

Sugar Report

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Sudcen Financial Sugar

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Available daily on the web. All prices are from the previous business day's close.

Sources used in this report found at www.sudcenfinancial.co.uk/researchresources

New York #11 Raws Electronic						London #5 Whites						Whites Uncov.	Other Markets				
	High	Low	Sett	±/-	Open Int		High	Low	Sett	±/-	Open Int			Close	Change		
MAY 09	12.95	12.58	12.69	-0.06	244,631	MAY 09	382.00	376.50	377.70	-1.50	22,111	21,891	CBOT Soybean	863.00	1.71		
JUL 09	13.19	12.88	12.98	-0.02	138,885	AUG 09	378.90	374.50	375.60	-1.70	13,925	16,418	CBOT Corn	343.50	0.00		
OCT 09	13.54	13.34	13.43	0.05	93,028	OCT 09	377.90	374.00	374.90	-2.20	4,956	7,012	CBOT Wheat	490.25	-0.91		
JAN 10			13.73	0.05	207	DEC 09	380.80	376.10	378.40	-0.50	1,190	1,176	WTI Crude	42.72	2.57		
MAR 10	14.13	13.97	14.07	0.09	57,070	MAR 10	383.10	379.80	382.00	0.70	1,134	1,274	NY Cocoa	2305.00	0.74		
MAY 10	13.72	13.60	13.68	0.10	16,060	MAY 10	382.20	380.50	381.70	1.30	229	339	NY Coffee	104.10	0.53		
JUL 10	13.31	13.14	13.24	0.07	15,488	AUG 10	381.20	380.20	378.00	1.50	407	485	S&P 500	700.82	-0.64		
OCT 10	13.36	13.19	13.29	0.07	15,643	OCT 10			378.00	-1.50	246	246					
JAN 11			13.31	0.07	2	AA's		70	EFS's		5						
MAR 11	13.46	13.26	13.37	0.02	20,042	Volume		4,809				48,841					
MAY 11	13.20	13.03	13.12	0.02	7,260	Switches NY		Switches London		Whites Premium							
JUL 11	13.10	12.90	12.97	0.00	3,755	May09/Jul09	-29/-28	May/Aug	2.10/2.40	May/May	99.00/99.50						
OCT 11	13.18	13.06	13.12	0.04	4,901	Jul09/Oct09	-44/-43	Aug/Oct	0.70/1.00	Aug/Jul	90.00/91.00						
JAN 12					0	Oct09/Mch10	-64/-63	Oct/Dec	-3.50/-3.10	Oct/Oct	79.00/80.00						
						Mar10/May10	37/39	Dec/Mch10	-3.90/-3.50	Calendar							
AA's:	1100				EFS's:	150	NY Options		London Options		New York:	London:					
Est Volume:	96,680				Total O.I.:	616,972	Call Volume	18,301	Call Volume	40			01/04 May opts exp				
							Put Volume	12,045	Put Volume	26	16/03 Apr opts exp	15/04 May fut exp					
							Call O/P	427,216	Call O/P	3,448	15/04 May opts exp	01/07 Aug opts exp					
							Put O/P	310,941	Put O/P	10,046	Commitment of Traders						
Technical Information:																	
NY:	Support	Resistance	RSI 9/14	London:	Support	Resistance	RSI 9/14					Net Spec Pos	Change				
May09	12.58	13.77	41 & 45	May-09	375.00	400.00	43 & 50					24-Feb					
	12.50	13.87			370.00	400.60						Futures*	151,777	-3,598			
	12.34	13.93			367.40	401.00						Futures&Options*	142,920	-3,184			
														Index Funds Suppl	160,648	-358	
														*Non-commercial + non-reportable net positions			
Spot Prices and K.D.P.'s																	
														K.D.P. Whites F.O.B.		373.75	
														K.D.P. Raws F.O.B.		277.00	
														K.D.P. Raws C&F		308.00	

Market Commentary

Sugar futures ended mostly lower, unable to hold early gains as afternoon selling outweighed producer buybacks and trade bargain hunting. After the washout Friday it was not surprising to see some interest - albeit light - on the opening. And without residual selling to drive the market down further, prices held quietly steady. Whites also displayed some strength despite a brief stumble at the start, and it seemed we were headed for a decent recovery. However, although NY remained higher London struggled to stay over unchanged by midday. In the early afternoon No.11 prices were subjected to some fresh selling, especially after the options opening. Once profits were back at single digits and May was 20 points from the morning high, the pressure escalated. By mid afternoon new lows were recorded in both markets, and then even lower prices prevailed later in the day. However, it should be noted that the decline was orderly due scale buying and only pockets of spec sell stops. Leading up to the London close some last minute demand propped up whites. NY also bottomed out around the same time and slowly cut losses by settlement time. In the last hour May nearly reached unchanged. Today the market has been quietly steady, but low volume is still a factor in morning sessions.

A little disappointing to see the market close lower after starting well, but perhaps snap tenders over the weekend were few and far between (if any at all) despite the low values. In addition, the sharp fall/technical breakdown might have given the funds an excuse to sell a little more. But the downside price action was not too bearish, and the close for both markets was not too damaging. Thus, we should probably still attempt to correct to the upside, with the 13.00-13.20 area a near term target.

Comments: Peter Hoyt, Sudcen Financial Sugar

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