

Sugar Report



15 December 2011

Sucden Financial Sugar

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New York #11 Raws Electronic						London #5 Whites						Whites Uncov.	Other Markets				
	High	Low	Sett	+/-	Open Int		High	Low	Sett	+/-	Open Int			Close	Change		
MAR 12	23.53	22.68	22.80	-0.64	212209	MAR 12	610.30	592.60	597.70	-10.90	25,661	17223	CBOT Soybean	1100.00	-1.65		
MAY 12	23.10	22.30	22.36	-0.69	91218	MAY 12	601.80	586.00	589.80	-11.20	8,071	5,821	CBOT Corn	580.00	-1.44		
JUL 12	22.71	21.99	22.04	-0.68	93,026	AUG 12	595.60	580.00	583.30	-11.20	10,177	8,063	CBOT Wheat	588.00	-0.63		
OCT 12	22.85	22.22	22.33	-0.56	49,101	OCT 12	596.70	582.50	585.90	-10.50	3,860	2,228	WTI Crude	94.95	0.84		
MAR 13	23.28	22.66	22.82	-0.50	31,307	DEC 12	594.20	589.60	589.60	-10.40	1,406	919	NY Cocoa	2023.00	7.02		
MAY 13	23.09	22.50	22.65	-0.46	9,979	MAR 13	596.00	593.20	593.00	-9.70	1,195	1,063	NY Coffee	218.65	-1.62		
JUL 13	23.06	22.44	22.57	-0.49	13,273	MAY 13	592.70	591.20	592.10	-8.00	82	70	S&P 500	1211.82	-1.13		
OCT 13	23.03	22.45	22.57	-0.49	10,547	AUG 13	587.00	587.00	587.00	-0.50	2	3					
MAR 14	23.07	22.53	22.63	-0.49	8,832	AA's		1,116	EFS's	0		35,390					
MAY 14	22.87	22.43	22.50	-0.50	3,014	Volume		9,085			50,454						
JUL 14	22.68	22.40	22.45	-0.47	2,716												
AA's:	314	EFS	170			Switches NY		Switches London		Whites Premium							
Est Volume:	85,199			Total O.I:	525,222	Mch/May12	45/46	Mar12/May12	7.30/8.20	Mch/Mch	92.10/93.45						
						May/Jul	32/34	May12/Aug12	6.00/6.60	May/May	93.20/94.8						
						Jul/Oct	-31/-30	Aug12/Oct12	-2.60/-2.00	Aug/July	94.20/96.00						
						Oct12/Mch13	-50/-49	Oct12/Dec12	-4.00/-3.30	Oct/Oct	91.05/93.05						
						NY Options		London Options		Calendar							
						Call Volume	13,680	Call Volume	0	New York:		London:					
						Put Volume	13,643	Put Volume	0	Jan opts exp 15/12	Mch opts exp 01/02/2012						
						Call O/P	375,563	Call O/P	1,879	Feb opts exp 17/01/2012	Mch fut exp 14/02/2012						
						Put O/P	345,352	Put O/P	1,940	Mch opts exp 15/02/2012	May opts exp 02/04/2012						
										Commitment of Traders							
										06-Dec	Net Spec Pos	Change					
										Futures*	41,175	4,955					
										Futures&Options*	46,556	11,234					
										Index Funds Suppl	191,022	-497					
										*Non-commercial + non-reportable net positions							
Technical Information:																	
NY:	Support	Resistance	RSI 9/14			London:	Support	Resistance	RSI 9/14								
Mch-12	22.31	23.68	37.39			Mch-12	592.90	615.39	37.66								
	21.25	24.25	38.45				557.00	631.52	38.69								
	20.93	24.50					553.04	650.83									
Spot Prices and K.D.P's																	
						Br.Real	1.8763						K.D.P. Whites F.O.B.	647.80			
						Euro/\$	1.2995						K.D.P. Raws F.O.B.	528.75			
													K.D.P. Raws C&F	564.75			

