

QSL Market Update

Current as of 13 August, 2018

Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2018	331.83	-0.46%
2019	373.40	0.53%
2020	396.92	0.42%

*These figures are indicative of available ICE 11 prices as at 13 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

- Sugar continued to try and break above 11c/lb a few times last week but was unsuccessful. The Oct18 ICE 11 contract closed the week at 10.57c/lb.
- The lower market was driven down by the weak Brazilian Real, lack of demand for Brazilian raws, record ethanol production and finally, some rain for Brazil and the European Union.
- UNICA published its second half of July numbers for Brazil, these being:



	Accumulated to 15 July 2018	Accumulated to 15 July 2018
Cane Crushed (million tonnes)	314.80	398.30
Sugar (million tonnes)	14.753	17.627
ATR (kg of Sucrose per ton of cane)	134.67	127.87
Mix (% Sugar vs Ethanol)	36.52%	48.45%

- The Commitment of Traders report as at 7 August was virtually unchanged from the previous week, closing the period at 133,000 (134,000 last week).

CURRENCY

- The Aussie Dollar finally broke the range and headed sub 0.7300 in a dramatic sell off on Friday afternoon, hitting a session low of 0.7287, in levels we haven't seen for 18 months.
- Political tensions in Turkey and growing concerns that the economic issues of the country may spill over into the European banks weighed down on the emerging currencies, pushing the AUD lower.
- Adding to the pain, President Trump doubled the steel and aluminium tariffs on Turkey in response to their weaker currency.
- Key events this week: Indications are Australian employment data will be lower. There will also be US retail sales, jobless and housing numbers to watch at the end of the 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 13.8.18

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.