

Sugar continues its longest rally in 23 years

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Sugar futures in London rose for the 13th straight session, the longest winning streak in at least 23 years, on speculation exportable supplies from Mexico will decline after the country's worst drought curbed production. Cocoa fell.



Mexico's exports to the US may fall to 8,00,000 tonnes this year compared with 1.42 million tonnes last year, the Agriculture Ministry said last week. Sugar output in Mexico may drop below 5 million tonnes in 2011-12, Newedge Group said on January 18, from 5.5 million tonnes the previous year. The US buys from suppliers including Mexico until the Brazil harvest begins.

With Mexico's crop doing worse than expected and tight US stocks-to-use ratio, there's a scramble to find more exports, said Kona Haque, an analyst at Macquarie Bank Ltd in London. Guatemalan export availability is also tight.

White sugar for March de-

livery rose 0.4 per cent to \$654 a tonne on NYSE Liffe in London. A gain on Tuesday would continue the longest winning streak since at least January 1989. Raw sugar for March delivery gained 0.3 percent to 25.03 cents a pound on ICE Futures US in New York.

Robusta coffee for March delivery was down 0.2 per cent at \$1,885 a tonne on NYSE Liffe after falling 2.2 per cent. Arabica coffee for March delivery was little changed at \$2.1965 a pound on ICE.

Cocoa for March delivery fell 0.1 per cent to 1,481 pounds (\$2,303) a tonne in London. Cocoa for March delivery fell 0.3 per cent to \$2,263 a tonne in New York.

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