



Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2019	422.27	0.94%
2020	433.44	0.74%
2021	438.25	0.31%
2022	438.59	-0.08%

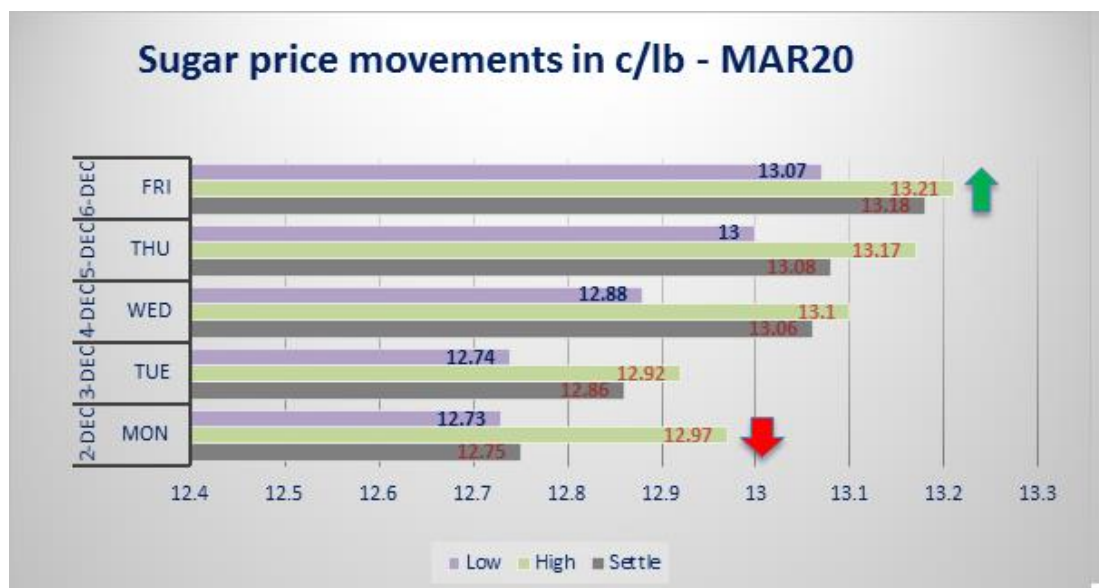
*These figures are indicative of available ICE 11 prices as at 9 **December 2019** and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE #11 Exchange and/or 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 – Barb Roberts

SUGAR

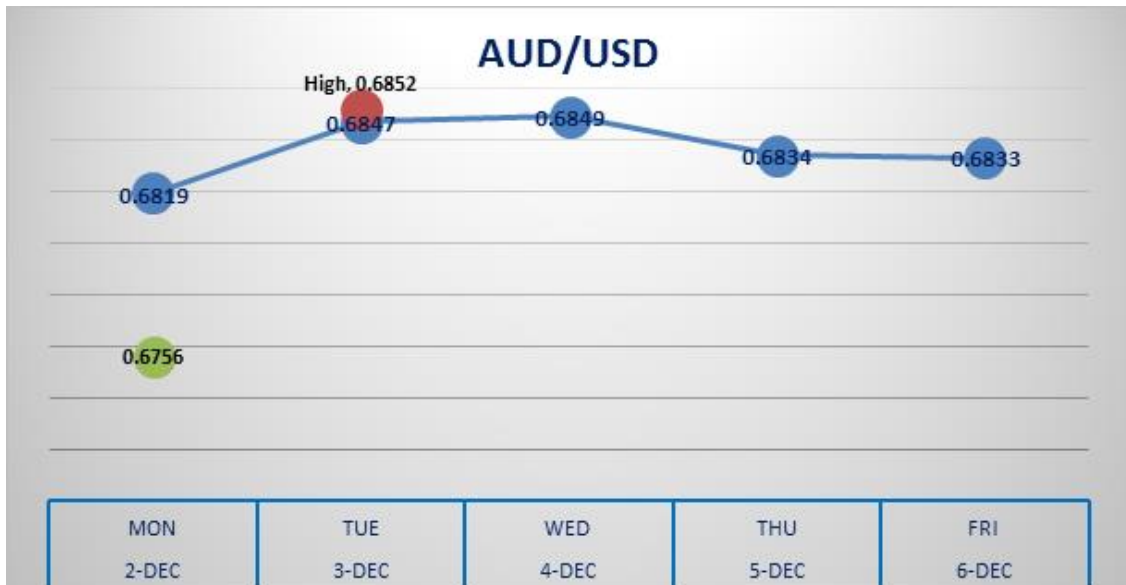
Bullish sentiment is back with a bang with the prompt contract trading mostly above 13c/lb levels, with the MAR20 contract making its high on Friday at 13.21c/lb, and its low on Tuesday at 12.73c/lb, closing the week at 13.18c/lb.



Commitments of Traders: As of Tuesday 3 December the net short position decreased a further 20,000 lots, from around 96,000 to 76,000 lots. The follow-through price strength since the reporting period indicates that speculators have flattened their net position further still and are now likely below 50,000 net short on a live basis.

Fundamentals remain largely unchanged so this rally is almost entirely a spec-driven technical affair. The rapid liquidation of the spec net short position is indicative of end of year 'book squaring' where investors close out their positions and take their profits. Given they are now approaching a net square position it remains unclear whether they will continue buying and go net long or the buying will stop and this rally runs out of steam.

CURRENCY



Positive data release for the US: Non-farm employment data surprised the market by a rise much stronger than expected, 266k against 188k. US equities rallied and S&P500 went up +0.9% on the same day. Despite the current optimism and expectations that the Fed will not cut rates this week, some people are believing that the US economy will decelerate. Let's wait and see.

The RBA: Rates were left unchanged as expected and we finish the year at 0.75%. However following this decision, soft GDP, retail sales and trade data saw several analysts bring their next forecast cut forward to the next meeting in February 2020.

The AUD will be open to some event risk this week with the FOMC meeting for the final time in 2019 later this week, as well as the fall out of the UK election on Thursday.

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](#).

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