

## Sugar stabilises after sell-off

Reuters

London, March 19

Raw sugar, arabica coffee and cocoa steadied on Tuesday after being caught up in a cross-commodities sell-off the previous session, as investors remained cautious due fresh concerns over the Euro zone crisis.

The euro, European shares and oil fell for a second day on Tuesday, with investors unsettled by the risk of failure for a bailout deal aimed at saving Cyprus from default and its banks from collapse.

A sharp reduction in the speculative net short position kept sugar prices on the defensive as dealers said this diminished the possibility of short covering rallies. Brazil's centre-south sugarcane output will likely reach 585 million tonnes in 2013-14, up from 532 mt in the previous season, senior sugar analyst Stefan Uhlenbrock said at an annual sugar and ethanol event in Sao Paulo on Tuesday.

May white sugar on Liffe was up \$2 to \$529.40 a tonne.

Business line

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