



From 20th september to 1st october 2010

Week # 39

**Prices remain firm**

Raw and white sugar prices held up well in the last two weeks of September 2010. As demand for raw sugar is currently higher than that for white, prices in New York rose by 1.3 % while London prices remained fairly stable, falling 0.8 %. This situation has also led to a fall in the value of white premium (p.3), now just over 80 \$/t (on a March/December after reaching the October settlement date).

On 1 October, white sugar for delivery in December 2010 was trading at 602 \$/t (441 €/t) while raw sugar was fetching 515 \$/t (378 €/t) for delivery in March 2011. This stable level of high prices was most likely caused by exchange rate changes, particularly the sharp fall in the dollar against all the other currencies (p.7) following the publication of disappointing unemployment and real estate market statistics in the US.

On the energy markets (p.4), US gasoline prices have risen to 53\$/hl thanks to an increase in the price of oil to 78 \$/barrel. The falling trend on the cereal market (p.5), particularly as concerns the price of maize, seems to have had a knock-on effect on the US ethanol market, with this commodity currently trading at just under 50 \$/hl.

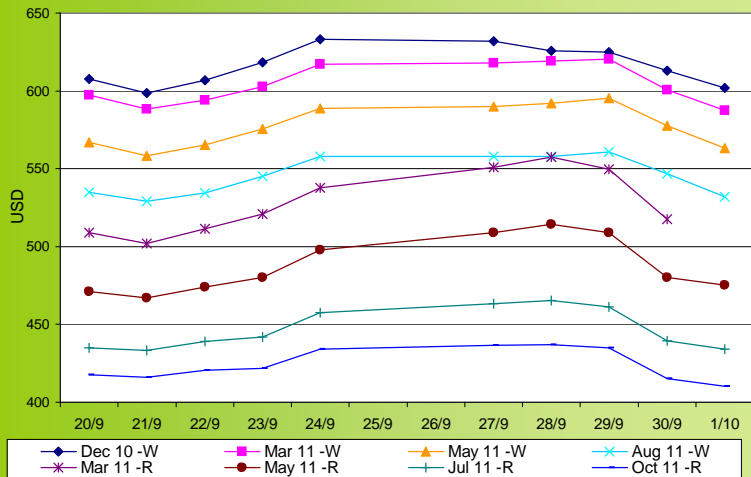
In Brazil, which enjoyed record sugar exports in July, August and September, the price of Brazilian ethanol is rising, with Brazilian anhydrous ethanol currently fetching a price of 67-68 \$/hl. The same trend can be observed in Europe, where ethanol is currently trading at around 63 €/hl (Rotterdam FOB T2).

The BDI Supramax index has fallen to 1850 points.

**SUGAR #11 and #5 - Prices**

Settling date	Previous week	Current week	Difference
<b>Refined sugar price - London Euronext (USD/t)</b>			
Dec 10	613.0	619.5	6.5
Mar 11	600.0	609.1	9.1
May 11	571.0	583.7	12.6
Aug 11	540.3	551.1	10.8
<b>Raw sugar - ICE #11 (USD/t)</b>			
Mar 11	516.1	538.1	22.0
May 11	478.1	497.5	19.3
Jul 11	441.4	452.7	11.4
Oct 11	422.1	426.8	4.7
<b>Raw sugar - ICE #11 (cts/lb)</b>			
Mar 11	23.41	24.41	1.00
May 11	21.69	22.56	0.88
Jul 11	20.02	20.54	0.52
<b>White premium (USD/t)</b>			
Mar/Dec	96.9	81.4	-15.4

Raw and white sugar prices on the past two weeks USD/t (daily prices)



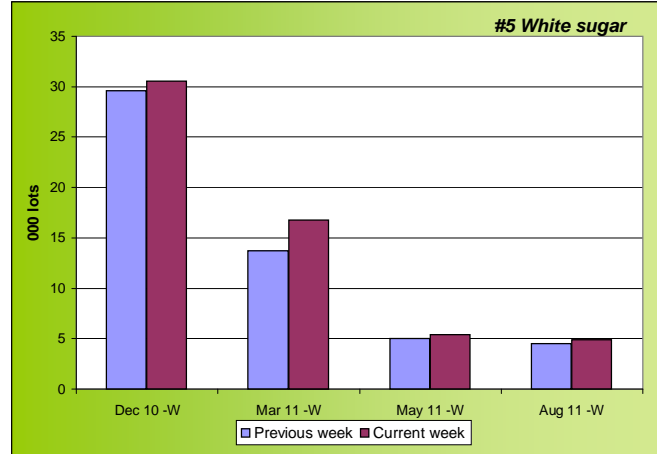
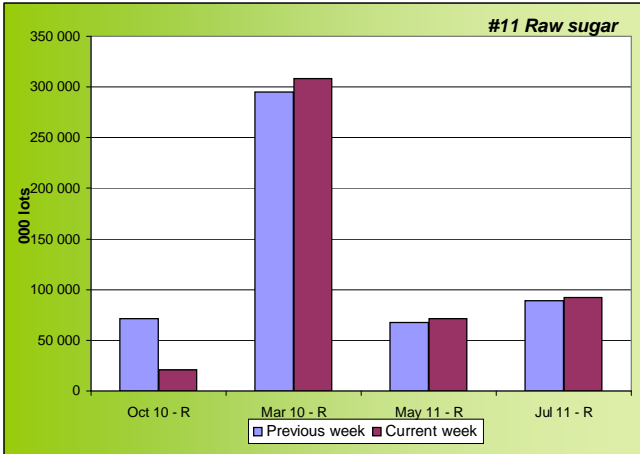
Sugar Prices #11 and #5 since January 08



