

QSL Weekly Update

18 January 2018

Daily Price

Thursday, 18th Jan 2018

13.42 US c/lb prompt

0.7970 AUD/USD spot

\$A368.41 MT OTC

\$A355.27 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 **12 January 2018**. 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	\$432
2017 ACTIVELY MANAGED POOL	\$452
2017 GUARANTEED FLOOR POOL	\$515
2018 2-SEASON FORWARD POOL	\$496
2017 ACTIVELY MANAGED POOL (WILMAR GROWERS)	\$415
2017 GUARANTEED FLOOR POOL (WILMAR GROWERS)	\$369
2017 US QUOTA	\$710

QSL Market View

Current as of 15 January 2018

● 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 15.1.18	\$391.69	\$413.23	
Sugar Fundamentals - Global exc. Brazil	●	●	Both Thai and Indian crops have gotten off to good starts, with many analysts increasing their forecasts for this year's crop. Of course India is likely to neither import or export but will be adding to stocks and will certainly weigh on an already heavy-feeling global surplus.
Sugar Fundamentals - Brazil	●	●	The 2017 Centre South Brazil crop is now done and dusted, and rains for the 2018 crop development remain average. Physical premiums have come under pressure with offers into Asia at a 70-point discount suggesting there is still plenty of sugar in Santos to find homes.
Macro Issues/ Specs	●	●	Given Friday's Commitment of Traders report covered a period where the market fell by >60 points, there was a surprise with the speculators not increasing their net-short position as would generally be expected. Specs reduced their net-short position to 29,000. It appears to be the commercial sector (the trade) which has blinked first and driven the market lower. This may be an indicator of a shift from technical to fundamental factors having a greater say in where we go next.
AUD/USD	●	●	Strong local building approval figures and Chinese trade data provided ample support to an already buoyant Aussie Dollar last week. Oil is above its 2015 highs and equities continue to truck along, providing a strong environment for the AUD to capitalise on. Fundamentally, the move looks overdone but a test of 80 cents may not be far away again. Employment data here and in the US will provide further direction later in the week.
Overall Comments	It was a strange week where the much-anticipated Index Fund re-weighting period which had generally been expected to provide 50,000 lots worth of buying in the market still saw prices slide around 100 points week-on-week. Spreads have swung back into a more 'normal' carry structure and speculators look less interested in playing the range, having incurred losses over the last six months. Where this all points to now is the big question. The signs look ominous but expect to see a continuation of the range (approximately 13.5-15c/lb), albeit potentially 50-100 points lower.		

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.

Extended QSL pool nomination deadline

Following feedback from Growers, QSL has pushed the 2018-Season Pricing Declaration Date back from the traditional deadline of late February to **30 April 2018**. **

This later deadline gives Growers an additional two months to assess how their 2018 crop is shaping up before they have to finalise their nominations to QSL's pools.

Nominations for the 2018-Season QSL-managed pools will be accepted from 1 March 2018, however growers keen to get pricing using the QSL Target Price Pool or QSL Individual Futures Contract Pool can nominate tonnes and start pricing using these grower-managed pricing products at any time.

Growers who have elected to use the QSL Target Price Pool for the 2018 Season but who have not achieved their targets, now also have until **30 April 2018** to take up the option to transfer their unfilled orders to other QSL pools. Growers in QSL's Individual Futures Contract Pool can also transfer unfilled 2018-Season orders from this product to other QSL pools by **30 April 2018**, as long as they have not priced any portion of their nominated tonnage.

** Growers supplying Isis Central Sugar Mill will be notified by their Miller of their local QSL Pool Nomination deadline.

New QSL pool gets an early start

Keen to get pricing? Then you may like to consider our new **QSL Early-Start Actively Managed Pool**.

Just like the standard QSL Actively Managed Pool, the QSL Early-Start Actively Managed Pool is an in-season Committed Pool managed by QSL, and has a minimum tonnage nomination of 10 metric tonnes. But as its name suggests, it starts pricing two months before the standard QSL Actively Managed Pool, giving it a longer pricing window.

Nominations for the QSL Early-Start Actively Managed Pool are now open and will close on 28 February 2018.

For further information, please read this pool's Pricing Pool Terms (available by [clicking here](#)), or contact your local QSL Grower Services Team representative.

2-Season Forward Pool renamed

The QSL 2-Season Forward Pool has been renamed the **QSL 2-Season Actively Managed Pool** to better describe how the pool operates.

Just like the standard QSL Actively Managed Pool, the QSL 2-Season Actively Managed Pool aims to target the best return, with some pre-set price triggers, but has been designed for Growers who seek exposure across multiple seasons.

Tonnes are nominated to this pool in the 2018 Season for delivery in the 2019 Season, with pricing undertaken across the 2018 and 2019 Seasons. The minimum tonnage nomination for this pool is 50.8025 tonnes (1 Lot).

For further information, please read this pool's Pricing Pool Terms (available by [clicking here](#)), or contact your local QSL Grower Services Team representative.

Cashflow Forecaster – QSL Direct

Wilmar Growers using QSL for marketing and pricing services can now access an estimate of their QSL sugar payments by using the Cashflow Forecast tool within their QSL Direct account.

This feature is located under the 'Reporting' tab for the current season – just click on the Cashflow Forecast button located under the graphs in this section. It looks like this:

Download [Cashflow Forecast](#)

Clicking on this button within your QSL Direct account will generate an Excel spreadsheet which details the current indicative value of your QSL pool allocations, as well as a month-by-month breakdown of sugar deliveries and the associated QSL sugar payment by farm. In addition to detailing QSL sugar payments made to date, the spreadsheet also provides an estimate of QSL sugar payments for coming months.

It is important to note that the cashflow data provided only details the GEI sugar payment portion of your QSL Advance payment and **does not include any allowances, deductions or adjustments that may be passed on by your Miller**, nor does it currently reflect any negative balances you may have on your farm ledger. It provides an estimate only that also does not account for any changes to your current indicative pricing results, which can fluctuate throughout the course of the season and are not finalised until 30 June 2018. As such, we recommend that Growers using this feature regularly generate a new forecast to ensure they are accessing with the latest estimate.

The data provided is based on many assumptions and is subject to significant uncertainties, many of which are outside the control of QSL. The Cashflow Forecast Tool is therefore an **estimate** only with the outputs being subject to change. As such, QSL does not make any representations as to the accuracy of the information derived from the Cashflow Forecast tool, nor does QSL make any guarantees that this outcome will be achieved. Because of these variables, current and future months will remain as a forecast only in the Cashflow Forecast tool.

For further information regarding the Cashflow Forecast function, please read our **Cashflow Forecast – Frequently Asked Questions** (available by [clicking here](#)) or call the QSL Direct Helpline on 1800 870 756.