

QSL Weekly Update

Week ending 10 February 2017

Daily Price

Thursday, 9th Feb 2017

20.76 US c/lb prompt
0.7628 AUD/USD spot
\$597.41 MT OTC
\$576.09 MT IPS OTC

By Carla Keith and Cathy Kelly,
 QSL Industry Relationship Managers

Carla Ph. 0409 372 305
 Email carla.keith@qsl.com.au

Cathy Ph. 0409 285 074
 Email cathy.kelly@qsl.com.au

Indicative Pool Prices

The table below provides an overview of the QSL Pool Prices Matrices available at www.qsl.com.au.

All prices quoted are **indicative only** and do not include an allocation from the QSL Shared Pool. Growers should always consult their mill for information about their individual cane payments.

2016 as at Friday 27th January 2017

Harvest	\$527 IPS GROSS
Actively Managed	\$561 IPS GROSS
Guaranteed Floor	\$466 IPS GROSS
US Quota	\$778 IPS GROSS
Multi-season Pools	
2-Season Forward 2016	\$479 IPS GROSS
3-Season Forward 2016	\$499 IPS GROSS
2-Season Forward 2017	\$505 IPS GROSS

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QSL Market Snapshot

Read this week's QSL Market Update [here](#).

QSL updates the indicative prices for 2016, 2017, 2018 and 2019 Seasons daily. The graph below tracks ICE #11 movement for the 2016 Season.

Indicative Prices as at 9 February 2017

Indicative Prices

ICE 11 US c/lb 20.76 09-Feb-17
 Season 0.7628
 AUD/mt

Season	2016	2017	2018	2019
Whole Season	597.44	580.66	524.04	485.51
July		588.74		
Oct		583.87		
Mar	597.58	582.27		
May	597.24	562.41		

Please note : The figures quoted are weighted in a 1:2:2:1 ratio over the four relevant futures contracts and have been adjusted to include Over-the-Counter (OTC) margin fees charged by banking institutions and may differ from the actual prices quoted on the ICE #11 exchange. Values also do not account for any adjustments resulting from local grower-miller pricing arrangements.

2016 Season



Source: Bloomberg. Published www.qsl.com.au 09.02.17

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2017-Season Guaranteed Floor Pool

As we do every year, QSL has started publishing the **indicative** floor price for the 2017-Season Guaranteed Floor Pool. We intend to update this every week-day until **28 February 2017** (the Pricing Declaration Date for mills), after which we will go to the market and “lock-in” the absolute floor price for the 2017 Season.

If the Absolute Floor Price falls to \$10 less than the last indicative Absolute Floor price published before declarations close (28 February 2017), then Growers will have the option to transfer their Guaranteed Floor Pool nominations into another pool. Please talk to your mill for further details regarding this.

This indicative floor price is updated daily on our website ([here](#)) in the following format:

2017 GFP Indicative Strike Price	572.60 AUD/MT
Absolute Floor (Price less premium)	562.55 AUD/MT
Absolute Floor IPS	<u>544.05 AUD/MT</u>
Daily Participation rate	50%

Prices current as at 8 February 2017

Growers will recall that:

- The **2017 Floor Strike Price** is the price the pool would need to achieve before you could start sharing in 50 per cent of any increases in the market above this price (the other 50 per cent of the gain goes to the bank providing the insurance for the pool.)
- The **Absolute Floor Price** is the guaranteed minimum value of the pool. This means that if the market price falls below this price you will still achieve this Absolute Floor Price.
- The **Participation Rate** is the amount of participation in price rises above the Floor Strike Price. Fifty per cent participation means for every dollar (\$1) the market trades above the Floor Strike Price, the pool receives 50 cents.

Accelerated Advances

Growers participating in this pool can expect to receive 90% of the pool's value by 31 December 2017. The cost of this accelerated Advance payment is part of the Gross Pool value and is estimated to be approximately \$0.50 - \$1.00 per tonne of IPS sugar. However, the final amount may be different depending on the actual interest rates and sugar price at the time.

For more information about the Guaranteed Floor Pool please read the Pricing Pool Terms available on our website [here](#).

2017-Season Pricing Options

Accelerated Advances for individual pricing

Growers who have chosen to participate in QSL's individual forward pricing products for the 2017 Season (the QSL Target Price Contract and the QSL Fixed Price Contract) can elect to receive 90% of the value of their priced sugar by 31 December 2017. MSF Sugar and Tully Growers who wish to receive this accelerated Advances payment must advise their Miller by the Pricing Declaration Date (28 February 2017). Growers in the Mossman and Isis milling districts should talk to their mills about the timing of this election.

Growers who do not wish to receive this accelerated Advance Payment **do not need to do anything** – they will continue to be paid based on the standard QSL Advances, which will be confirmed for the 2017 Season in coming weeks.

Isis Information Sessions

Thanks to all those who came to the QSL Pricing and Pool information sessions in Isis last week. You can find the 2017 Pricing Pool Terms and a copy of the presentation on our website (www.qsl.com.au).

QSL Industry Relationship Manager Cathy Kelly will be in the Isis district next Tuesday, 14 February, for one-on-one appointments with Growers keen to know more about their QSL pricing options. Please call Cathy on 0409 285 074 or email cathy.kelly@qsl.com.au to arrange an appointment.

Keep up-to-date with the latest market news

Want to keep an eye on the sugar market?
QSL gives you several ways to monitor prices and market news, including:

- **Daily Price SMS:** A free text message sent weekdays with the ICE 11 spot price, AUD/USD and AUD/T values ([sign up here](#))
- **The Daily Market Update:** This daily email (pictured at right) includes a table of the latest indicative forward prices ([sign up here](#))
- **The Daily Market Snapshot:** An Overview of the latest sugar market results ([read here](#)).
- **Weekly Market Update/Monthly Sugar Market Report:** An overview of key market events ([read here](#))



TODAY'S INDICATIVE ICE 11 PRICES

SEASON	AUD/MT	CHANGE SINCE PREVIOUS CLOSE
2016	597.44	0.05%
2017	580.66	0.25%
2018	524.04	0.26%
2019	485.51	-0.23%

The figures quoted above are indicative of available ICE 11 prices as at the current date and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter (OTC) margin fees charged by banking institutions and, therefore, may differ from daily prices quoted by the ICE #11 Exchange and/or other Marketakers of Growers' Economic Interest in Sugar (GEI Sugar). Values also do not account for any adjustments resulting from local grower-miller pricing arrangements.

For more information, view the latest [QSL Market Snapshot here](#).
QSL's latest [Monthly Sugar Market Report](#) is now available [here](#).

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Your QSL Grower Services Team



Carla Keith
Industry Relationship Manager- North Queensland
Ph. 0409 372 305
Email carla.keith@qsl.com.au



Daniel Messina
Grower Relationship Manager - Far North Queensland
Ph. 0429 660 238
Email daniel.messina@qsl.com.au



Jonathan Pavetto
Grower Relationship Officer - Herbert River
Ph. 0428 664 057
Email jonathan.pavetto@qsl.com.au



Kathy Zanco
Grower Relationship Officer
Plane Creek and Proserpine
Ph. 0437 645 342
Email kathy.zanco@qsl.com.au



Rebecca Love
Grower Relationship Officer- Burdekin
Ph. 0429 054 330
Email Rebecca.love@qsl.com.au