From 6th to 17th of september 2010

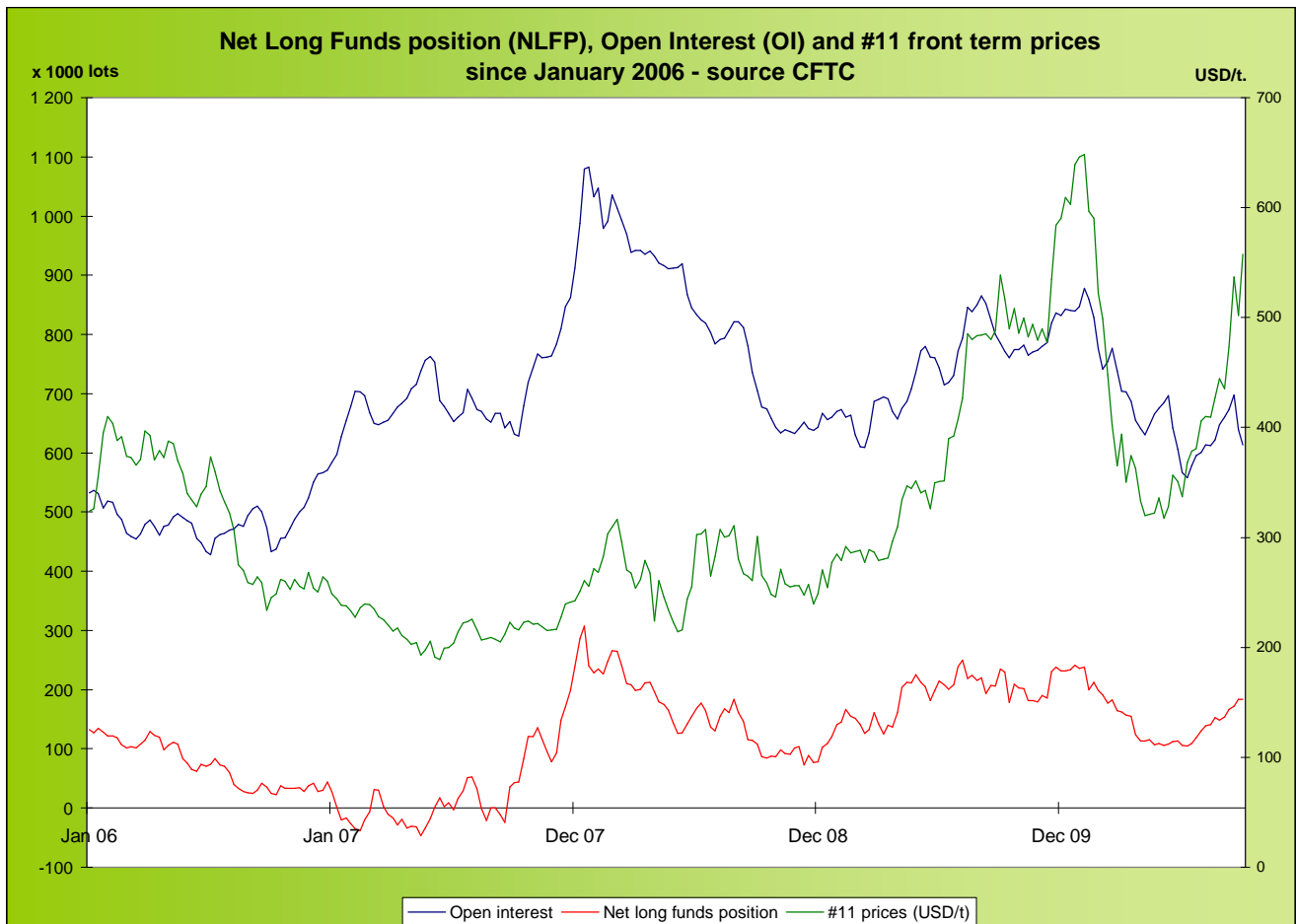
**SUGAR #11 & #5 - Open interest + Funds positions**

Average weekly Open Interest per settling date contract (1 lot= 50t)



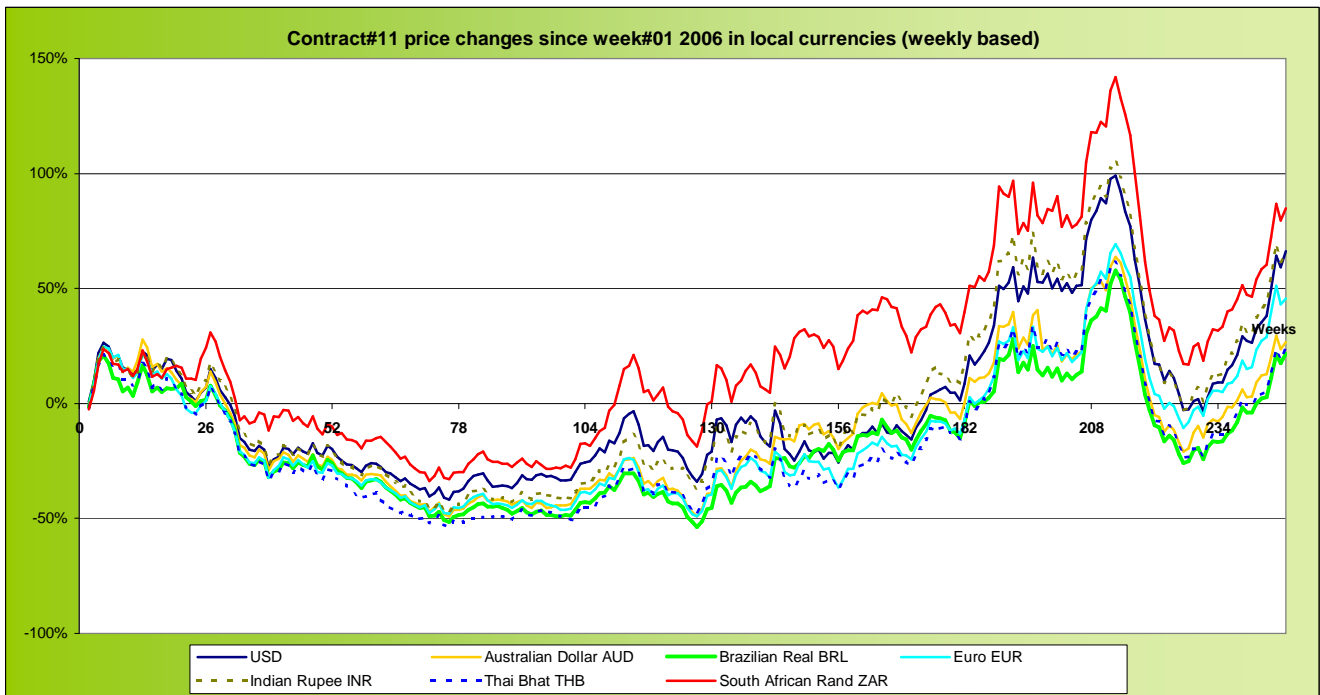
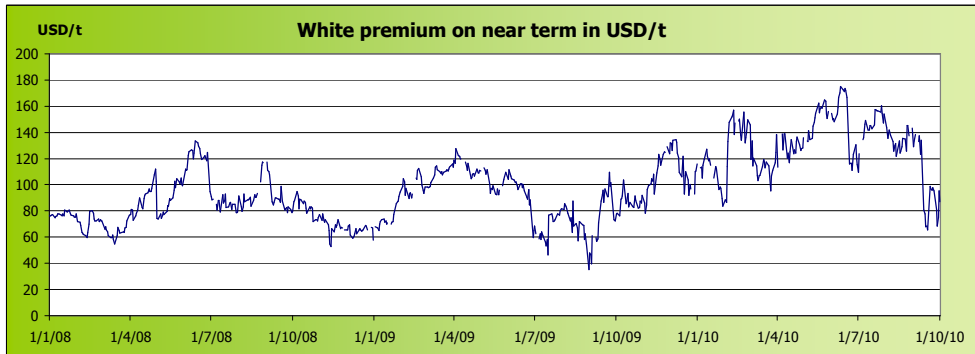
#11 Average weekly open interest				
(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Oct 10 - R	71589	20907	-50682.4	-71%
Mar 10 - R	294970	308022	13051.6	4%
May 11 - R	67572	71163	3591.4	5%
Jul 11 - R	89264	92234	2970.4	3%
<b>Total</b>	<b>635365</b>	<b>603472</b>	<b>-31893.4</b>	<b>-5%</b>

