



Indicative ICE 11 Prices

| SEASON | AUD/MT* | WEEKLY CHANGE |
|--------|---------|---------------|
| 2019 | 395.78 | -3.89% |
| 2020 | 416.79 | -3.44% |
| 2021 | 436.32 | -1.72% |
| 2022 | 437.65 | -1.83% |

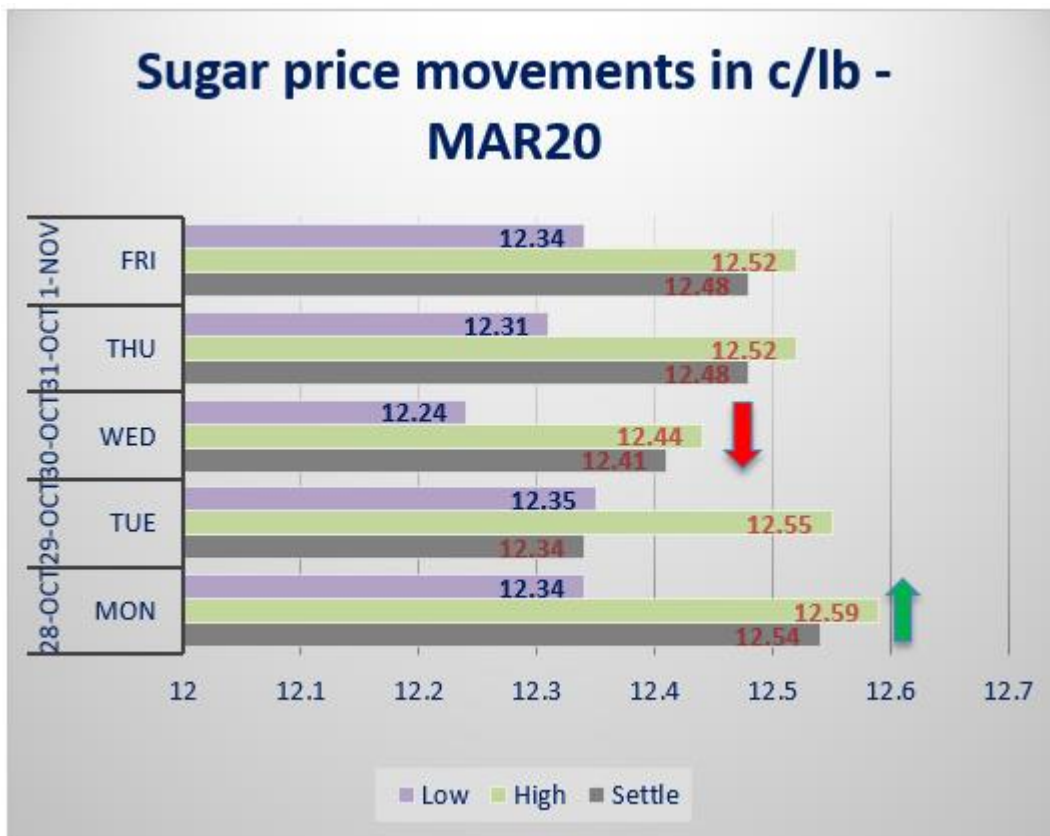
*These figures are indicative of available ICE 11 prices as at **4 November 2019** and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE #11 Exchange and/or 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 Barb Roberts

SUGAR

The sugar market is still trading over a narrow range, however it has recovered 20 points over the last week, revisiting the 12.50c/lb almost daily. The prompt contract made its high on Monday at 12.59c/lb, and its low on Wednesday at 12.24c/lb, closing the week at 12.48c/lb.



- **Commitments of Traders:** The net short position decreased slightly last week from 203,000 to 195,000 lots, with the flat price up 16 points. This is interesting because the last time we saw speculators covering their position was one month ago, and since then prices have rapidly moved towards 13c/lb.

CURRENCY

A lot happened on the currency side last week. The Aussie Dollar (AUD) spent the entire week trading to new levels above 0.68c, although a mixed bag of macro news meant it wasn't all one way traffic. The chart below shows the highlights of the week.



In the USA:

- For the third time in 2019 the Federal Open Market Committee (FOMC) cut **interest rates** by 25 basis points, currently at 1.75%. As previously signalled, measures would be taken in order to protect the US economy during the ongoing global trade conflicts. On the back of this announcement, the AUD traded over 0.69c. Although this was welcomed by US President Trump, he still voiced his disapproval of the FOMC policy through his usual twitter medium.
- President Trump has indicated that Phase 1 of the **trade agreement** between the USA and China is moving positively. The designated location to sign the deal was going to be at the Asia-Pacific Economic Cooperation (APEC) Summit in Chile, however this summit has now been cancelled due to internal affairs. Trump has now announced that a

new location within the US will be chosen in due course, although the timing of this is unclear at this stage.

The RBA: The Consumer Price Index (CPI) Inflation data for Q3 matched the Reserve Bank's expectations, as inflation rose 0.5% in Q3 resulting in a mild annual growth of 1.7%. the RBA is likely to hold rates for the next couple of months. Further rate cuts have not been priced into rates markets until Q1 2020.

Overall: Equity markets performed well over the past four weeks, and a generally weaker US Dollar (USD) remains present.

What to expect: Domestically, retail sales and trade balance results for September are due and there will be a RBA meeting on monetary policy. Abroad, the US will release the September data for durable goods, factory orders and trade balance.

HELP AND INFORMATION

For further details regarding any of the information or terminology in our market updates, please contact your local QSL representative.

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