

QSL Weekly Update

26 OCTOBER 2017

Daily Price

Thursday, 26th Oct 2017

14.18 US c/lb prompt

0.7704 AUD/USD spot

\$403.39 MT OTC

\$388.99 MT IPS OTC

[More info >](#)

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Indicative Pool Prices

The table below provides an overview of QSL's indicative gross pool prices as of **13 October 2017**. Please note that these prices are **indicative only** and do not include an allocation from the QSL Shared Pool. Growers can access milling-district specific indicative pool prices and applicable Shared Pool results at www.qsl.com.au.

QSL POOL	GROSS AUD/TONNE IPS
2017 HARVEST POOL	\$425
2017 ACTIVELY MANAGED POOL	\$450
2017 GUARANTEED FLOOR POOL	\$515
2018 2-SEASON FORWARD POOL	\$487
2017 ACTIVELY MANAGED POOL FOR WILMAR GROWERS	\$411
2017 GUARANTEED FLOOR POOL FOR WILMAR GROWERS	\$369
2017 US QUOTA	\$711

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QSL Market View

Current as of 23 October 2017



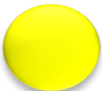







Trend is more favourable to positive \$A/mt returns.



Trend is neutral to \$A/mt returns.



Trend is less favourable to \$A/mt returns.

MARKET COST DRIVERS	PROMPT (Mar 18) A\$/mt	2018 SEASON A\$/mt	COMMENTS
Current Market as at 23.10.17	\$392.67	\$415.05	
Sugar Fundamentals - Global exc. Brazil			Consensus around the Indian crop is that it's very good, with few forecasting any need for imports next season. Similarly, the Thai crop is also coming along well, though it is likely that most of this will leave the country as white sugar and, given the continued premiums available, be smuggled into China.
Sugar Fundamentals - Brazil			In the absence of anything else, weather watching in Brazil has become the latest market talking point. The bullish story is for the dry weather to continue through the summer and cause a drought and lower yields for next season. However, it has started to drizzle in Centre South Brazil and long-term forecasts suggest a drought is unlikely.
Macro Issues/ Specs			Friday's Commitment Of Traders report showed a small increase in the net-short position up to 115k. Given this week's lower closes, this may have already been reduced again. Crude oil enjoyed a 1% week-on-week gain following production-cut agreements, while equities (particularly in the US) continue record-breaking runs, with the Dow Jones now through the 23,000 level.
AUD/USD			The AUD continues to be well supported, with local employment and Chinese trade and GDP numbers underpinning a run up towards 79 cents earlier in the week. However, with a clearer pathway to tax reform in the US materialising on Friday, the tide was turned and we now sit back near 0.7800.
Overall Comments	Another dull and uneventful week in raw sugar futures. A succession of lower closes saw the market down 41 points for the week. MAR18 looks magnetically attracted to 14 cents and so we continue to gyrate either side of it until we receive some fresh fundamental inputs. Technical indicators are all beginning to flatline and so there is very little to motivate funds, producers or consumers to enter the market at the moment.		

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>.

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2018 Season: Important Deadlines

Wilmar and Tully Sugar Growers are reminded that the deadline for their 2018-Season Marketer nomination is this coming Tuesday, **31 October 2017**. Those who wish to receive the **QSL Loyalty Bonus** for the 2017 Season must also nominate QSL as their marketer for the 2018 and 2019 Seasons by **31 October 2017**.

MSF Sugar Growers have until **31 December 2017** to finalise their marketing nomination for the 2018 Season and will also be eligible to receive the QSL Loyalty Bonus this Season if they have nominated QSL as their marketer for the 2017, 2018 and 2019 Seasons by **31 December 2017**.

Bundaberg Sugar, Isis Central Sugar Mill and Mackay Sugar Growers do not have to make a marketing nomination for the coming Season, as their miller has a Raw Sugar Supply Agreement (RSSA) in place with QSL through until 30 June 2020.

All Growers using QSL have until next year to finalise their 2018-Season pricing nominations.

Further details regarding each milling district's Pricing Declaration Date deadline will be released shortly.

2017 QSL Annual General Meeting

QSL held its 2017 Annual General Meeting in Brisbane on Tuesday 24 October 2017.

You can read a transcript of **QSL Chairman Guy Cowan's address** to the meeting by [clicking here](#).