#5 Average weekly open interest				
(1000 lots)	Week n-1	Week n	Diff (lots)	Diff (%)
Dec 10 -W	29.6	30.6	1.0	3%
Mar 11 -W	13.7	16.8	3.1	23%
May 11 -W	5.0	5.4	0.4	8%
Aug 11 -W	4.5	4.9	0.4	9%
<b>Total</b>	<b>54</b>	<b>59</b>	<b>5.0</b>	<b>9%</b>



From 6th to 17th of september 2010

**SUGAR #11 - White premium + Prices in local currencies**



**Contract#11 sugar price changes from past week and from week#01 2006 in local currency and in percentage**

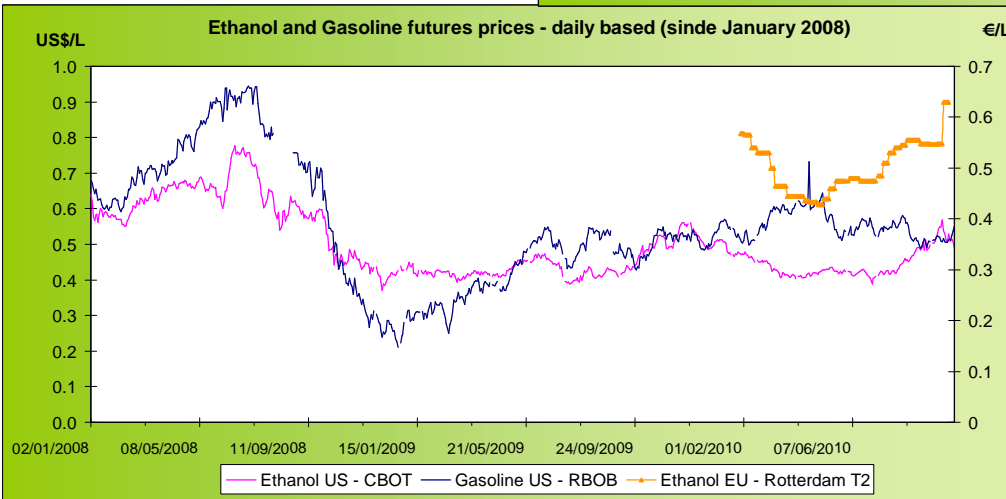
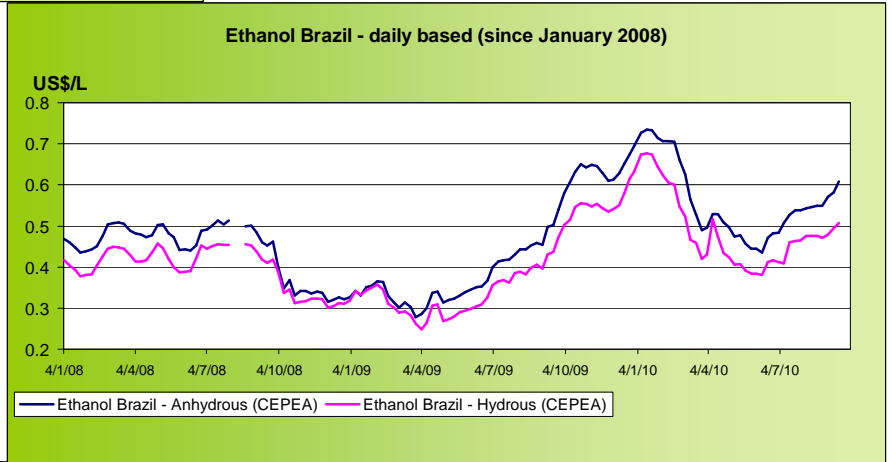
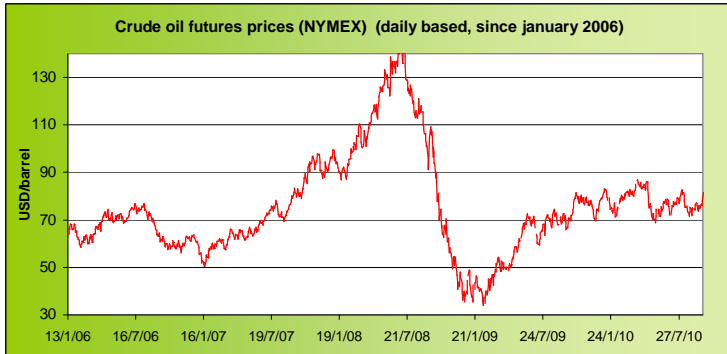
Currencies	Sugar prices in currency	Sugar prices in currency	Difference from previous week	Difference from previous week	Difference from week#1
	Past week	Current week	In currency	In %	In %
USD	516.1	<b>538.1</b>	22.0	<b>4.3%</b>	66.1%
Australian Dollar AUD	543.0	<b>556.8</b>	13.8	<b>2.5%</b>	26.8%
Brazilian Real BRL	882.8	<b>914.1</b>	31.3	<b>3.5%</b>	21.6%
Chinese Yuan CNY	3458.4	<b>3596.8</b>	138.4	<b>4.0%</b>	37.6%
Euro EUR	389.0	<b>395.6</b>	6.6	<b>1.7%</b>	45.6%
Indian Rupee INR	23509.9	<b>24110.4</b>	600.5	<b>2.6%</b>	65.9%
Mexican Peso MXN	6542.6	<b>6737.4</b>	194.8	<b>3.0%</b>	96.0%
Russian Rouble RUB	15924.8	<b>16425.4</b>	500.6	<b>3.1%</b>	76.5%
Thai Bhat THB	15725.5	<b>16254.7</b>	529.1	<b>3.4%</b>	23.3%
South African Rand ZAR	3639.6	<b>3742.2</b>	102.6	<b>2.8%</b>	84.7%

