

QSL Weekly Update

2 May 2018

Daily Price

Wednesday, 2nd May 2018

11.69 US c/lb prompt

0.7490 AUD/USD spot

\$A340.90 MT OTC

\$A328.74 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 **13 April 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	\$417
2017 ACTIVELY MANAGED POOL	\$445
2017 GUARANTEED FLOOR POOL	\$517
2017 2-SEASON FORWARD POOL	\$506
2017 ACTIVELY MANAGED POOL (WILMAR GROWERS)	\$400
2017 GUARANTEED FLOOR POOL (WILMAR GROWERS)	\$369
2017 US QUOTA	\$713
2018 EARLY-START ACTIVELY MANAGED POOL	\$359
2018 2-SEASON FORWARD POOL	\$401

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QSL Market View

Current as of 30 April 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 (Jul18) A\$/mt	2018 SEASON A\$/mt	COMMENTS
Current Market	\$334.19	\$356.39	
Sugar Fundamentals - Global exc. Brazil			India is yet to confirm if there will be a subsidy to export sugar. The Maharashtra Government has offered \$76 (500IR) but the Central Government is yet to accept or lock-in a subsidy. Brazil and other large sugar-producing countries may take possible action against India's plans to subsidise exports. India also has weather concerns for the next crop but it won't change the fact that we still have a global surplus to deal with. China imported 380,000 tonnes in March, the highest level since 2014.
Sugar Fundamentals - Brazil			UNICA figures for the first half of April are strong at 22.2 million tonnes of cane crushed as opposed to 17.7m last year. The current sugar mix is at 31.5% compared to last season's 39.37%. Ethanol demand has been strong as the lower prices flow through to the pump. There is concern for the crop and how much can be produced with the age of the cane coming into play, but it is too early to tell.
Macro Issues/ Specs			Trading ranges increased as MAY18 expired and the JUL18 position became the new prompt contract. The week started with big falls and life-of-contract lows across the board, before rebounding slightly towards week end. Net speculative activity was minimal, with the non-index fund position only growing by 4,000 lots, a total position of 169,000 lots.
AUD/USD			The AUD traded a volatile week in a 150-point range, finally breaking 0.7600 and reaching a low of 0.7532 before closing at 0.7577. Lower than expected CPI numbers for AUD, strong US wages and GDP numbers assisted USD gains over the week. The AUD continues to look heavy as the US economy gets stronger.
Overall Comments	AUD/mt prices moved to new lows as the surplus weighed heavily on the market. We saw 2018 lows around \$345 and 2019 at \$385 before the market lifted again towards the end of the week. The downward trend in currency is holding up AUD levels as the sugar market continues its bearish path. Until sugar prices stay low for long enough to generate a supply response, the surplus will remain in place. The mantra remains to sell any rallies and sell them in size.		

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 QSL Guaranteed Floor Pool prices

The floor and strike prices for the 2018-Season QSL Guaranteed Floor Pool have now been established at the following levels:

FLOOR PRICE

The absolute minimum gross price is:

355.00 AUD/tonne ACTUAL

342.33 AUD/tonne IPS

STRIKE PRICE

The strike price is:

365.00 AUD/tonne ACTUAL

351.98 AUD/tonne IPS

A participation rate of 50% applies when the market exceeds the Strike Price.

For details regarding the 2018 QSL Guaranteed Floor Pool, please read the full Pricing Pool Terms available by [clicking here](#).

Indicative Advances program released

The indicative QSL Advances program for the 2018 Season has been announced, with the initial payment rate confirmed at 60% to be paid on indicative pool values as of 11 May 2018. The full schedule is:

Applicable from*	QSL Standard Advances Rate	QSL Accelerated Advances Rate**
Initial	60%	60%
22 August 2018	65%	65%
17 October 2018	70%	70%
21 November 2018	72.5%	72.5%
12 December 2018	75%	90%
23 January 2019	80%	90%
20 February 2019	82.5%	90%
20 March 2019	87.5%	90%
17 April 2019	90%	90%
15 May 2019	92.5%	92.5%
19 June 2019	95%	95%
By 30 July 2019 (date to be confirmed)	100%	100%

* These dates are when QSL makes payments to its milling suppliers to pass on to growers. However, miller and bank processing times may result in later local payment arrangements for growers. QSL's payments to Wilmar Growers are usually made on a Thursday. ** Accelerated Advances is offered for Growers participating in the QSL Target Price Pool, Individual Futures Contract Pool and Guaranteed Floor Pool on an opt-in basis.

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It is important to note that the program is indicative only in its entirety and should not be taken as a commitment by QSL with regard to either the Advance rate or date of increase. The program may also change during the season depending on movements in the marketing and shipping plans, sugar price and currency movements and the timing of cash flows.

The QSL Board will next review the indicative program at its July meeting, where the August 2018 Advance rate increase will be considered.

To read the current indicative 2017-Season Advances program, [please click here](#).

QSL headed to Mackay expo

Are you a Mackay district grower with questions about QSL? Then don't miss the QSL stall at this year's **Canegrowers Mackay Ag Trade Expo** on May 18 and 19.

The local QSL team will be on hand to answer questions throughout the two-day expo to be held at the Western Suburbs leagues club grounds in Walkerston.

For more information about this event, [please click here](#).