

QSL Weekly Update

Week ending 31 March 2017

Daily Price

Thursday, 30th Mar 2017

17.12 US c/lb prompt

0.7670 AUD/USD spot

\$A 487.78 MT OTC

\$A 470.38 MT IPS OTC

Your QSL Grower Services Team

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

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

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

Burdekin: Rebecca Love, Grower Relationship Officer
Ph. 0429 054 330 rebecca.love@qsl.com.au

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

Central and Southern Districts: Cathy Kelly, Industry Relationship Manager
Ph. 0409 285 074 cathy.kelly@qsl.com.au

QSL's thoughts are with those Growers in the Burdekin, Proserpine and Mackay/Sarina regions as they start to assess crop damage caused by TC Debbie and continuing wet weather and floods. We urge people to put safety first and to take care when moving around their properties.

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 17th March 2017

Harvest \$514 IPS GROSS

Actively Managed \$560 IPS GROSS

Guaranteed Floor \$466 IPS GROSS

US Quota \$775 IPS GROSS

Multi-season Pools




2-Season Forward 2016 \$479 IPS GROSS









3-Season Forward 2016 \$497 IPS GROSS

2-Season Forward 2017 \$494 IPS GROSS

QSL Market View

Current as of 27 March 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 (May17) A\$/mt	2017 SEASON A\$/mt	COMMENTS
Sugar Fundamentals - Global exc. Brazil			More news during the week around a 2017/18 global surplus, however the current market carry structure is not consistent with this. On top of the EU growth, Eastern European white sugar availability has been increasing too.
Sugar Fundamentals - Brazil			There has been a delay in the gasoline tax decision until this week. There have been more reports of a lower crop in 2017/18 from a number of analysts.
Macro Issues/ Specs			The official figure as at Tuesday showed the Specs at 67,000 lots sold. With this likely to have reduced further since then, the big question now is do they have appetite to start to buy?
AUD/USD			The AUD/USD came back down to hit 0.7600 again and most analysts are still calling for lower levels in the next few months. The failure of the Trump administration to push through the withdrawal of the Obamacare health bill is potentially mildly negative for the USD due to more spending.
Overall Comments	After touching 10-month lows early in the week at around 17 c/lb, the market stabilized later in the week, even making an attempt to move up above 18 c/lb again last Friday. The spec bought position is likely down around 50,000 lots now and poised for a move either way. The AUD/USD remains under modest pressure after most commodities gave up some ground over the past week.		

You can subscribe to our weekly and monthly market updates [here](#).

QSL Indicative Prices

The table below provides an overview of QSL's indicative prices published at www.qsl.com.au on 30.03.17

ICE 11 US c/lb	17.02	30-Mar-17			
Season	0.7670				
	AUD/mt				
Season	2016	2017	2018	2019	2020
Whole Season		505.62	506.68	495.34	477.71
July		491.20			
Oct		499.69			
Mar		515.64			
May	487.78	511.06			

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.

Cairns and Mourilyan BST visits

QSL's Grower Relationship Manager Daniel Messina is currently organising Grower tours through the Cairns and Mourilyan BSTs. There are several QSL sales due to load at these ports over the next few weeks. If you are a Mossman, Tableland, South Johnstone, Tully or Mulgrave Grower and would like to attend a tour, please register your interest with Daniel (via email daniel.messina@qsl.com.au).

There are limited places so it is first-in, first-served. Please note that firm times and dates for these next ship loadings are yet to be confirmed and Daniel will contact interested Growers when these details are available.

All aboard for QSL Direct

QSL is preparing to launch its new online Grower pricing and payment platform for Wilmar Growers – QSL Direct. We are now rolling out education sessions for Grower Collective staff to brief them on this important new grower platform, with plans to hold grower information sessions soon. To ensure you don't miss these coming roadshows, please ensure you have completed the QSL Direct Pre-Registration form, available on our website [here](#).

Please note that Growers will not be able to price with QSL until they have a CSA and QSL has an OSA with Wilmar.

You can read our latest update on the progress of our OSA negotiations with Wilmar [here](#).

Industry Code of Conduct announced

The Federal Government has announced a mandatory code of conduct for the sugar industry. While we have not seen the details of the Code, we understand it enshrines Marketing Choice, arbitration and mediation for both the On-Supply Agreements between Millers and GEI Sugar Marketers and Cane Supply Agreements between Millers and Growers. QSL is keen to review the detail of the Code when it is released but are continuing to progress our OSA negotiations with Wilmar with the view of reaching a commercial agreement in the near future.

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