*Sugar prices and currencies data are based on weekly average.*



From 6th to 17th of september 2010

**ENERGY MARKETS - Ethanol, Crude oil and Gazoline**



**Oil, gasoline and ethanol price changes from past week and from week#01 2006**

	Price in USD	Price in USD	Difference	Difference past week	Difference from the week#1
Products	Past week	Current week	In USD	In %	In %
Ethanol CBOT (USD/l)	0.5233	0.5079	-0.0153	<b>-2.93%</b>	-14.7%
Ethanol CBOT (USD/gal)	1.9780	<b>1.9200</b>	-0.0580		
Oil (USD/barrel)	75.51	<b>78.42</b>	2.91	<b>3.86%</b>	23.2%
Gazoline RBOB (USD/l)	0.5096	<b>0.5281</b>	0.018	<b>3.62%</b>	164.0%
Sugar #11 (USD/t)	516.15	<b>538.10</b>	22.0	<b>4.25%</b>	66.1%
Products	Past week	Current week	In USD	In %	In %
Ethanol CEPEA (USD/l) - Anhydrous	0.6308	0.6756	0.0448	<b>7.10%</b>	43.7%
Ethanol CEPEA (USD/l) - Hydrus	0.5306	0.5729	0.0423	<b>7.97%</b>	27.7%
Products	Past week (€/l)	Current week (€/l)	In €	In %	In %
Ethanol EU - Rotterdam T2	0.63				



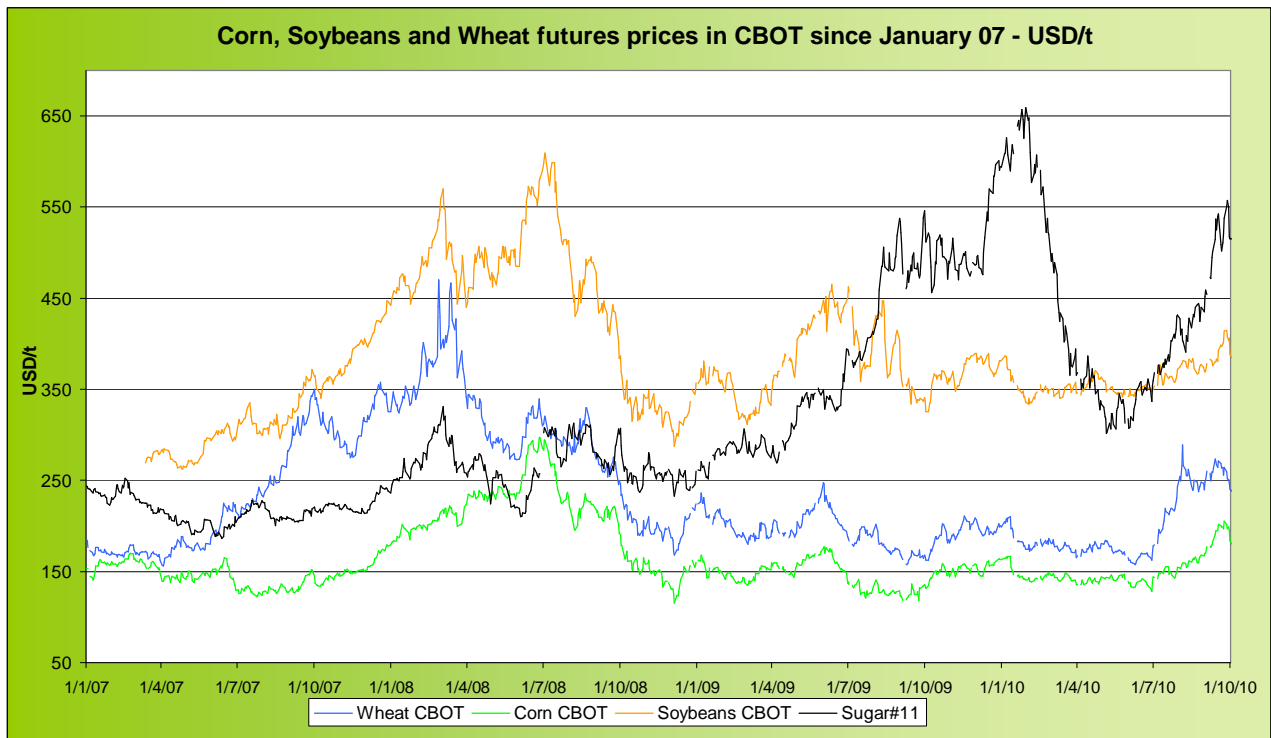
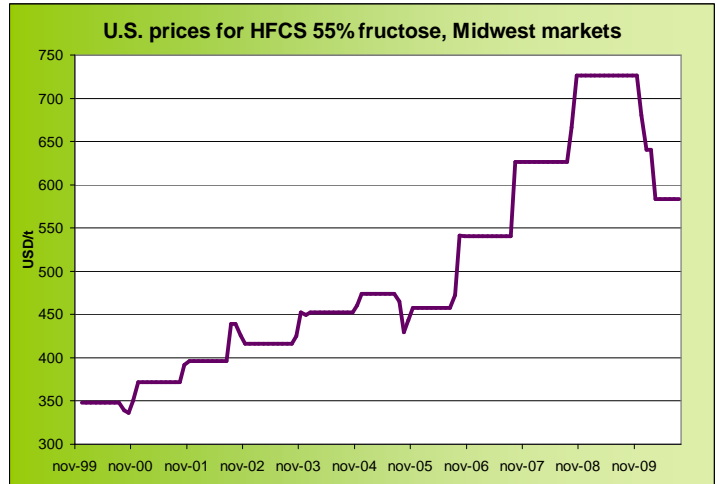
From 6th to 17th of september 2010