You can read a copy of the **QSL CEO's presentation**, delivered by Greg Beashel, by [clicking here](#).

Highlights from the past financial year included:

- Achieved a Total Recordable Injury Frequency Rate of zero, surpassing our five-year target.
- Extended the existing Raw Sugar Supply Agreements with Bundaberg Sugar, Isis Central Sugar Mill and Mackay Sugar Limited to 30 June 2020.
- Secured new On-Supply Agreements with MSF Sugar, Tully Sugar and Wilmar.
- Successfully implemented new Marketing Choice arrangements.
- Established the QSL Direct online portal and began direct payments to Wilmar Growers.
- Signed a new Strategic Operating Agreement with Sugar Terminals Limited to remain the operator of Queensland's six Bulk Sugar Terminals.
- Achieved marketing returns above the Free-On-Board physical market premium average.
- Secured the highest results in five years for our in-season pools and overall average pool result.
- Successfully negotiated the extension of our long-term supply contract with South Korean sugar refiners CJ Corporation, Samyang Corporation and TS Corporation.
- Continued our long track record of logistics excellence, with 98% of shipments delivered in full and on time.

You can read more about our results for the reporting period in question in our 2016/2017 Annual Report, available by [clicking here](#).

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QSL Loyalty Bonus

Time is running out for Tully Sugar and Wilmar Growers to secure the QSL Loyalty Bonus for the 2017 Season.

Wilmar, Tully Sugar and MSF Sugar Growers who nominate QSL as their GEI Sugar marketer for three (3) consecutive Seasons forward are eligible to receive a 'Loyalty Bonus', in the form of an additional share of the returns from QSL's corporate activities via the Shared Services Rebate and a supplementary commitment premium.

These results will be incorporated into eligible Growers' Shared Pool allocations for each applicable Season.

To be eligible, Growers who have already chosen QSL as their GEI Marketer for the 2017 Season just need to choose QSL for the 2018 and 2019 Seasons as well before the 2018-Season's GEI Sugar Marketer nomination deadline.

- **For Wilmar and Tully Sugar Growers, that deadline is 31 October 2017.**
- **For MSF Growers, the deadline is 31 December 2017.**

To receive the Loyalty Bonus in the 2018 Season, Growers will need to nominate QSL as their GEI Sugar Marketer for the 2018, 2019 and 2020 Seasons prior to the GEI Sugar Marketer nomination deadline for the 2019 Season.

Wilmar Growers eligible to receive the Loyalty Bonus will have it incorporated into their Shared Pool allocation throughout the eligible Season, while Tully Sugar and MSF Growers will receive the full allocation incorporated into their Shared Pool element for the final Advance payment of the Season (due to processing requirements).

It should be noted that Mackay Sugar, Isis Central Sugar Mill and Bundaberg Sugar Growers automatically receive their share of these items through their millers' existing Raw Sugar Supply Agreements with QSL.

[Click here to read more about the QSL Loyalty Bonus.](#)

New products coming online

QSL has updated its grower-managed pricing products for the 2018 Season. This means that our current Target Price Contract and Fixed Price Forward Contract pricing products will be replaced by the Target Price Pool for the 2018, 2019 and 2020 Seasons.

As a result, any unfilled orders in the Target Price Contract and/or Fixed Price Forward Contract for the 2018, 2019 and 2020 Seasons will be cancelled and transferred to the new Target Price Pool. For most growers this will happen on 6 November 2017 (MSF Sugar Growers' transfer date is yet to be confirmed).

This transfer will be automatic – Growers who have unfilled orders do not need to do anything and can continue to price these orders in the same way as they did before.

However, the new Target Price Pool will give these Growers the added option of rolling unfilled orders. This rolling will be done automatically by QSL if an order is not filled by the expiry of the relevant futures contract, with the cost or gain passed on to the Grower when incurred.

Any unfilled Fixed Price Forward Contract orders will be rounded down to the nearest multiple of 10 tonnes (i.e. 6-lot orders will be rounded down from 304.815 tonnes to 300 tonnes) to enable the transfer.

For more information about the Target Price Pool, please [click here](#) or call the QSL Direct Helpline on **1800 870 756**.

Condolences

QSL extends its deepest condolences to the family of former Cairns Canegrowers Chairman Charlie Zappala, who passed away last weekend. Charlie was a strong QSL supporter, advocate and industry leader, and will be greatly missed.

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