Market Commentary

We are noticeably not bouncing this morning following yesterday's new recent lows and it's looking a little worrying for the bull out there. The macro situation seems to be "cause célèbre" for the bears and after yesterday's slide in the commodity basket hard to argue otherwise. The Euro is giving the macro bears a little Christmas cheer as the short sellers out there are lapping the technical breakdown in the Euro through 1.3200 (to present levels below 1.3000) and little fundamental reason to take profits as Britain's refusal to join the new Euro pact has the markets questioning "Merkozy's" blatantly fiscal solution to all the financial mess. Anyway, oil and gold slides were the headline makers and we in sugar followed the herd. The Bulls (who see generally suggest the global statistical surplus is in the tape already) need to get the price back above 23c tonight as a close below would probably send a sell signal to the trend followers out there. The sugar headlines seem to be laden with stories of Indian exports and last night from Unica that there will be roughly 5% more cane planted, and an optimistic outlook for next year. Furthermore, Credit Agricole this morning are reportedly shutting down its commodity trading business and scaling back its commodity finance. It all seems all manor from heaven for the bears. Overall, there seems to be little good news for the bulls. However, there are probably buy stops in the market around 23.50 (and sell stops around 22.68 and 22.50 on the downside). We feel in the medium term the outlook looks negative for the flat price but in the coming session there is a good chance of seeing a retest of the 23.50 resistance, but it's probably a scale sell from there.

Comments: Thomas Kujawa, Sucden Financial

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NY Sugar Options

Mar 12

	OI	Calls	Strike	Puts	OI
Settlement	0	2.54	20.75	0.49	1144
22.80	1591	2.36	21	0.56	7343
	0	2.18	21.25	0.63	209
Expiry	475	2.01	21.5	0.71	3382
15/02/2012	0	1.85	21.75	0.8	1200
	2664	1.7	22	0.9	20650
Indicative ATM	14	1.55	22.25	1	1131
Implied Vol	826	1.41	22.5	1.11	2828
33.49	131	1.29	22.75	1.24	211
	2250	1.17	23	1.37	11016
	30	1.06	23.25	1.51	359
	4238	0.95	23.5	1.65	3240
	86	0.86	23.75	1.81	893
	5071	0.78	24	1.97	10107
	10	0.7	24.25	2.14	95
	3855	0.63	24.5	2.32	4275
	155	0.56	24.75	2.51	896
	7298	0.5	25	2.7	9095

May 12

	OI	Calls	Strike	Puts	OI
Settlement	0	2.88	20.25	0.77	16
22.36	0	2.71	20.5	0.86	202
	0	2.55	20.75	0.95	9
Expiry	25	2.4	21	1.04	4250
16/04/2012	0	2.25	21.25	1.14	1627
	80	2.11	21.5	1.25	1416
Indicative ATM	0	1.97	21.75	1.36	7
Implied Vol	2164	1.84	22	1.48	3241
32.16	0	1.72	22.25	1.61	5
	1580	1.6	22.5	1.74	619
	39	1.49	22.75	1.88	0
	1851	1.38	23	2.02	2903
	0	1.28	23.25	2.17	0
	1402	1.19	23.5	2.33	895
	25	1.11	23.75	2.49	103
	1375	1.03	24	2.66	5632
	0	0.95	24.25	2.84	0
	287	0.88	24.5	3.02	210

Jul 12

	OI	Calls	Strike	Puts	OI
Settlement	0	3.06	20	1.03	3930
22.04	0	2.91	20.25	1.13	0
	0	2.75	20.5	1.22	1527
Expiry	0	2.6	20.75	1.32	0
15/06/2012	1454	2.46	21	1.43	2188
	0	2.32	21.25	1.54	0
Indicative ATM	110	2.19	21.5	1.65	267
Implied Vol	18	2.07	21.75	1.78	0
31.05	925	1.95	22	1.91	5324
	9	1.83	22.25	2.04	0
	767	1.73	22.5	2.18	3911
	0	1.63	22.75	2.33	50
	455	1.53	23	2.49	931
	0	1.44	23.25	2.65	400
	1540	1.36	23.5	2.81	450
	0	1.28	23.75	2.98	0
	1876	1.2	24	3.15	3892
	20	1.13	24.25	3.33	20

Oct 12

	OI	Calls	Strike	Puts	OI
Settlement	0	3.33	20.25	1.27	0
22.33	0	3.18	20.5	1.36	1205
	0	3.03	20.75	1.47	0
Expiry	0	2.89	21	1.57	4721
17/09/2012	0	2.76	21.25	1.69	0
	0	2.63	21.5	1.81	90
Indicative ATM	0	2.51	21.75	1.93	250
Implied Vol	236	2.39	22	2.06	2175
29.04	0	2.27	22.25	2.19	50
	615	2.16	22.5	2.33	694
	0	2.06	22.75	2.48	0
	595	1.96	23	2.63	1012
	0	1.87	23.25	2.78	0
	1550	1.78	23.5	2.94	1538
	0	1.69	23.75	3.1	0
	1175	1.61	24	3.27	2845
	0	1.53	24.25	3.44	50
	210	1.46	24.5	3.61	325

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