



2 December 2020

[View this email in your browser](#)

Weekly Market Overview

Indicative ICE 11 Prices

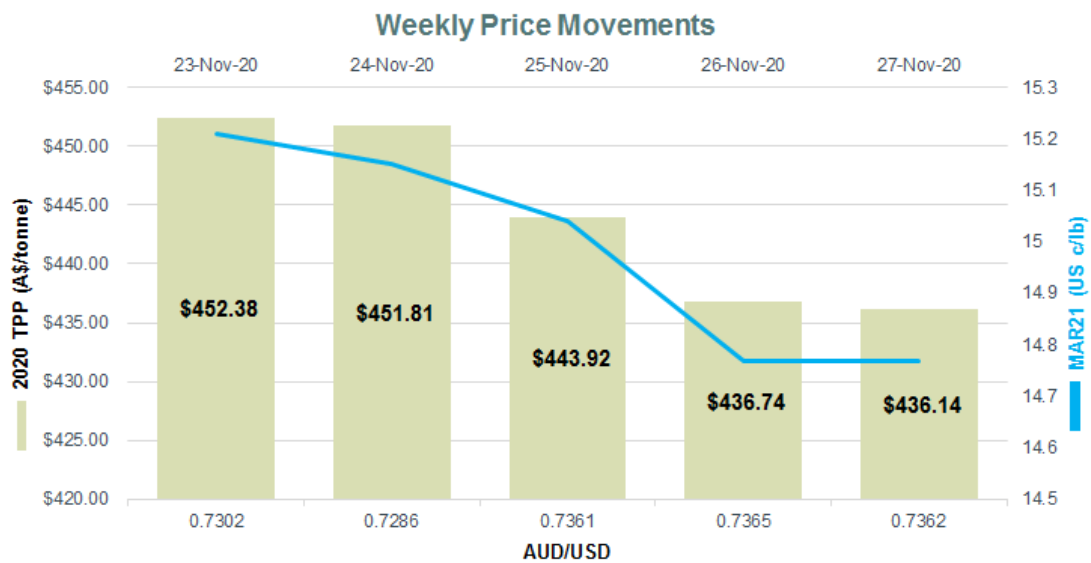
Season	AUD/MT*	Weekly Change
2020	436.45	-3.52%
2021	401.87	-0.75%
2022	391.56	2.32%
2023	376.62	2.43%

**These figures are indicative of available ICE 11 prices as at the week ending 1 December 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

- The bullish momentum seen in the middle of November that saw us hit a high of 15.66 USc/lb has disappeared for now, with the prompt contract succumbing to technical selling over the past week that has pushed it back to the lower end of its range, closing at 14.51 USc/lb overnight.

- The latest Commitment of Traders report still shows a sizeable 250k lots net long spec position that will become increasingly vulnerable to liquidation should the technical weakness continue, and volumes remain light.
- With the Indian crush now in full swing and ICE 11 prices some 115 points off their highs, pressure is mounting on the Indian government to make an announcement on export subsidies to support the domestic sugar price. That said, their COVID-affected fiscal position makes it very difficult to fund any subsidy program so the market continues to watch and wait.
- The 2020 Centre South Brazil crush is fast closing in on an early finish, with the dry crushing conditions allowing the industry to produce nearly 38 million tonnes of sugar in record time. The dry weather looks set to hang around with the La Nina pattern forming, and traders will watch the crucial December and January rain gauges to try and anticipate what effect this may have on the next crop.
- Price action is now at a key juncture and technical signals will be closely watched now we are at the bottom of the range. Macro and fundamental conditions remain favourable for bulls, so if we can weather this pre-Christmas trading lull, values should pick up once again.



Currency

- The Australian Dollar (AUD) continues to grind higher in lock step with US equities and risk assets that continue to enjoy the afterglow of the Biden US Presidential win (yet to be formally declared) and the positive movements in the COVID-19 vaccine space.
- Currently trading at 73.75 cents to the US Dollar (USD) a close above the September high of 74.14 cents will open the door for a push to 75 cents.
- As expected, the Reserve Bank left rates and commentary unchanged at their meeting yesterday and domestic data has been encouraging of late. However, increasing political tension between Canberra and Beijing does provide a small headwind to AUD strength.
- Despite daily COVID-19 caseload records being broken on a regular basis in the US, the market will continue to trade positively as we get closer towards a resolution on the next tranche of US fiscal stimulus and the widespread roll out of vaccinations sometime in the New Year. This should see the AUD continue to trade into mid-70 cent territory.

QSL is Australia's largest and most experienced raw sugar marketer

Where can I find 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.

This report contains information of a general or summary nature. While all care is taken in the preparation of this report, the reliability, accuracy or completeness of the information provided in the document is not guaranteed. The update on marketing and pricing activity does not constitute financial, investment advice. You should seek your own financial advice. Nothing contained in this report should be relied upon as a representation as to future matters. Information about past performance is not an indication of future performance. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this report. You have received this email as you are subscribed to receive newsletters and other marketing material from QSL. We take your privacy very seriously. View our Privacy Statement on QSL's website. When you make enquiries of QSL or sign up for QSL news or information, you thereby consent to QSL collecting and using the personal information that you provide to QSL in the operation of QSL's business, which may include direct marketing. You may opt out of this service at any time if you no longer wish to receive any communications from us by using the unsubscribe function at the bottom of this email.



Copyright © 2019 QSL (Queensland Sugar Limited), All rights reserved.

You received this email because you are marketing with QSL or have expressed an interest in our services.

Our mailing address is:
QSL (Queensland Sugar Limited)

Level 12/348 Edward St
Brisbane, Queensland 4000
Australia

[Add us to your address book](#)

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#)