

# QSL Weekly Update

9 NOVEMBER 2017

## Daily Price

Thursday, 9th Nov 2017

**14.84** US c/lb prompt

**0.7678** AUD/USD spot

**\$A423.28** MT OTC

**\$A408.18** MT IPS OTC

[More info >](#)

## Your QSL Grower Services Team

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## Indicative Pool Prices

The table below provides an overview of QSL's indicative gross pool prices as of **27 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](http://www.qsl.com.au).

QSL POOL	GROSS AUD/TONNE IPS
2017 HARVEST POOL	\$434
2017 ACTIVELY MANAGED POOL	\$458
2017 GUARANTEED FLOOR POOL	\$515
2018 2-SEASON FORWARD POOL	\$488
2017 ACTIVELY MANAGED POOL FOR WILMAR GROWERS	\$419
2017 GUARANTEED FLOOR POOL FOR WILMAR GROWERS	\$371
2017 US QUOTA	\$724

## QSL Market View

Current as of 6 November 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
Market as of 6/11/17	\$411.17	\$431.51	
Sugar Fundamentals - Global exc. Brazil	<span style="color: yellow;">●</span>	<span style="color: red;">●</span>	The lack of EU whites for the DEC17 ICE 11 contract delivery seems to be of concern, with talk of carry-over stocks. But with plantings of rapeseed (a beet alternative) lower, there is still room for farmers to plant more beet for next year.
Sugar Fundamentals - Brazil	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	The Brazilian Real fell strongly on Friday night after political unrest once again reared its head. Focus is now shifting to next year's crop, with drought and the age of the cane still in question. If ethanol parity remains above the sugar price at the start of the season, the question will be are mills inclined to swing towards ethanol?
Macro Issues/ Specs	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	Friday's Commitments of Traders report showed a large reduction of 42,000 to the speculative short position – a sizable change for a relatively small price movement that remains held in the trading range. The net-short position is returning to a more manageable position.
AUD/USD	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	The Australian Dollar (AUD) held its ground after last week's fall, stabilising in a 0.7730 to 0.7640 range. The Fed held rates, continuing their talk of a gradual rate rise ahead. The AUD has opened the week at the lower end of its range, with the RBA meeting this week.
Overall Comments	A relatively good week, with the AUD stabilizing below 0.7700 and sugar continuing to build on last week's rally. Even though it got the wobbles mid-week, it managed to hold, closing 25pts down on the week. Prices continued to provide reasonable hedging levels for current and forward seasons during the week, with the MAR18 contract reaching a high of 14.84c/lb. The market remains trapped between 15.00-13.75c/lb, without any fresh fundamentals to assist in a break from the range.		

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>.

## 2018 Season: Important Deadlines

**MSF Sugar Growers** have until **29 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 **29 December 2017**.

**2018-Season Marketing Nominations have now closed for Wilmar and Tully Sugar Growers.**

However, Growers in these milling districts can still nominate QSL as their marketer and undertake pricing in the 2019 and 2020 Seasons. Please contact your local QSL Grower Services Team Member for more information.

**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.

## FNQ Information Sessions

QSL invites all Growers supplying MSF Sugar Mills in the Far North to attend an information session regarding their QSL Marketing Choice options for the 2018 Season and beyond.

Session details are:

DISTRICT	WHEN	WHERE
<b>TABLELANDS</b>	10.30am Wed 15 Nov 2017	Nirmal Chohan's Farm
<b>INNISFAIL</b>	7pm Wed 15 Nov 2017	Sugar Heritage Centre, Mourilyan
<b>BABINDA</b>	7.30am Thurs 16 Nov 2017	RSL Hall, Babinda
<b>MULGRAVE</b>	12 noon Thurs 16 Nov 2017	Parkview Tavern, Gordonvale

Light refreshments will be served at each event, so please RSVP to Daniel Messina on 0429 660 238 / [daniel.messina@qsl.com.au](mailto:daniel.messina@qsl.com.au)

## ABC Radio report causes confusion

Growers listening to the ABC Radio rural report in North Queensland and the Far North this morning were surprised to hear the 2018 ICE 11 price quoted above 16 cents. Unfortunately, this was incorrect.

The average 2018-Season price on a 1:2:2:1 pricing basis closed at 15.41c/lb last night. This, combined with the average AUD/US exchange rate of 0.7664 resulted in a weighted price of \$443 per tonne (Please note: this a market rate not inclusive of any bank margins).

While the Mar20 contract briefly hit 16c/lb during trading, unfortunately no ICE 11 position in the 2017, 2018, 2019 or 2020 Seasons closed above this level.

For more information about current prices, [click here to read our Daily Snapshot](#). QSL also offers a free daily price text message and email service. To sign up, email your details to [info@qsl.com.au](mailto:info@qsl.com.au).

## Your grower-managed pricing options

Keen to do some grower-managed pricing in the 2018, 2019 or 2020 Seasons? The following table outlines your QSL pricing options:

MILLING DISTRICT	QSL PRICING PRODUCTS
<b>Bundaberg Sugar</b>	While your grower-managed pricing is conducted by QSL, your Miller administers the pricing process at the grower level. Please see your local mill representative for details of the pricing options available to you through your Mill.
<b>Isis Central Sugar Mill</b>	While your grower-managed pricing is conducted by QSL, your Miller administers the pricing process at the grower level. Please see your local mill representative for details of the pricing options available to you through your Mill.
<b>Mackay Sugar</b>	While your grower-managed pricing for the export GEI Sugar is conducted by QSL, QCS administers the pricing process. Please contact your local QCS representative for details of your grower-managed pricing options for the 2018, 2019 and 2020 Seasons.
<b>Wilmar</b>	Growers who have chosen QSL as their GEI Sugar Marketer for the 2018, 2019 and/or 2020 Seasons can now access our new <a href="#">Target Price Pool</a> and <a href="#">Individual Futures Contract Pool</a> to price into these Seasons. Those growers who had unfilled orders in the <b>Target Price Contract Pool</b> and <b>Fixed Price Forward Contract Pool</b> for the 2018, 2019 or 2020 Seasons had these transferred to our new <b>Target Price Pool</b> earlier this week.
<b>MSF Sugar</b>	QSL is still negotiating with MSF Sugar regarding the QSL products they will administer for their Growers. Until agreement on this is reached, MSF Sugar Growers who have chosen QSL as their GEI Sugar Marketer for the 2018, 2019 or 2020 Seasons can use the <b>Target Price Contract Pool</b> and <b>Fixed Price Forward Contract Pool</b> to undertake pricing.
<b>Tully Sugar</b>	Growers who have chosen QSL as their GEI Sugar Marketer for the 2018, 2019 and/or 2020 Seasons can now access our new <a href="#">Target Price Pool</a> and <a href="#">Individual Futures Contract Pool</a> to price into these Seasons. Those growers who had unfilled orders in the <b>Target Price Contract Pool</b> and <b>Fixed Price Forward Contract Pool</b> for the 2018, 2019 or 2020 Seasons had these transferred to our new <b>Target Price Pool</b> earlier this week.

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