



For week 6 - 12 January 2020

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Weekly Market Overview

By QSL Business Graduate Elliott Apel

Indicative ICE 11 Prices

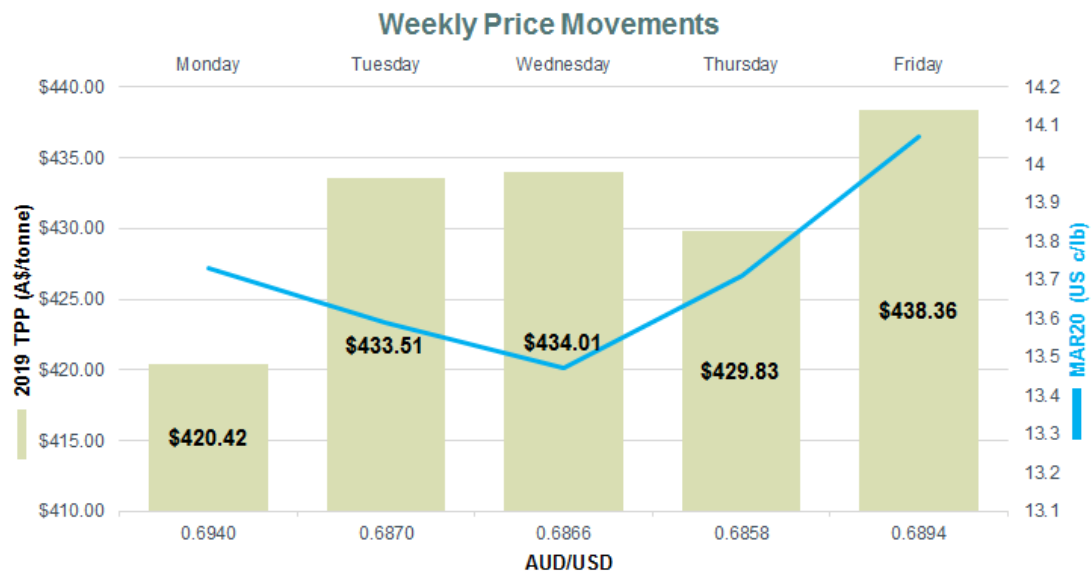
Season	AUD/MT*	Weekly Change
2019	446.99	4.54%
2020	452.60	2.46%
2021	446.73	-0.30%
2022	440.23	-1.67%

*These figures are indicative of available ICE 11 prices as at 13 January 2020 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.

Sugar

- A bullish week as the sugar price surges through the 14c/lb barrier. The MAR20 contract hit a high of 14.12c/lb and settled at 14.07c/lb.
- Highest spot price since November 2018.
- Declining forecasts out of Thailand indicate production estimate around 12MT.

- Commitments of traders report as of 7 January 2020, speculators at a 23,000 net long position



Currency

- Data Release: November retail sales reported growth of 0.9%, showing improvement from previous month, however failed to move the market.
- Macro Influences:
 - Tensions between US and Iran ease as no US or Iraqi citizens injured in Iran retaliation attack on US military bases
 - Iran appears to be standing down as Trump does not pursue further military action
- Coming Up: US and China scheduled to sign "Phase 1" trade deal on Wednesday in Washington

Jargon Buster

What does Bullish mean?

Bullish refers to a positive view of the market and the increasing in value of the underlying asset (in our case, sugar). Characteristics of a bullish market are an increase in price and an upward trend. The term 'bullish' stems from the bull who strikes upwards with his horns, metaphorically relating to the movement of the market.

QSL is Australia's largest and most experienced sugar marketer
