**Rabobank Sugar Quarterly Q3: Is the Worst Over?**

**Raw sugar prices reached their lowest levels since late 2008, continuing the downward trend in Q3 2015. The weakening Brazilian real—coupled with concerns about the impact of slowing global economic growth on commodity prices in general—saw funds maintaining a net short position for much of the third quarter. It heaps further pressure on a market already groaning under the weight of stocks accumulated over the last five years, according to the Rabobank Sugar Quarterly Q3 report**.

Nevertheless, prices rebounded during September, amid a growing consensus that the 2015/16 international crop year should see a swing to a global deficit (currently projected by Rabobank at 4.8 million tonnes), putting an end to an unprecedented five consecutive years of surplus and stock build-up.

“The fundamentals of supply and demand seem to be telling us that, from a producer´s point of view, the worst of the current price cycle may be over,” says Andy Duff, Rabobank Global Strategist Sugar. “2015/16 will be the year sugar prices finally reverse the long downward trend we have had since 2011. However, international sugar prices are not determined by fundamentals alone. Global growth concerns and currency volatility, especially in Brazil, still have to be watched in the weeks and months ahead.”

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