

# Bloomberg

By Rudy Ruitenberg - June 10

Sugar futures may benefit in coming months from “strong” cash prices linked to buying by Asian importers, said Douglas King, chief investment officer at commodity hedge-fund manager **Aisling Analytics Pte.**

“Cash prices for refined and raw sugar today are extremely strong,” King said at the Jetfin Agro industry conference in Geneva. “You could get some excitement in the sugar price again.”

Prices more than doubled last year because of rains that were too heavy in Brazil and too light in India, the world’s biggest producers of the sweetener. King’s prediction applied to the “next three, four months.”

Wheat prices have been under pressure because of a glut of the grain, according to King. Global stockpiles for the marketing year that started June 1 may be the largest since 2002, the U.S. Department of Agriculture said last month.

“There is too much wheat,” King said today. “It’s a horror show. Clearly it is an anchor to the general agricultural market.”

China, the world’s most populous nation, may become a “massive corn importer in the future,” he said. The country is the world’s second-biggest consumer of the grain.

“We’re very close to where China becomes more structural in its need to import corn from the world marketplace,” King said.

Supplies of vegetable oil “could get tight,” according to King. Rapeseed production “globally is not growing,” he said. “There are some problems in Canada and some problems in Europe, and palm-oil growth is also limited this year.”

Aisling Analytics, based in Singapore, manages the Merchant Commodity Fund. The fund declined 19.4 percent in this year’s first four months and had assets of \$1.13 billion at the end of April.