**GRAINS MARKETS - Corn, Soybeans, Wheat and HFCS**

**Price changes**

	Current month-3	Current Month-2	In USD
<b>HFCS 55 - USD/t</b>	583.18	583.18	0.00
<b>HFCS 55 - cts/lb</b>	26.46	26.46	0.00

Dry weight, monthly averages, source Milling and baking news



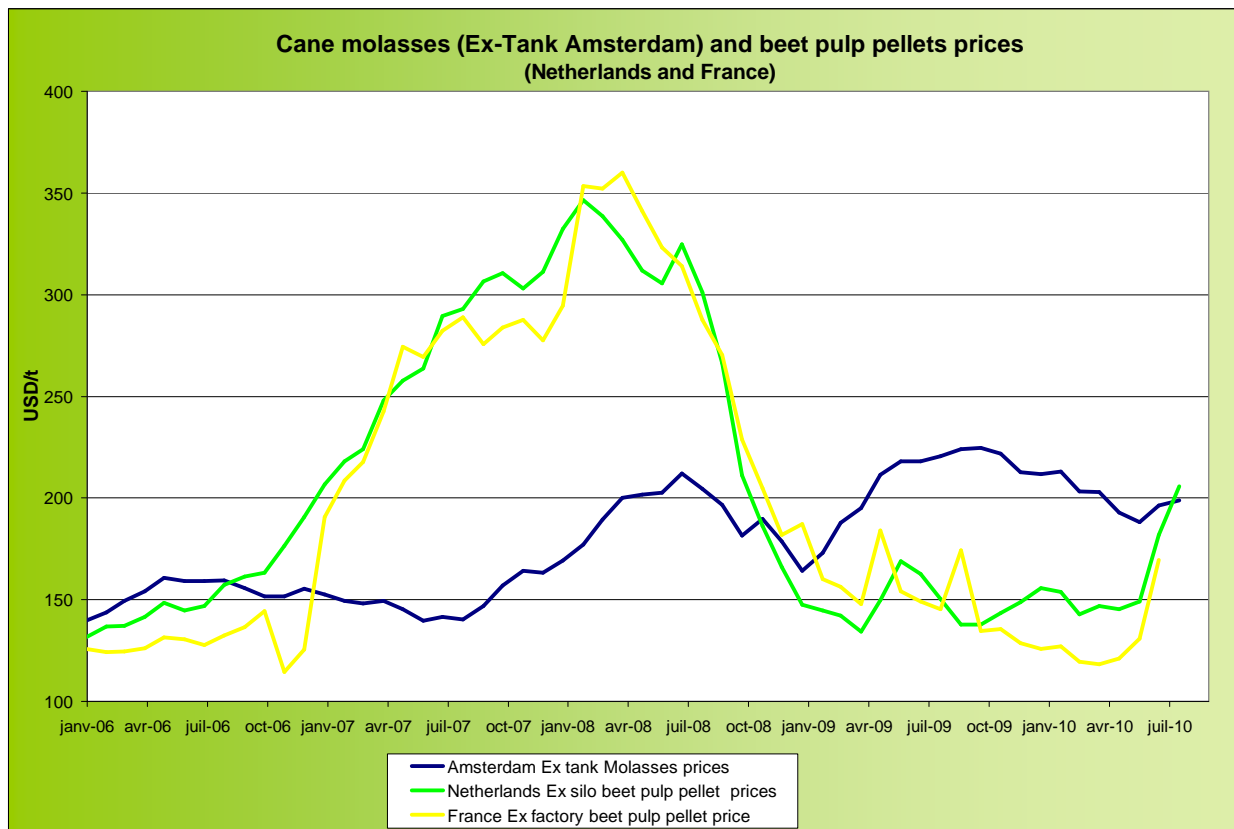
**Corn, soybeans and wheat prices, changes from the past week and from the week#01 2006 in USD/t and in percentage**

