

QSL Market Update

Current as of 6 August, 2018

Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2018	333.38	-0.75%
2019	371.43	-0.37%
2020	395.27	0.33%

**These figures are indicative of available ICE 11 prices as at 6 August 2018 and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE #11 Exchange and/or other Marketers of Growers' Economic Interest in Sugar. Values also do not account for any adjustments resulting from local Grower-Miller pricing arrangements.*

Weekly Market Overview

By QSL Treasury Manager Ginette Barrett

SUGAR

- After two weeks of consolidation at contract lows, sugar finally made a break higher at the end of last week, trading back to 11c/lb but unable to close above it. The Oct18 ICE 11 contract closed the week at 10.85c/lb.
- Brazilian producers experienced light rain and more is expected over the next week, but a dry second half of the month is forecast.
- The Indian Government is attempting to incentivise production by giving all mills who export their quota this year an extra quota sale on the domestic market, which is worth a lot more money to them. The extra domestic quota is about 50% of their exports and will influence their decision to export or carry the sugar over.
- The Commitment of Traders report as at 31 July grew by approximately 35,000 lots, closing the week at 134,000. After the rally towards the end of the week we expect that number to be smaller.



CURRENCY

- It was another uneventful week for the Aussie Dollar, which remained trapped inside the range and closed the week at 0.7401.
- The AUD remains sensitive to any news on tariffs and trade. Trade tensions between the US and China continue to cloud the market. China has increased tariffs on \$60 billion of US imports, but have held them pending while talks continue.
- Key events this week: The Reserve Banks of Australia and New Zealand are expected to keep rates on hold. Chinese trade data is expected to be stable and GDP numbers for Japan and the UK are also due this week.

2018-Season Historical ICE 11 Price Chart

AUD PER TONNE
ACTUAL



This is a whole-of-season ICE 11 price chart for the 2018 Season, based on the current 3:2:1 pricing ratio applicable to QSL Target Price Pool growers. Source: Bloomberg. Published at www.qsl.com.au as at 6.8.18

For more sugar market information, please read the latest QSL Market Snapshot, available by [clicking here](#).

QSL Indicative Pool Prices

Please [click here](#) to access the current indicative pool prices for QSL's 2018-Season pools.