

16 July 2019

[View this email in your browser](#)



Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2019	398.28	-2.41%
2020	426.92	-2.10%
2021	435.22	-2.10%
2022	432.90	-

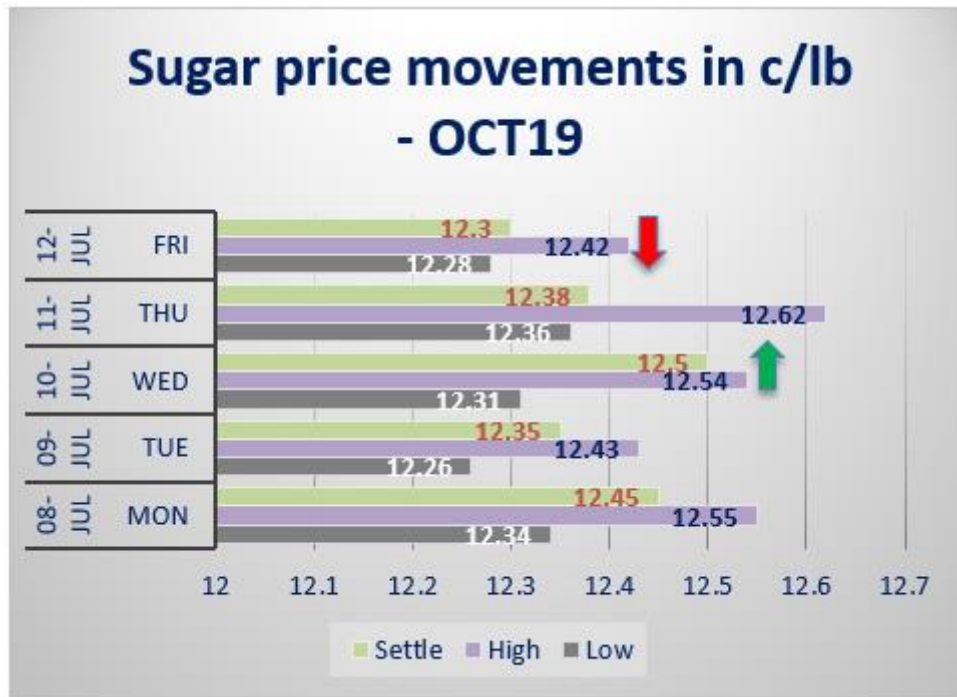
*These figures are indicative of available ICE 11 prices as at 15 **July 2019** and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE #11 Exchange and/or 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

Sugar prices for the Oct19 contract traded over familiar narrow ground.



- **Brazil:**

- The Brazilian Government finally approved the much-anticipated Pension Reform Bill. On the back of this, the Real closed strongly at \$3.75 achieving its best value since February 2019.
- The latest numbers released from Corn Ethanol Production in Brazil show that production almost doubled from last year. Currently, 294.6 thousand litres have been produced.
- UNICA released their accumulated harvest numbers, shown below:

