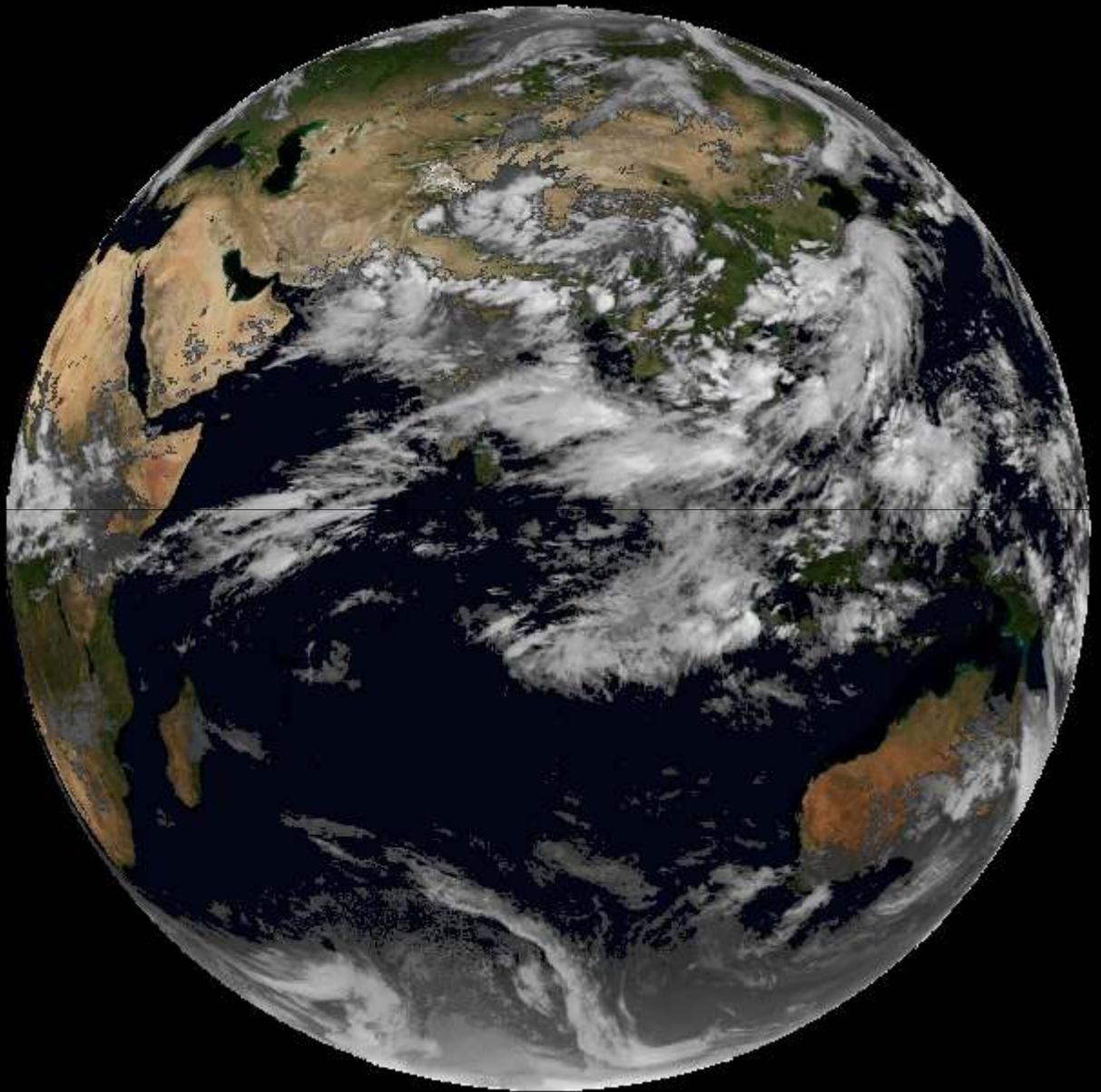


GLOBAL WEATHER AND COMMODITY RESEARCH  
**WORLD SUGAR/SOFTS REPORT**

BETTER BUSINESS IN ANY WEATHER™

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**Weather and Market Discussion**

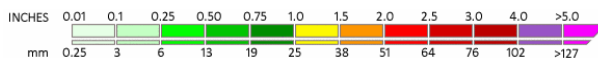
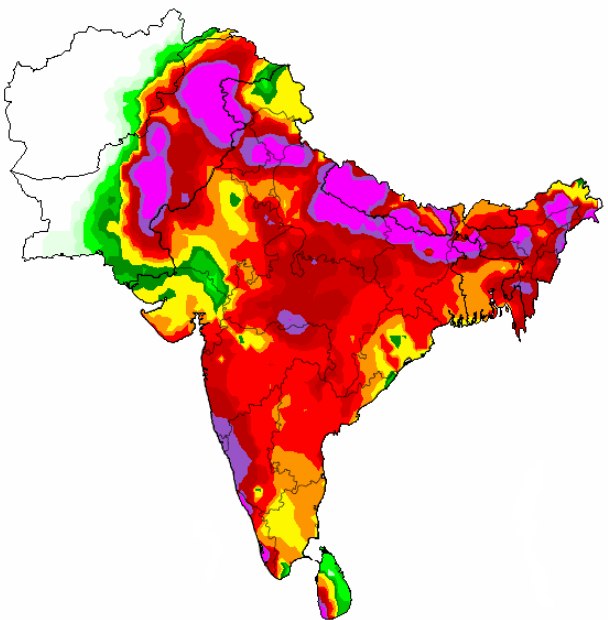


While sugar futures are starting off the week with support, we expect this to fade as a very active Indian Monsoon pattern will help the country's sugar-cane regions in the northern belt. We caution, however, that many analysts are looking at the revival of the moisture to accompany the short term pattern as a sign that all crop concerns are washed away. The fact remains that for cane, growing regions in the north are still at a water deficit, and while improvement is expected, we are still anticipating rainfall requirements to fall short of what is needed to make the kind of crop numbers the market needs.

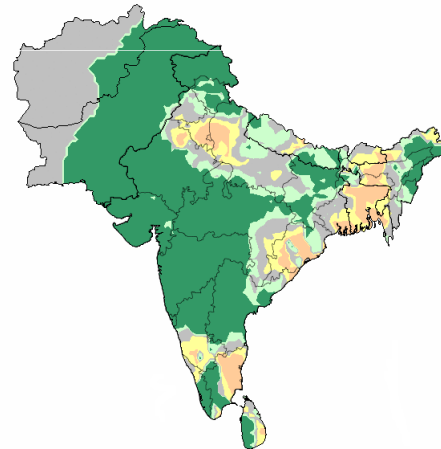
Also, readers should not interpret the favorable expectations for grains/oilseeds & extend this optimism to sugar. Everyone from the head of the Indian Met Department to the Prime Minister is calling for a complete agricultural rebound over last year, and as we have stressed, with the type of weather pattern expected for the next few months, sugar will likely be excluded from this party.

**India precipitation forecast**

Weekly Rainfall (26 JUL 2010 - 01 AUG 2010)



Weekly Rainfall vs Previous Year (26 JUL 2010 - 01 AUG 2010)



Weekly Rainfall vs Normal (26 JUL 2010 - 01 AUG 2010)