Products		Front term	Front term	Difference	Difference	Diff week#1 2006
		Past week	Current week	In USD	In %	In %
<b>Corn (CBOT)</b>	<b>USD/t</b>	199.94	<b>195.18</b>	<b>-4.76</b>	<b>-2.4%</b>	129.8%
	<b>cts/bsl</b>	507.84	495.76	-12.08		
<b>Soybeans (CBOT)</b>	<b>USD/t</b>	402.10	<b>404.21</b>	<b>2.12</b>	<b>0.5%</b>	82.2%
	<b>cts/bsl</b>	1094.44	1100.20	5.76		
<b>Wheat (CBOT)</b>	<b>USD/t</b>	263.53	<b>250.08</b>	<b>-13.45</b>	<b>-5.1%</b>	100.7%
	<b>cts/bsl</b>	717.28	680.68	-36.60		



From 6th to 17th of september 2010

**BY-PRODUCTS - Molasses and Beet Pulp**



Monthly averages - Source: LIE and web agri

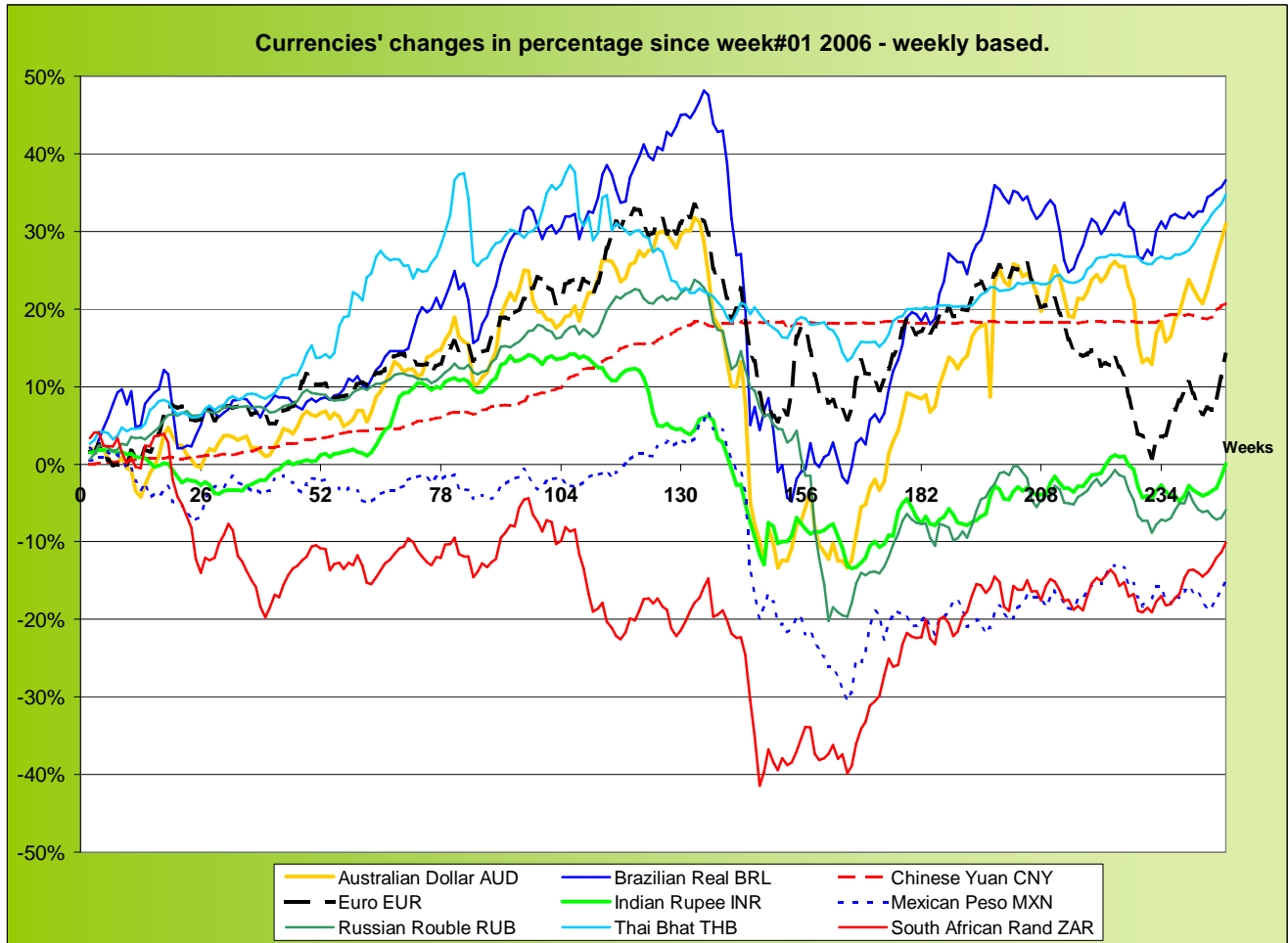
**Molasses and beet pulp pellets prices and changes between three and two months before and from month#01 2006**

		Commodity	Commodity	Difference from previous month	Difference from previous month	Difference from month#1 2006
<i>Products</i>		Month -3	Month -2	In USD and €	In %	In %
<i>Amsterdam Ex tank Cane Molasses</i>	<i>USD/t</i>	188.10	196.43	8.33	4.4%	40.6%
	<i>EUR/t</i>	154.00	154.00	0.00	0.0%	33.3%
<i>Netherlands Beet Pulp Pellets</i>	<i>USD/t</i>	148.96	181.95	33.00	22.2%	38.5%
	<i>EUR/t</i>	121.95	142.65	20.70	17.0%	31.3%
<i>Products</i>		Month -3	Month -2	In USD and €	In %	In %
<i>France Beet Pulp Pellets</i>	<i>USD/t</i>	130.70	169.64	38.95	29.8%	34.9%
	<i>EUR/t</i>	107.00	133.00	26.00	24.3%	27.9%



