

Current as of 17 December 2018

Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2018	386.81	-1.24%
2019	404.17	-1.19%
2020	414.09	-0.73%

These figures are indicative of available ICE 11 prices as at **17 December 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 Manager Barbara Roberts

SUGAR

- Recent activity in the raw sugar market has played out like a series of 'Groundhog Days', with prices devoid of volume, direction and interest. A vacuum of fresh fundamental news has seen MAR19 trapped in a narrow 12.50/13.00 range and as a result it seems most traders have decided to go on Christmas leave early. Unfortunately this will likely continue until the New Year and a clearer picture of Indian and Thai crushing figures materialises.
- Brazil UNICA data was released this week for the second half of November. Some mills remain open at this stage in order to catch up following the delay caused by recent rains. The final numbers for this year's sugar production are expected to be slightly lower than 26.0 mmt.

UNICA – Brazil Results	Accumulated to 30 November 2018	Accumulated to 30 November 2017
Cane Crushed (mIn tonnes)	544	570
Sugar (mIn tonnes)	25.761	35.202
Sugar Mix (% of cane)	35.71%	47.12%

- India's case at the WTO has been in the headlines again, with Brazil planning to make a formal complaint against the export subsidy. India claims that the export subsidy is just an internal

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arrangement. Other countries, including Australia, are also unhappy with India's export arrangements. To date only 58,000 tons of white sugar has been shipped to Africa.

- In the absence of any short term news, China has released its ambitions to triple ethanol consumption by 2020. If this eventuates, we can see China taking on more ethanol imports which will of course play a supporting role for sugar prices, long term.

CURRENCY

- China activity data was released this week presenting poor activity and spending data for November. We saw the Aussie sell off from 0.7225 to 0.7175.
- Meanwhile in Europe, the Brexit vote was delayed again till after Christmas. This will likely cause some volatility in currency markets which could spill over into AUD.
- Risk off sentiment has returned to markets, this has seen equity markets very unstable, dragging down emerging market currencies with it.
- Thursday sees the Federal Reserve convene for its final meeting of the year. The market still anticipates a rate rise, although the probability of this has diminished somewhat over recent weeks, as a result of increased dovish rhetoric from the Fed.

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 17.12.18*
- [For more sugar market information, please read the latest QSL Market Snapshot, available by clicking here](#)