

QSL Market Update

Current as of 13 February, 2017

Today's Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2016	585.27	-0.677%
2017	572.88	0.194%
2018	520.69	2.218%
2019	488.42	4.210%

The figures quoted above are indicative of available ICE 11 prices as at 13 February 2017 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 Marketers of Growers' Economic Interest in Sugar (GEI Sugar). Values also do not account for any adjustments resulting from local Grower-Miller pricing arrangements.

2017 Season Historical Price Chart

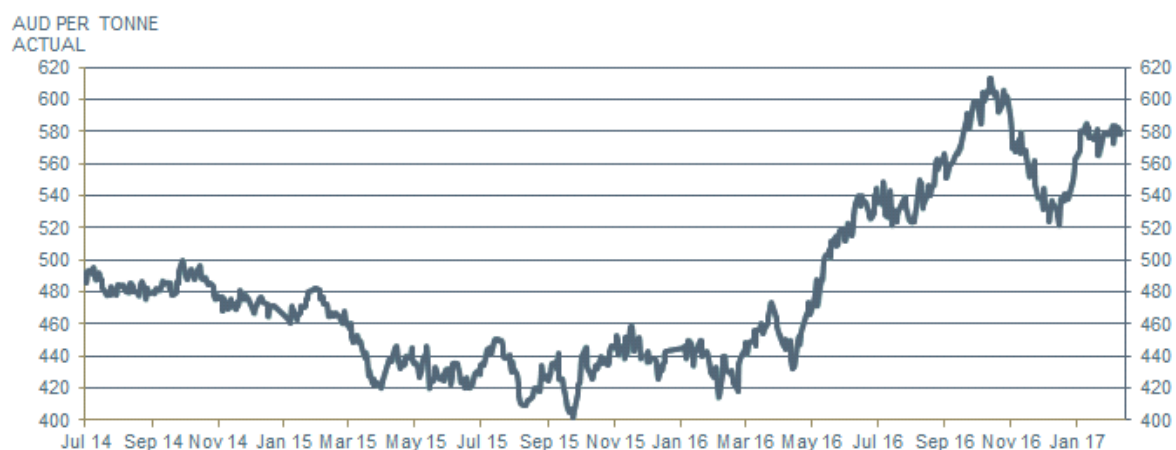


Figure 1 Source: Bloomberg. Published at www.qsl.com.au as at 13.02.2017

QSL Market Update



QSL Market View

Current as of 13 February 2017

- Trend is more favourable to positive \$A/mt returns.
 ● Trend is neutral to \$A/mt returns.
 ● Trend is less favourable to \$A/mt returns.

MARKET COST DRIVERS	PROMPT (Mar17) A\$/mt	2017 SEASON A\$/mt	COMMENTS
Current Market	\$585.14	\$572.88	
Sugar Fundamentals - Global exc. Brazil	●	●	We are now moving into the Mar 17 expiry period and both Brazil and Thai values have firmed reflecting some commercial buying activity. Likely deliverable origins will be Central America. White sugar demand is strong.
Sugar Fundamentals - Brazil	●	●	The potential availability of sugar in Brazil in the lead up to the May delivery period is still dominating the nearby outlook, with mixed views in the trade on this. Oil prices have been increasing which may provide some future support to ethanol.
Macro Issues/ Specs	●	●	The official fund rolling (selling of bought contracts) period has put some pressure on the nearby Mar 17 contract in the last week but could potentially help provide some buying support in the other contracts.
AUD/USD	●	●	The market is awaiting news on the proposed tax reform package from the Trump administration and impact on the USD. US shares and some other asset classes have been well supported. Focus will be on US inflation data later in the week.
Overall Comments	Sugar has continued to remain reasonably steady and trade within its recent range of 19-21 US c/lb over the past week. There is some risk that the AUD will remain where we are for a little while yet. The general tone of participants at the global sugar conference underway in Dubai seems to be slightly bullish on the sugar price outlook in the near-term, but this is never a reliable indicator of future market direction! A larger white sugar deficit in 2017 may help to offset the return to surplus in raws.		

Please refer to QSL's website for the latest market information via the daily Market Snapshot:

<http://www.qsl.com.au/sugar-prices/daily-indicative-prices>. For QSL's 2016-Season indicative pool prices, visit: <http://www.qsl.com.au/pricing/pricing-products/2016-season/qsl-pool-price-matrices-2016-season>.

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