From 6th to 17th of september 2010

**EXCHANGE RATES**



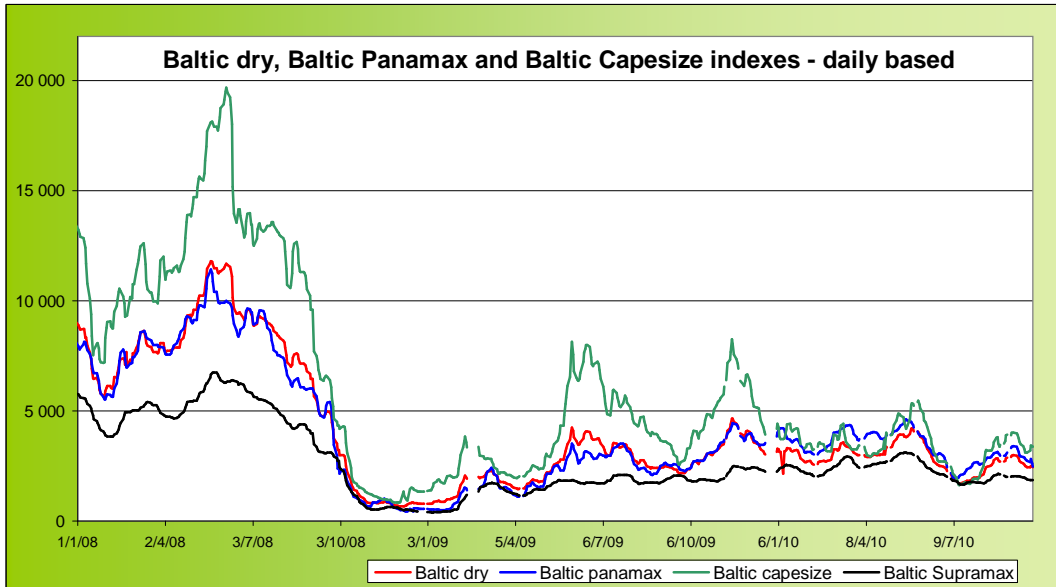
**Currencies' changes from the past week and from the week#01 2006  
in USD and in percentage**

Currencies	Currencies in USD - Week#:	Currencies in USD - Week#:	Difference from previous week	Difference from previous week	Difference from week#1 2006
	Past week	Current week	In USD	In %	In %
<i>Australian Dollar AUD</i>	0.9505	<b>0.9664</b>	0.01589	<b>1.7%</b>	31.0%
<i>Brazilian Real BRL</i>	0.5847	<b>0.5886</b>	0.00398	<b>0.7%</b>	36.6%
<i>Chinese Yuan CNY</i>	0.1492	<b>0.1496</b>	0.00036	<b>0.2%</b>	20.7%
<i>Euro EUR</i>	1.3270	<b>1.3603</b>	0.03327	<b>2.5%</b>	14.1%
<i>Indian Rupee INR</i>	0.0220	<b>0.0223</b>	0.00036	<b>1.7%</b>	0.1%
<i>Mexican Peso MXN</i>	0.0789	<b>0.0799</b>	0.00098	<b>1.2%</b>	-15.3%
<i>Russian Rouble RUB</i>	0.0324	<b>0.0328</b>	0.00035	<b>1.1%</b>	-5.9%
<i>Thai Bhat THB</i>	0.0328	<b>0.0331</b>	0.00028	<b>0.9%</b>	34.7%
<i>South African Rand ZAR</i>	0.1418	<b>0.1438</b>	0.00198	<b>1.4%</b>	-10.1%



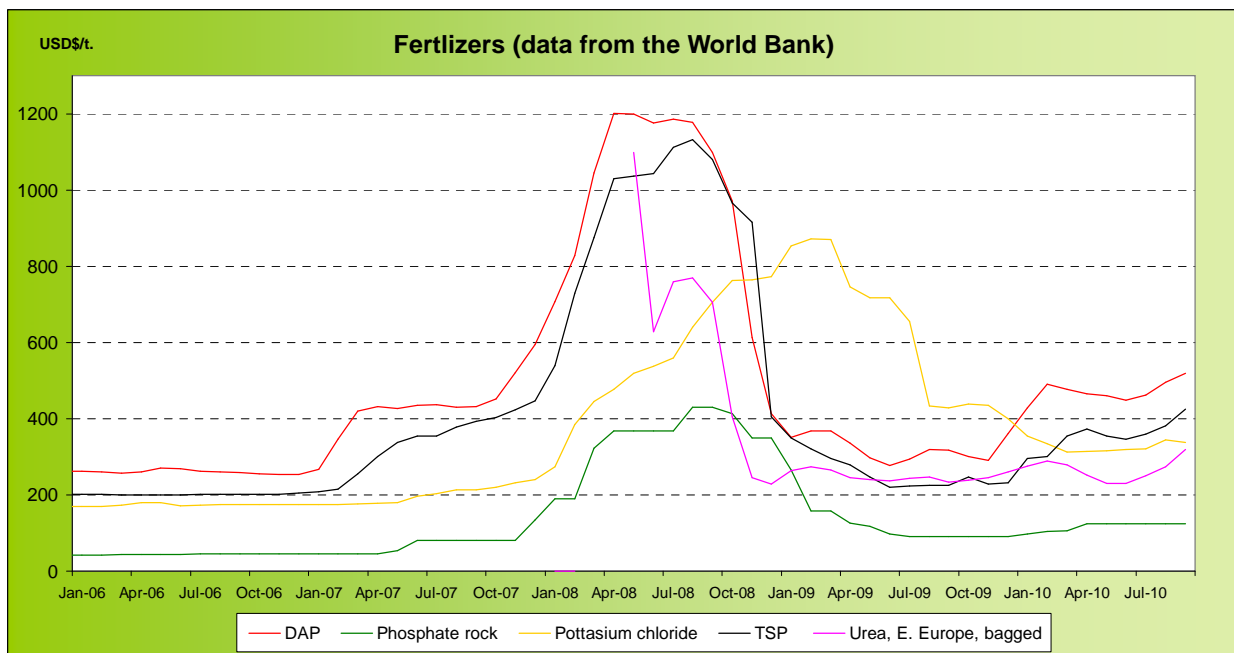
From 6th to 17th of september 2010

**FREIGHT - Baltic Indexes**



**Baltic indexes, changes from the past week and from the week#01 2007**

	Freight indexes	Freight indexes	Difference from previous week	Difference from previous week	Difference from week#01 2007
Indexes	Past week	Current week	Index	In %	In %
Baltic dry	2516.6	2467.3	-49.3	-2.0%	-46.3%
Baltic Supramax	1940.0	1852.0	-88.0	-4.5%	-38.0%
Baltic panamax	2818.0	2641.5	-176.5	-6.3%	-39.1%
Baltic capesize	3194.0	3347.8	153.8	4.8%	-45.6%



