

QSL Weekly Update

15 DECEMBER 2017

Daily Price

Friday, 15th Dec 2017

13.77 US c/lb prompt

0.7666 AUD/USD spot

\$A392.29 MT OTC

\$A379.25 MT IPS OTC

[More info >](#)

Your QSL Grower Services Team

DISTRICT	REPRESENTATIVE	CONTACT INFO
Far North Qld	Daniel Messina	0429 660 238 Daniel.Messina@qsl.com.au
North Qld	Carla Keith	0409 372 305 Carla.Keith@qsl.com.au
Herbert River	Jonathan Pavetto	0428 664 057 Jonathan.Pavetto@qsl.com.au
Burdekin	Rebecca Love	0429 054 330 Rebecca.Love@qsl.com.au
Proserpine & Plane Creek	Emma Sammon Kathy Zanco	0418 978 120 Emma.Sammon@qsl.com.au 0437 645 342 Kathy.Zanco@qsl.com.au
Central & Southern	Cathy Kelly	0409 285 074 Cathy.Kelly@qsl.com.au

Indicative Pool Prices

The table below provides an overview of QSL's indicative gross pool prices as of **24 November 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	\$443
2017 ACTIVELY MANAGED POOL	\$460
2017 GUARANTEED FLOOR POOL	\$515
2018 2-SEASON FORWARD POOL	\$490
2017 ACTIVELY MANAGED POOL (WILMAR GROWERS)	\$425
2017 GUARANTEED FLOOR POOL (WILMAR GROWERS)	\$372
2017 US QUOTA	\$726

QSL Market View

Current as of 13 December 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 13.12.17	\$399.78	\$413.20	
Sugar Fundamentals - Global exc. Brazil	●	●	Pakistan's province Sindh has agreed to subsidise exports by 9.3 Rupees (about \$90 per tonne), on top of the existing government subsidy of 10.5 Rupees (about \$100), with other provinces to follow suit. This will increase from 1 million tonnes to 2 million tonnes. India's harvest is going strong but yields are not as good as last year. They are looking to lobby their government for a higher import duty on sugar as the surplus grows around the world.
Sugar Fundamentals - Brazil	●	●	Average rainfall continues for the main sugar regions in Brazil, with the outlook for the rainy season to remain average. The RenovaBio program (which aims to force fuel distributors to show they are cutting carbon emissions based on certificates issued by biofuel producers) has been approved by the lower house and is likely to pass the upper house. This will increase ethanol parity and tax gasoline more heavily, but won't come into effect until 2019.
Macro Issues/ Specs	●	●	The Commitments of Traders report remained unchanged, showing a small net-long position of 17k lots. Since then, the market has continued to drift over, so we assume the current net position has swung back to a net-short position.
AUD/USD	●	●	The AUD traded from a high of 0.7650 to 0.7502 and is currently sitting around 0.7530. The FOMC will meet this week and will most likely increase rates by 25 points. This has been priced into the market already but we may see a drop below 0.7500 intraday.
Overall Comments	AUD/mt values lost ground last week and it looks like the market may test the bottom of the range again. The market remains in the hands of the speculators, with little fundamental news to drive it. Overall sugar trading conditions will remain very quiet as we head into the festive season, with moves happening on light trading volumes. We expect to see sugar trade in the 13-15 cent range in the short term.		

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>.

This report contains information of a general or summary nature. While all care is taken in the preparation of this report, the reliability, accuracy or completeness of the information provided in the document is not guaranteed. Information about past performance is not an indication of future performance and nothing contained in this report should be relied upon as a representation as to future matters. The update on marketing and pricing activity does not constitute financial product or investment advice. You should seek independent advice before making any pricing decisions. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this report.

THE 2018-SEASON MARKETING NOMINATION DEADLINE FOR GROWERS SUPPLYING MSF SUGAR MILLS IS **29 DECEMBER 2017**.

Information session for Maryborough Growers

Maryborough growers keen to learn more about their in-season pricing options with QSL or their grower-managed forward pricing options are invited to attend a short Grower Information Session in Maryborough next week.

