



Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2019	407.92	-0.05%
2020	437.65	0.36%
2021	445.87	0.29%

*These figures are indicative of available ICE 11 prices as at 25 June 2019 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.

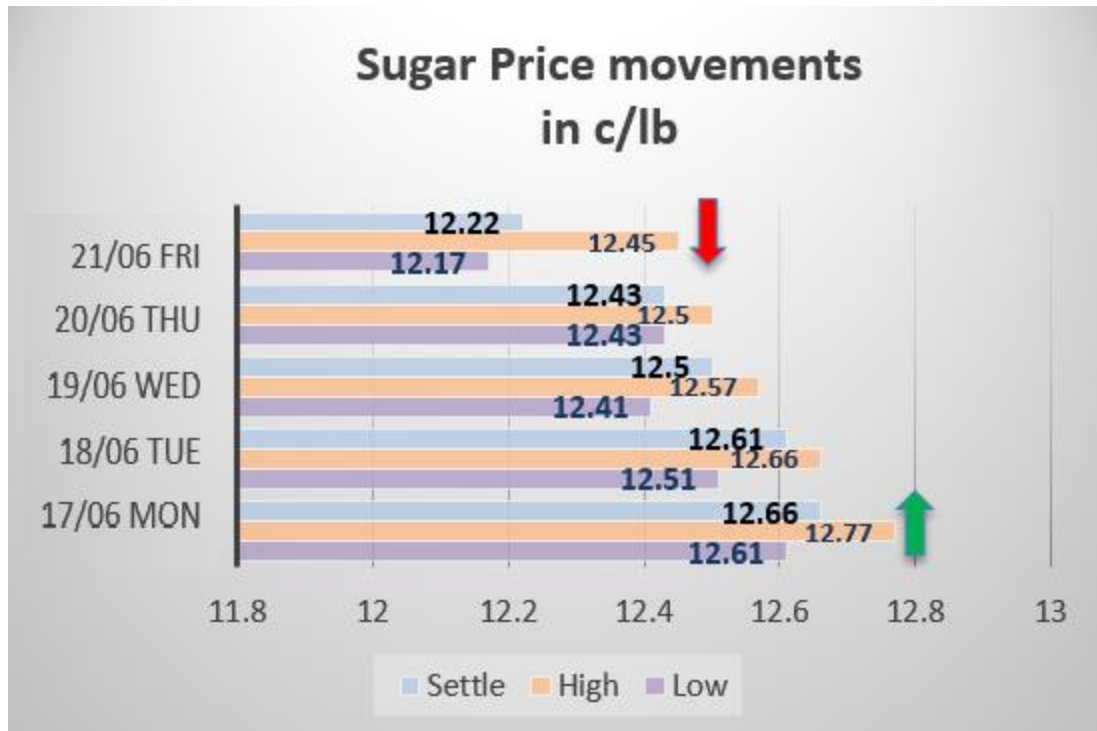
Weekly Market Overview

By QSL Trading Analyst Barbara Roberts

SUGAR

As the graph below demonstrates, sugar prices lost momentum throughout last week. Buyers now have their final chance to close their position before expiry. Central American and Mexican sugar is to be delivered against the tape.

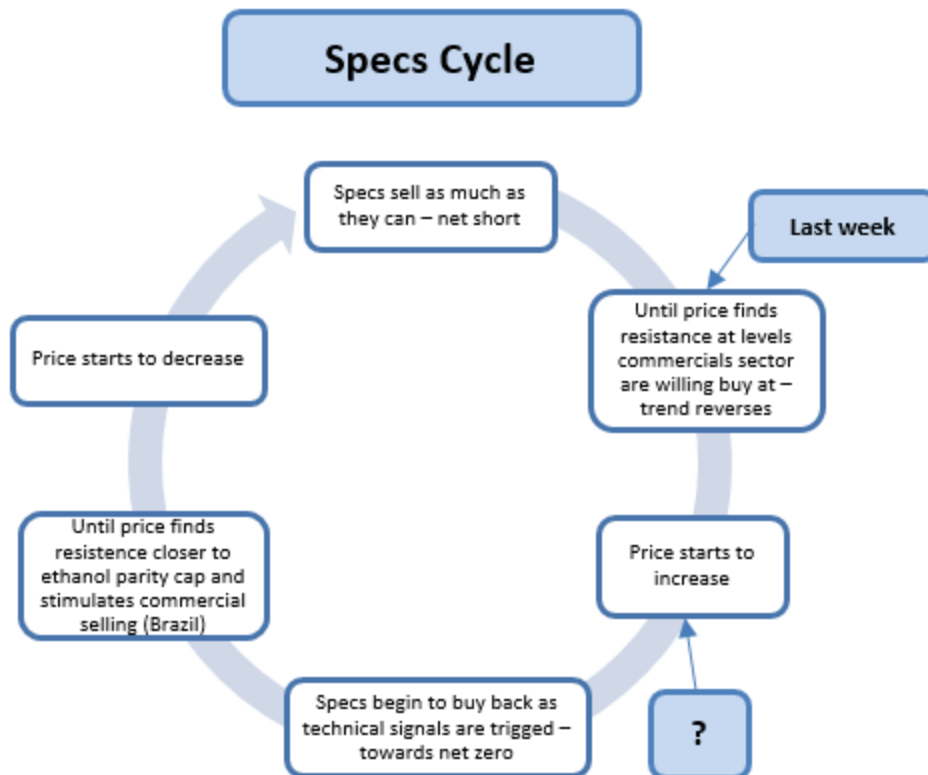
Technicals hold the blame for the price drop, as Funds mostly rolled their position to the October contract.



Around the sugar world

- **Fundamentals remained stagnant last week.**
- **India:** Maharashtra reservoirs are holding 4% of the total capacity, according to figures from the government's Central Water Commission.
- Corn prices went up 30% in a month on delays to planting in the US due to rain.
- Brazil is still holding strong ethanol demand and the current corn production problems in the US could possibly shift Brazil's relationship with the US from an importer to an exporter. This is very bullish for ethanol.

Commitment of Traders: Speculators' movements for this reporting period were as expected from 127,000 to 100,000 lots. It seems like the specs have moved to the next prompt contract and are impacting prices. This cycle is demonstrated in the following flow-chart:



CURRENCY

- The Aussie Dollar (AUD) kept its same trading range, losing its steam through the week.
- The United States Dollar (USD) was heavily pressured downwards, which is why the AUD was able to hold it together.

It's all about monetary policies

- The current scenario of trade and global growth uncertainties is forcing Central Banks around the world to discuss their monetary policies.
 - The U.S. Federal Reserve held their target range cash rate at 2.25%-2.5% as expected, although at the FOMC (Federal Open Market Committee) meeting 8 of 17 voters forecast cuts before the end of 2019.
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Apparently The Fed has changed its bias and is waiting for the outcomes from the upcoming G20 meeting between U.S. President Trump and Chinese President Xi. This decision has encouraged the market to increase expectations in regards to rate cuts.

- The shooting down of a U.S. Navy drone over the Strait of Hormuz by Iranian forces has started another war for President Trump. He has levied new sanctions on Iran, although so far that hasn't impacted oil prices.

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

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