

QSL Market Update

Current as of 22 October 2018

Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2018	428.28	34.77%
2019	437.66	23.42%
2020	440.50	16.93%

*These figures are indicative of available ICE 11 prices as at **22 October 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 Trading Analyst Barbara Roberts

SUGAR

- Sugar prices continued to rally last week, with the MAR19 contract hitting its high of 13.90c/lb and settling at 13.89c/lb on the Friday, after posting its low for the period of 13.07/lb on the Monday. Bullish sentiment remains strong, with the prompt contract remaining in the 13-cent range and almost touching the 14-cents handle during the week.
- The 2018 Brazilian season is set to finish early, with production now expected to be less than 26 million metric tonne (mt). The European Union is also talking down their production, as recent hot weather affects their beet crops.
- The Commitment of Traders (COT) report as at 16 October provided the expected trimming of the netshort position from 88,052 to 36,289. During the course of last week, MAR19 advanced just 28 points, as speculators bought another 52,000 lots almost entirely consisting of large-fund short-covering.

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. The update on marketing and pricing activity does not constitute financial, investment or product advice or a risk management strategy. You should seek your own financial advice. This report should not be taken to include representations as to future matters, and nothing contained in this report should be relied upon as a representation as to future matters. Information about past performance is not an indication of future performance. 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 Update



CURRENCY

- The Aussie Dollar closed the week on 0.7111, after posting its low of 0.7099 on the Thursday. It opened this week lower, focused on the Wentworth by-election and its potential political implications.
- The US Dollar is expected to remain firm this week on the back of slower global economic growth and ongoing geopolitical trade concerns.



2018-Season Historical ICE 11 Price Chart

This is a whole-of-season ICE 11 price chart for the 2018 Season, based on the current 5:1 pricing ratio applicable to QSL Target Price Pool growers. Source: Bloomberg. Published at www.qsl.com.au as at 22.10.18

For more sugar market information, please read the latest QSL Market Snapshot, available by clicking here.

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. The update on marketing and pricing activity does not constitute financial, investment or product advice or a risk management strategy. You should seek your own financial advice. This report should not be taken to include representations as to future matters, and nothing contained in this report should be relied upon as a representation as to future matters. Information about past performance is not an indication of future performance. 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.