The session will be held at the Maryborough Canegrowers Hall at **6pm Wednesday 20 December**. One-on-one appointments are available for growers unable to attend and can be made by contacting Cathy Kelly on 0409 285 074.

Wilmar 'washout' payments

Wilmar Growers are reminded that their Advances from QSL are based on their individual pricing position right throughout the Season. **This means that the previous adjustment made in December or January each year to move Wilmar Growers from the mill average to their individual pricing position – often referred to as the washout payment – is no longer required.** For those Wilmar Growers who have finished crushing, your IPS and CCS cannot be finalised until all Wilmar Mills complete crushing for the season. QSL will pass on any adjustments from Wilmar as received.

Advances increase

QSL's Standard Advances rate this week increased to 75%. Those Growers who elected to receive Accelerated Advances for their 2017-Season Guaranteed Floor, Target Price Contract and Fixed Price Forward Contract Pool tonnages will move to an Advances rate of 90% from next week. At its December meeting this week, the QSL Board approved the January 2018 and February 2018 QSL Standard Advance rates of 80% and 82.5% respectively.

Applicable from***	Fixed Price Forward Contract Pool % Rate*	Target Price Contract Pool % Rate*	Guaranteed Floor Pool % Rate	Other Pools % Rate
Initial	60.0%	60.0%	60.0%	60.0%
Wed 23-Aug-17	70.0%	70.0%	70.0%	70.0%
Wed 18-Oct-17	72.5%	72.5%	72.5%	72.5%
Wed 13-Dec-17	90.0%	90.0%	90.0%	75.0%
Wed 24-Jan-18	90.0%	90.0%	90.0%	80.0%
Wed 21-Feb-18	90.0%	90.0%	90.0%	82.5%
Wed 21-Mar-18	90.0%	90.0%	90.0%	87.5%
Wed 18-Apr-18	90.0%	90.0%	90.0%	90.0%
Wed 16-May-18	92.5%	92.5%	92.5%	92.5%
Wed 20-Jun-18	95.0%	95.0%	95.0%	95.0%
July 2018**	100.0%	100.0%	100.0%	100.0%

Percentage rate approved by QSL Board

Optional participation at the election of the Participant. ** Final date to be confirmed. *These dates reflect the days QSL pays Millers. Advance payments for Wilmar Growers will generally be included in the pay run on Thursdays.*

This report contains information of a general or summary nature. While all care is taken in the preparation of this report, the reliability, accuracy or completeness of the information provided in the document is not guaranteed. Information about past performance is not an indication of future performance and nothing contained in this report should be relied upon as a representation as to future matters. The update on marketing and pricing activity does not constitute financial product or investment advice. You should seek independent advice before making any pricing decisions. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this report.

Corporate office move

QSL's corporate office has relocated to new premises within its current Brisbane building and is now located on Level 12 of the IBM Building, 348 Edward Street, Brisbane, 4000. QSL's Brisbane Operations Division staff have also relocated to new shared premises with Sugar Terminals Limited (STL) on Level 11 of the same building.

QSL Managing Director and Chief Executive Officer Greg Beashel said that the relocation would not only facilitate a closer working relationship between the QSL Operations team and STL, but also delivered considerable ongoing rental savings. "By relocating we've reduced our ongoing Brisbane office rental costs by more than \$200,000 in the first year of our new five-year lease, while also strengthening the ringfencing arrangements associated with our Strategic Operating Agreement with STL," Mr Beashel said.

QSL's corporate office phone number will remain unchanged on 07 3004 4400. The Brisbane Operations Division can also be contacted via this same number.

Christmas operations

As the QSL team prepares to take a brief break over the Christmas and New Year period, we'd like to wish all Bundaberg growers and their families a safe festive season and we look forward to working hard for you again in the new year. Please note that all QSL offices will be closed for the Christmas break from 5pm Thursday 21 December 2017 until 9am Monday 8 January 2018. The QSL Direct Helpline (1800 870 756) will operate from 9am to 5pm every working day during this period.