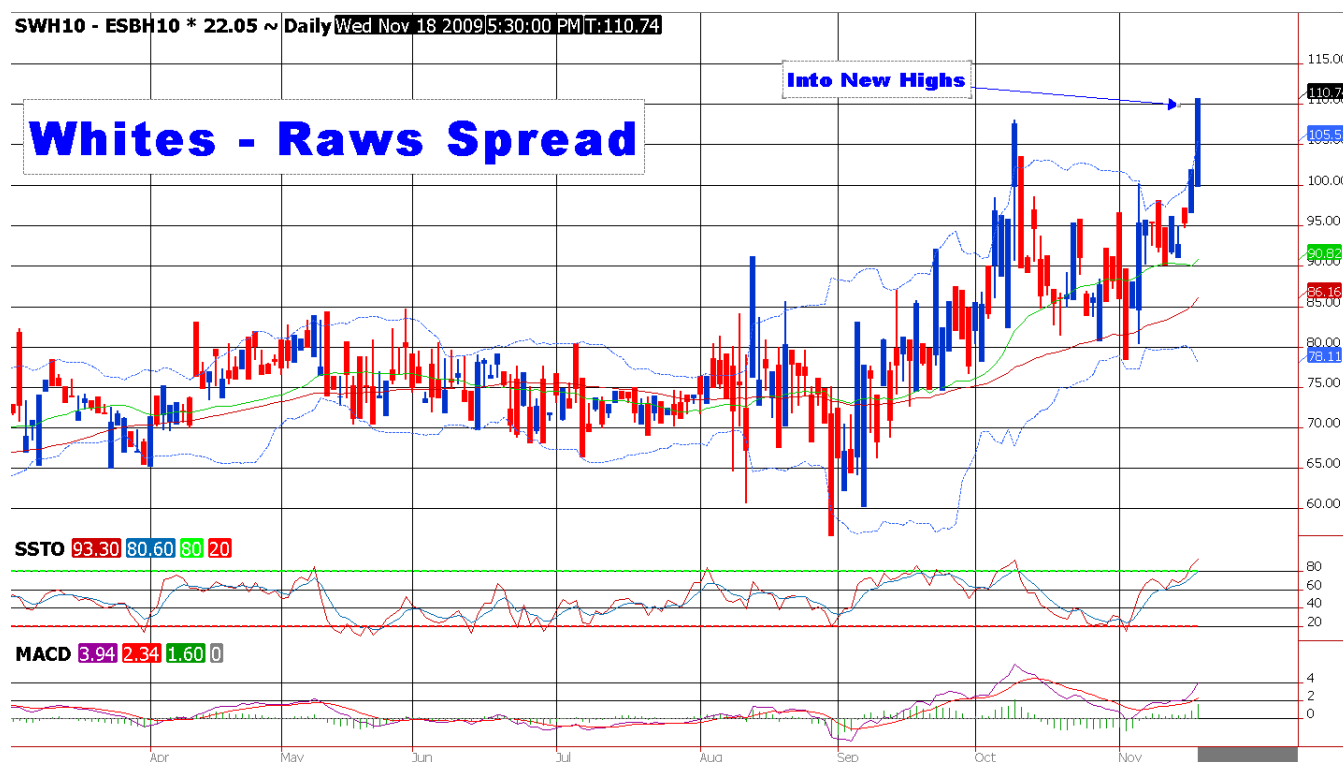




# Sugar Wire

Sugar futures rallied as a weak U.S. dollar gave supportive strength to a broad-based commodities rally. March sugar settled up 20 points at 23.30 cents per pound. Sugar held on a key test of support last week and the market remains underpinned by supportive fundamentals. Speculative buy boosted futures early on, the rally remained contained by origin selling in the cash markets.

Sugar inventories in key countries such as India are expected to be significantly lower than the previous year. India has turned into a net importer of sugar after weather woes plagued the crop for the last two years and demand strengthened. Speculation about new buying from Pakistan, Mexico or India is an underlying supportive feature for the market, though much of that buying isn't scheduled to appear until early 2010. Raw sugar differentials in Brazil are weak, as much as 90-100 points below the futures, for shipment up to Dec. 15. This is perplexing if increased demand is expected to lead to tight sugar supplies, which would normally be reflected by strengthening differentials. Analysts are also adjust supply deficits for 09/10 lower as Brazilian production remains ramped up and Indian harvest continues to progress. South American supply pipelines remain full, Southeast Asian markets continue to trade at a premium.



**Cash Data:**

Products	Last	D. Range	Previous	Update
Thailand (new crop)				
TH 45-ICUMSA	596.50	DEC09	581.40	16OCT09
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Brazil (Kingsman)				
KDP RAW FOB	514.00	SPOT	486.75	16OCT09
KDP RAW C&F	549.00	SPOT	521.75	16OCT09
KDP WHITE FOB	574.50	SPOT	545.50	16OCT09
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Brazil Raw				
Center/South	-0.11/-0.09	OCT09	-0.12/-0.09	04SEP09
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IndiaReady (M)	2980/3070	SPOT	2970/3055	16OCT09
Ready (S)	2950/3030	SPOT	2940/3025	16OCT09
Mill Del. (M)	2900/3075	SPOT	2890/3015	16OCT09
Mill Del. (S)	2875/2900	SPOT	2860/2890	16OCT09
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Russian Sugar				
Sugar Krasnodar	815.14	SPOT	813.09	16OCT09
Import B Sea	UNQ			
Freight, US\$/mT				
EU-NAfrica Bgd	38.00	SPOT	38.00	09SEP09
EU-Syria Bagged	40.00	SPOT	40.00	09SEP09
S.BR-BSea Bulk	33.00	SPOT	33.00	09SEP09
S.BR-Pakis Bgd	43.00	SPOT	43.00	09SEP09
Cuba-BSea Bulk	27.00	SPOT	27.00	09APR09
S.BR-W.India Bgd	45.00	SPOT	45.00	09SEP09
S.BR-Egypt Bgd	30.00	SPOT	30.00	09SEP09

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