



7 October 2020

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## Weekly Market Overview

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### Indicative ICE 11 Prices

Season	AUD/MT*	Weekly Change
2020	414.82	-1.29%
2021	396.21	-0.81%
2022	375.82	0.12%
2023	367.18	-0.87%

*\*These figures are indicative of available ICE 11 prices as at the week ending 5 October 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.*

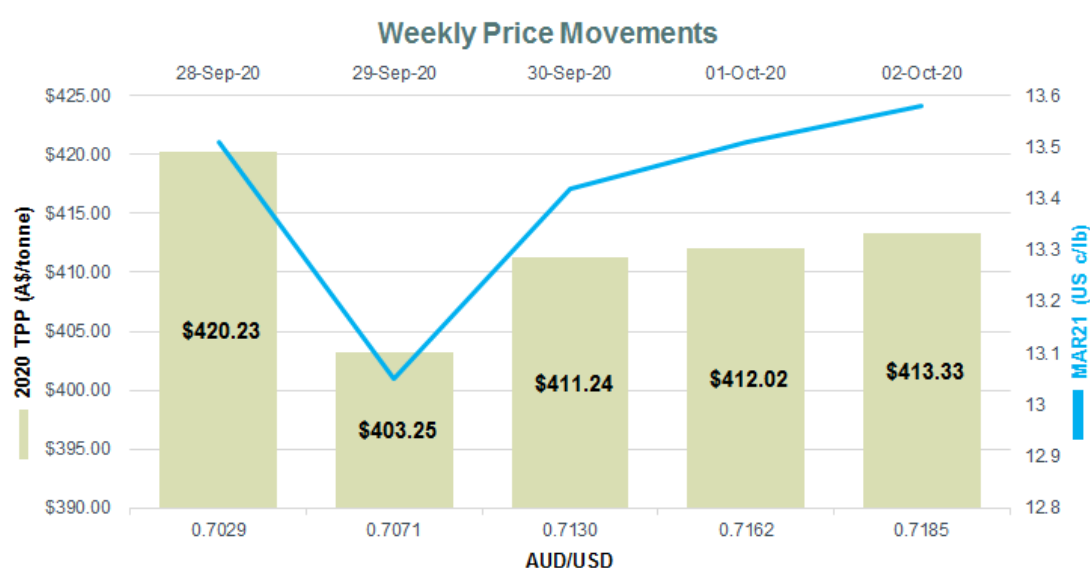
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### Sugar

- The sugar price remained at a steady level despite some volatility during the past week of trade (up to Friday). The Mar21 contract closed the week at \$13.55 USc/lb.
  - COVID19 continues to linger with cases on the rise (again) in the UK, Europe and New York. The market has essentially become immune to pandemic news and there appears to be a lessening of strain
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on healthcare systems. There is some optimism surrounding a vaccine that is keeping risk afloat, with some trials suggesting immunisation may begin as early as the end of this year. The pace of recovery in equities has stalled as initial exuberance around liquidity slows and the economic reality becomes more visible.

- Thai crop: Forecasts for the next Thai crop suggest it may be even lower than the previous year's disaster with some predicating it could be as low as \$7M tonnes. This should provide support to Far East Premiums as we move into Q1.
- Reduced beet crops are expected in Russia and the EU which will continue to support the white premium and export refinery margins.
- India: 2020/2021 season estimates range from 32 to 34 million tonnes. The world still awaits the announcement of an export subsidy scheme and what it may look like. Most analysts are working on the assumption the subsidy will be a carbon copy of last year's program targeting 6M tonnes of exports.
- The oil price has pulled back from its September highs, but still remains above \$US40 a barrel.



## Currency

- The Australian Dollar (AUD) is still hovering around the 71 cent mark against the US Dollar (USD). Any movement has mainly been on the back of US sentiment around the pandemic, China trade, the US election and news that US President Donald Trump was diagnosed with COVID19 and has since, according to the latest media reports, recovered.
  - All markets may be in for a bumpy ride over coming weeks as the US election nears. Trump's main adversary Joe Biden holds a narrow lead in the polls, but as we saw in 2016, it's too early to tell. Trump is intimating a close result will likely be contested with the robustness and reliability of the US mail service in question.
  - US/China trade tensions have taken a back seat at the moment, but both parties remain steadfast in their stance regarding holding China to account - this is unlikely to be resolved any time soon.
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### Jargon Buster

#### What is sentiment?

Sentiment is the general attitude of the market traders towards the future price of the underlying asset, whether that is sugar or currency, etc. The market can either have a bullish (positive) or bearish (negative) view.

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## **Where can I get the daily ICE #11 sugar price?**

QSL publishes the daily ICE #11 raw sugar price direct to your mobile phone by text message (SMS) by request, on your QSL App and on the QSL Facebook page. You can also receive the QSL Daily Price email or find it on the home page of the QSL website. Call your local QSL Grower Services team for more information about any of these.

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