

QSL Weekly Update

24 May 2018

Daily Price

Thursday, 24th May 2018

12.35 US c/lb prompt

0.7560 AUD/USD spot

\$A357.41 MT OTC

\$A344.66 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 **11 May 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	2017 SEASON GROSS AUD/T IPS	2018 SEASON GROSS AUD/T IPS
HARVEST POOL	\$416	\$365
ACTIVELY MANAGED POOL	\$446	\$344
EARLY-START ACTIVELY MANAGED POOL	N/A	\$349
GUARANTEED FLOOR POOL	\$517	\$344
2-SEASON FORWARD POOL	\$506	\$396
ACTIVELY MANAGED POOL (WILMAR GROWERS)	\$400	\$344
GUARANTEED FLOOR POOL (WILMAR GROWERS)	\$369	\$344
US QUOTA	\$717	\$717

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.

QSL Market View

Current as of 21 May 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
Market as of 21.5.18	\$339.59	\$359.35	
Sugar Fundamentals - Global exc. Brazil	●	●	While some exports have already occurred out of India since the export subsidy, some mills have failed to comply with the stock regulations so won't be eligible for the subsidy. However the Indian government could seek to resolve the issue. The collapse of domestic prices in the EU may push farmers towards wheat, which is offering a better return than beet. But with rapeseed prices still low, any move away from beet is only expected to be moderate.
Sugar Fundamentals - Brazil	●	●	After two weeks in a downward trend, ethanol prices rose 5% over the week. 2.35billion litres of ethanol was consumed in March against 2.08 billion in 2017. If the dry weather continues in Brazil the crop could be even lower than 30 million tonnes and closer to 28.5 million tonnes of sugar, pushing the sugar mix lower than 40%. But only time will tell.
Macro Issues/ Specs	●	●	Brent Crude oil continued to rise after the tougher US stance on Iran, trading over \$80/barrel for the first time since 2014. The non-index funds continued to decrease their position, a reduction of 6500 lots leaving a total net short of 144,000 lots. This could signal to system funds that the downward trend has stopped and it's time for them to start buying back.
AUD/USD	●	●	The AUD traded in a 100-point range over the week, remaining inside the well-trodden 0.7570-0.7470 range, closing the week at 0.7512. Tensions rose in North Korea as the US and South Korea planned their military exercises but it abated once these were cancelled. A trade war truce between the US & China seems to have been declared, while continuing discussions are supporting the USD. With little data over the week, the AUD will be driven by US trade headlines and the FOMC minutes.
Overall Comments	Sugar prices continued to consolidate, trading inside the range last week in what was the first full week of gains after 10 weeks of downward slides. The state of the Brazilian crop is finally getting some coverage on the news wires, but it is still too early to make a clear call on the size and quality of the crop. The Australian sugar price pushed higher, reaching \$360 AUD/mt for the 2018 Season, but just how long this rally will last is anyone's guess and once the Brazilian good news story fades the market will adjust once again.		

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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Countdown to Japan

QSL's inaugural grower study tour will get underway next week, with the group jetting off to Japan on Tuesday.

The travelling party will spend a week based in Tokyo visiting a number of QSL's Japanese customers, as well as fitting in some time to explore the delights of Tokyo and visit Mt Fuji.

We'll be sharing regular updates on their travels via the QSL Facebook page, which you can access by [clicking here](#).

Come grab a meal and chat with the QSL Board

Growers in the Burdekin and Proserpine are invited to come meet the QSL Board over a casual meal in Ayr and Proserpine next week.

Our Board will be visiting these districts as part of its regular series of regional visits, and will meet with Growers and their representatives in Ayr on Monday, and Proserpine on Tuesday.

Burdekin growers are invited to join the Board for a 'Meet and Greet' barbecue at **5pm Monday at the Ayr Showgrounds**.

The QSL Board will then host a lunch at **12 noon Tuesday at Proserpine's Prince Of Wales Hotel**.



Both events will be very informal (no PowerPoint presentations!) and will provide growers with plenty of opportunity to chat with our Directors one-on-one.

RSVPs are encouraged for catering purposes, and can be made by contacting your local QSL Grower Services Team Representative:

BURDEKIN – Rebecca Love: 0429 054 330

PROSERPINE – Emma Sammon: 0418 978 120

Cane comps approaching in Mackay and Whitsunday

QSL is a proud sponsor of the cane competitions at this year's Mackay and Whitsunday shows, scheduled for 19-21 June in Mackay and 22-23 June in Proserpine.

These competitions offer the chance to win some great prizes, but more importantly are a wonderful opportunity to showcase the fantastic work of our local sugar industries to the wider community.

For more details about these competitions, please click on the links below:

- [2018 Mackay Show](#)
- [2018 Show Whitsunday](#)

(Note: Show Whitsunday's 2018 Sugarcane Competition Schedule will be released shortly).