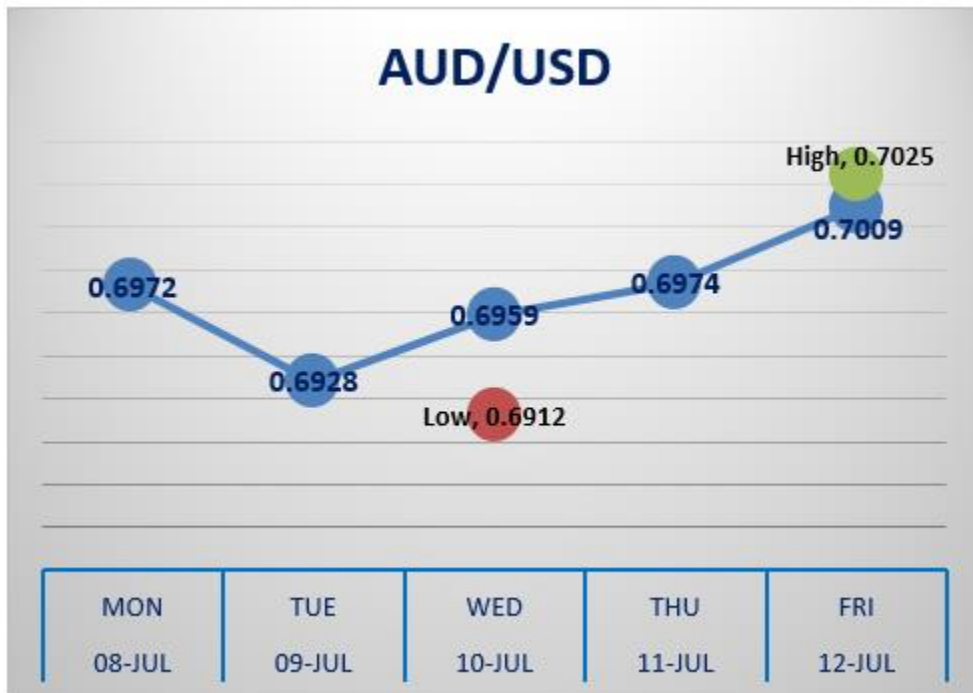
UNICA – Centre-South Brazil numbers for 2nd half of June:		
UNICA – Centre South Brazil - Results	Accumulated to 01 July 2019	Accumulated to 01 July 2018
Cane Crushed (mln tonnes)	216,883	223,648
Sugar (mln tonnes)	8.905	9.776
Sugar Mix (% of crushed cane used to produce sugar)	34.73%	35.56%

These numbers represent 40% of total crush. The ATR (Total Recoverable Sugar - ATR in Portuguese) is inferior to last year, indicating that the quality of cane has diminished. As expected, the sugar mix decreased. This indicates that ethanol production is still chief. Furthermore, frosts were noted in several agricultural areas, so eventual losses are to be expected, however it may take quite some time to ascertain the damage.

- **Commitment of Traders**: The net short spec position barely moved over the last week, currently sitting around 84,000 lots. Current price action indicates that they are likely to remain on the sidelines.

CURRENCY

The Aussie Dollar (AUD) has remained stagnant. As expected, the AUD remains in a 0.69c-0.07c range. This is shown in the graph below.



- The U.S. Federal Reserve Chair Jerome Powell signaled that a cut on interest rates at the end of July is still a possibility. If this cut occurs, it will be the first cut in 10 years. On the back of this announcement, yield markets repriced to reflect at least two cuts by the end of the calendar year. The US Dollar naturally softened, benefiting commodities and oil prices (which are up 4%).
- **Global Slowdown**: China's GDP (Gross Domestic Product) grew 6.2% in the second quarter, the country's weakest pace in almost 30 years - since the first quarterly data recorded in 1992. On Friday, Chinese trade data also indicated that exports are still contracting. This is symptomatic of ongoing trade disruption.
- **Domestically**: Local business and consumer confidence data is still weak. The RBA will become data dependent before making its next move.

For more sugar market information, please read the latest QSL Market Snapshot, available [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 advice. You should seek your own financial advice. 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. You have received this email as you are subscribed to receive newsletters and other marketing material from QSL. We take your privacy very seriously. View *our Privacy Statement on QSL's website*. When you make enquiries of QSL or sign up for QSL news or information, you thereby consent to QSL collecting and using the personal information that you provide to QSL in the operation of *QSL's business, which may include direct marketing*. You may opt out of this service at any time if you no longer wish to receive any communications from us by using the unsubscribe function at the bottom of this email.



Copyright © 2019 QSL (Queensland Sugar Limited), All rights reserved.

You received this email because you are marketing with QSL or have expressed an interest in our services.

Our mailing address is:

QSL (Queensland Sugar Limited)

Level 12/348 Edward St

Brisbane, Queensland 4000

Australia

[Add us to your address book](#)

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#)