

Raw sugar falls near one-week low amid supply prospects

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RAW SUGAR EDGED down near a one-week low as traders weighed better weather prospects in India and higher ethanol prices that could curb supplies of the sweetener.

ADM Investor Services International said monsoon rains in India should bode well for the cane crop. Thailand is also projected to increase output, according to Price Futures Group.

While there are still worries over weaker sugar demand, tighter supplies could support prices. Brazilian millers have taken advantage of high ethanol prices by diverting more cane to make the biofuel, meaning less sugar may be available when demand returns, BP Bunge Bioenergia said.

Demand for sugar-based ethanol "is returning to the market as more world economies open up after the pandemic," Jack Scoville, vice president at Price Futures Group in Chicago, said in a note. "Mills were processing for more ethanol and less for sugar than expected, and this trend should continue with higher world petroleum prices."

Raw sugar for October delivery declined 0.5% to 17.66 cents a pound in New York, declining for a third session. In London, white sugar lost 0.4% to \$464.30 a tonne.

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