

Weather and Market Discussion

NYBOT:SB.V09.E NYBOT SUGAR #11 (WORLD) Oct 2009 (E) (c)2009 INO.com

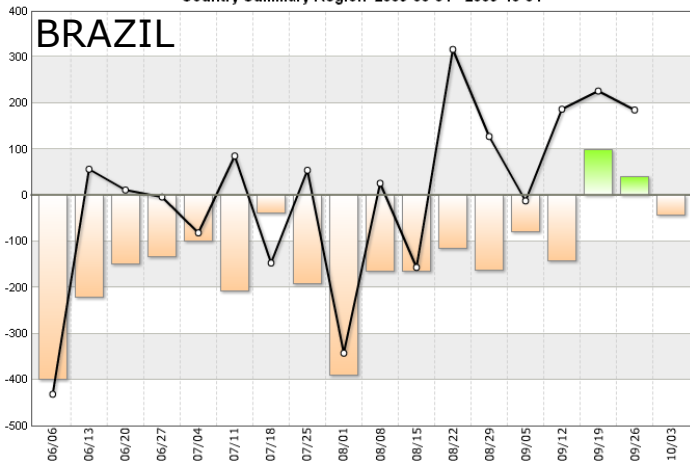


Technicals are bullish for raw sugar futures at the start of the week with anticipated trading range between 22-23 cents (Oct contract) for today and tomorrow. As expected, the domestic supply shortfall in India has extended the ban on futures trading in the country through the end of the year. Current estimates in the market pertaining to the global sugar S-D are placing the sweetener at approximately an 8.4 mmt deficit; the WTI long range estimate, which figures in how the developing El Nino will affect production in the major origins, may be slightly lower than this

figure, but we still are not anticipating a potential rebound in the build of global stocks until the 2010/11 crop year. India's 2009/10 crop may not see a significant improvement over this year (given consistent plantings), and Australia will likely have another down year, but bear in mind that an El Nino can provide Brazil's Centre-South with a very favorable production pattern.

Country Summary Region 2009-05-31 - 2009-10-04

BRAZIL



The seasonal precipitation verification for both Brazil (above) and India (right) are shown here, with the bars representing the WTI forecast for y/y precipitation totals, and the line being the observations.

It is clear that the rainfall pattern was identified, and as we look to changes in the 2009/10 balance, next year's outlook will be equally important.

Country Summary Region 2009-05-31 - 2009-10-04

INDIA