**Explanations :**  
 DAP (diammonium phosphate), standard size, bulk, spot, f.o.b. US Gulf  
 Phosphate rock (Moroccan), 70% BPL, contract, f.a.s. Casablanca  
 Pottasium chloride (muriate of potash), standard grade, spot, f.o.b. Vancouver  
 TSP (triple superphosphate), onwards Tunisian, granular, f.o.b.  
 Urea, (Black Sea), bulk, spot, f.o.b. Black Sea (primarily Yuzhnyy)

**MARKET OVERVIEW - The Grower Dashboard****Comparison of futures prices for sugar, ethanol, crude oil, grains  
in USD and in %**

	Commodity	Commodity	Difference from	Difference from	Difference from	
			previous week	previous week	week#1 2006	
Products	Past week	Current week	In USD	In %	In %	
Sugar (#11)	USD/t	516.15	<b>538.10</b>	21.96	<b>4.3%</b>	66.1%
	Cts/lb	23.41	<b>24.41</b>	1.00		
Sugar #5	USD/t	613.02	<b>619.54</b>	6.52	<b>1.1%</b>	75.5%
Corn (CBOT)	USD/t	199.94	<b>195.18</b>	-4.76	<b>-2.4%</b>	129.8%
	cts/bsl	507.84	<b>495.76</b>	-12.08		
Soybeans (CBOT)	USD/t	402.10	404.21	2.12	<b>0.5%</b>	82.2%
	cts/bsl	1094.44	1100.20	5.76		
Wheat (CBOT)	USD/t	263.53	<b>250.08</b>	-13.45	<b>-5.1%</b>	100.7%
	cts/bsl	717.28	<b>680.68</b>	-36.60		
Ethanol	EU (€/l)	0.63	<b>0.00</b>	-0.63	<b>#DIV/0!</b>	
	US (USD/l)	0.5233	<b>0.5079</b>	-0.02	<b>-2.9%</b>	-14.7%
	Brazil (USD/l) Anhydrous	0.6308	<b>0.6756</b>	0.04	<b>7.1%</b>	43.7%
Crude oil	USD/barrel	75.51	<b>78.42</b>	2.91	<b>3.9%</b>	23.2%
Freight supramax	Index	1940.00	<b>1852.00</b>	-88.00	<b>-4.5%</b>	-38.0%

**IN BRIEF** (Source : FO Licht Sugar Daily)

**Brazil** : Datagro has raised its 2010/11 sugar production outlook amid drop in cane crop. Dry weather in the main Centre/South cane region will contain the cane crush in 2010/11 at 578,8 Mt, down 1,2% from a July forecast of 585,2 Mt and compared with 541,9 Mt in 2009/10. Despite this downward revision of the cane crop, Datagro raised its sugar production forecast for 2010/11 in the Centre/South region to 33,65 Mt, tel quel, from 32,9 Mt in July as high international prices have led mills to direct more cane to sugar production instead of ethanol. Datagro sees 42,7 % of the 2010/11 cane crop directed to sugar production, instead of a previous forecast of 41,5 %. Ethanol output this season is expected to total 274 Mh, down from 284 Mhl seen in July. Datagro's forecasts are based on expectations rains will become more frequent in the CS from late October.

**India** : India's sugar production in 2010/11 is likely to rise by 29% to 24,5 Mt, white value, from 19 Mt in 2009/10, thanks to a wider area under cultivation and good rains, a senior Food Ministry said. The ministry's forecast for 2010/11 is 1 Mt lower than the 25,5 Mt projected by the ISMA.

The Sugar Mills Association of Uttar Pradesh still expects output in the state to reach 6,8 Mt, white value, up from 5,2 Mt in 2009/10 despite heavy rains in flooding in some parts of the country. However, the association made it clear that the start of the 2010/11 harvest would probably have to be delayed to November 15 from November 1.

**Indonesia** : Indonesia's state procurement agency Bulog has obtained permits from the government to import 60 000 t of white sugar, local press reports said. However, the agency is not planning to buy the sugar at current price levels and will wait until around November when Thailand's new crushing season begins, it was added.

**Mexico** : Mexico's planned import quota of 100 000 t of sugar will probably be ready for publication in the official gazette in two weeks, an official from the Economy Ministry said. 10% of all Mexican sugar imports must come from Nicaragua due to a free trade deal between the two countries. Mexico usually charges 360\$/t duty on sugar imports, but under the quota the rate will be between 33\$/t and 36\$/t, the official said.

**Pakistan** : Pakistan has decided to waive the import duty on raw sugar, Agriculture Minister Nazar Mohamed Gondal told Reuters. Currently, the import duty stands at 25%. Pakistan is facing a deficit of probably more than 1 Mt of sugar in the upcoming season after floods destroyed large parts of the country. However, according to the Pakistan Sugar Millers Association (PSMA), sugar output could reach 3,6 Mt, white value, up from 3,1 Mt the priori year. Given local consumption of around 4,2 Mt, the sugar industry is in favour of allowing raw sugar imports of 500 000 t to bridge the gap. The sugar campaign in the country is expected to start on November 15.

**Russia** : Sugar production in 2010/11 in the period ended september 27 amounted to 687 300 t, white value, compared with 760 500 t produced in the same period a year ago, the Russian Sugar Producers Union said. A devastating drought won't allow the country to produce more than 3-3,1 Mt, white value, down from 3,2 Mt last season despite a 25% increase in the area sown to beet.

**Ukraine** : Sugar producers union Ukrtsukor said total output in 2010/11 will be more than 2 Mt compared with 1,3 Mt in 2009/10. Local consumption is around 2 Mt.