



## Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2019	418.32	1.08%
2020	430.26	0.18%
2021	436.88	-1.20%
2022	438.94	-0.92%

\*These figures are indicative of available ICE 11 prices as at **2 December 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.

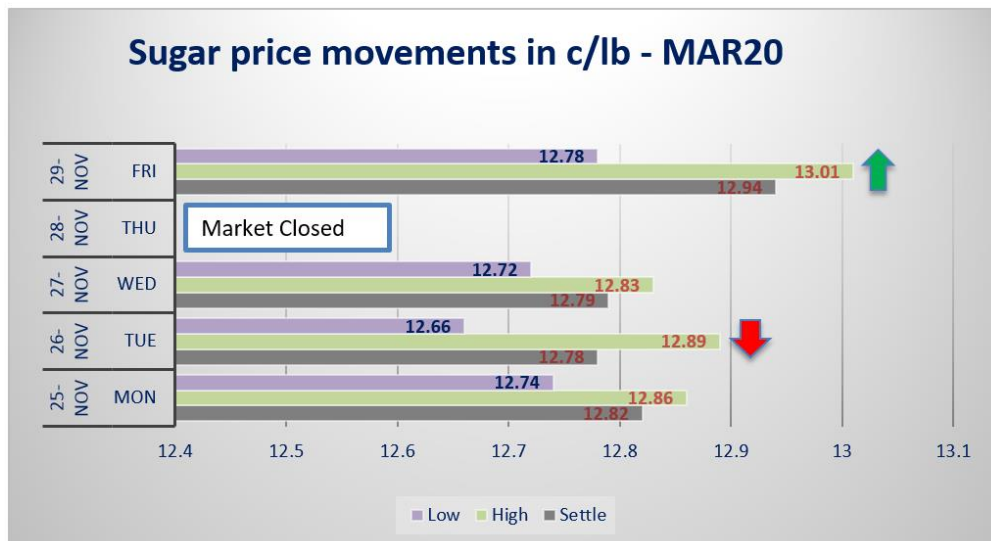
## Weekly Market Overview

By QSL Trading Analyst – Ginette Barrett

### SUGAR

The prompt contract finally broke the 13-cents level last week, with the MAR20 contract making its high on Friday at 13.01c/lb, and its low last Tuesday at 12.66c/lb, closing the week at 12.94c/lb. Market behaviour supported the rally, with technical buying support and sizable producer selling holding the market from rallying too far. Spreads represented 60% of the day's total volume traded.

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**Brazil:** The first half of November registered robust Ethanol production growth at circa 77% of the cane processed in the period. Approximately 120 mills in Centre-South Brazil have finished their activities for the season. It's expected that for this month around 71 mills will be operating.

<b>UNICA – Centre-South Brazil numbers for 1<sup>st</sup> half of November:</b>		
<b>UNICA – Centre South Brazil - Results</b>	<b>Accumulated to 16 November 2019</b>	<b>Accumulated to 16 November 2018</b>
Cane Crushed (mln tonnes)	562,744	532,412
Sugar (mln tonnes)	26,009	25,303
Sugar Mix (% of cane crushed for sugar)	34.84%	35.77%

**Commitments of Traders:** As of Tuesday 26 November the net short position decreased a further 15,500 lots from approximately 111,500 to 96,000 lots, which was largely in line with market forecasts. Commercials were the most active this week in the market. Our expectations for the coming report is further reductions of about 20,000 lots on the back of the rally at the end of last week.

## CURRENCY

It was an extremely quiet week across all currencies in the absence of major data news and the US celebrating Thanksgiving. The Aussie Dollar remained inside a well-trodden range, making its high at the start of the week at 0.67999 and its low of 0.6754 on Friday night, closing at 0.6764.



**US/China:** Volatility and tension remain between the two countries after US President Trump signed the Hong Kong Human Rights and Democracy Act late Wednesday. China was not pleased but it caused little movement to the USD. The only retaliation so far by China is for the drafters of the bill to be barred entry to China.

**The RBA:** At its final meeting for the year, the RBA Board kept rates on hold at the historic low of 0.75%.

**Oil:** There was fading sentiment as expectations grew that OPEC+ will delay additional supply cuts at next week's meeting. There is talk Saudi Arabia will tell other members it is no longer willing to reduce its own production to compensate for above-quota production from others. Crude was hit hard, with Brent closing 4.4% or \$2 a barrel lower.

## **HELP AND INFORMATION**

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

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