

26<sup>th</sup> May 2011

# Market Update:

## Sugar Bounce Getting Underway

UPDATE  
Technical

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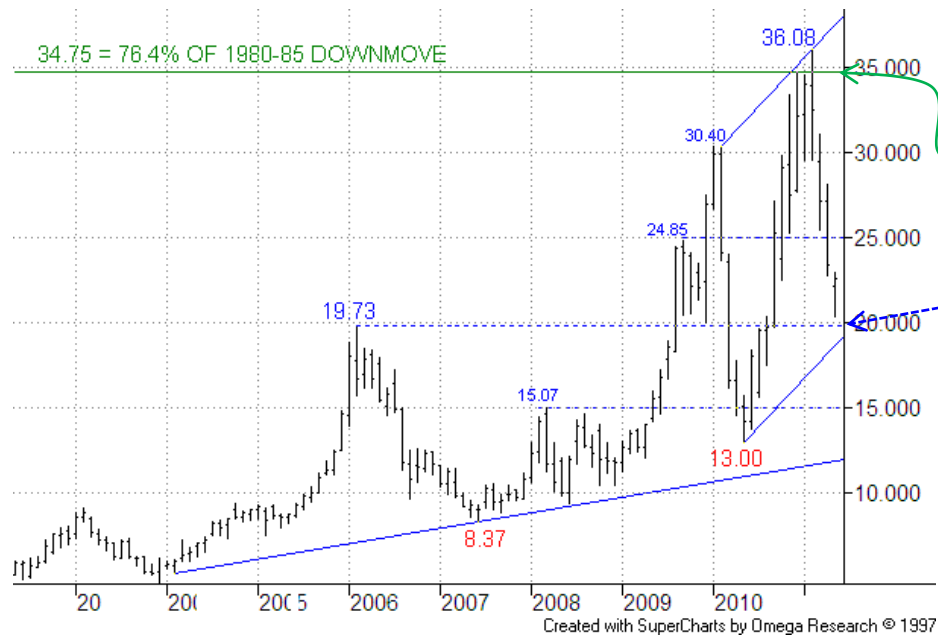
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## Sugar Bounce Getting Underway

2011 has so far favoured the bears in Sugar, following the test of a long term Fibonacci level which provided strong resistance. Certain supports have been reached, or neared, which suggest a recovery phase is in the offing.

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### SUGAR 11 – MONTHLY CONTINUATION CHART

There was a clear negative reaction after the test of the long term 76.4% retracement.

The downmove has now got close to the level of the old 19.73 2006 high, as well as a bull channel base projection not far beneath.



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## UPDATE Technical



### DAILY CHART – Jul-11:

In our 17<sup>th</sup> Mar Update on Sugar we said that the bear picture should have the power to extend to the 61.8% pullback. On the Jul-11 chart this nicely coincided with the Nov-10 low area.

There is now a good prospect of a better recovery phase getting underway.

Note the last downleg segment from the 24.00 area coincides with the 38.2% bounce – temporary resistance would be likely here. Higher resistance of interest comes from the rising return line around 25.50 currently.



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#### SEVEN DAYS AHEAD

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