



17 February 2021

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Weekly Market Overview

Indicative ICE 11 Prices

Season	AUD/MT*	Weekly Change
2020	460.22	-1.47%
2021	423.29	4.10%
2022	385.04	6.78%
2023	367.11	0.61%

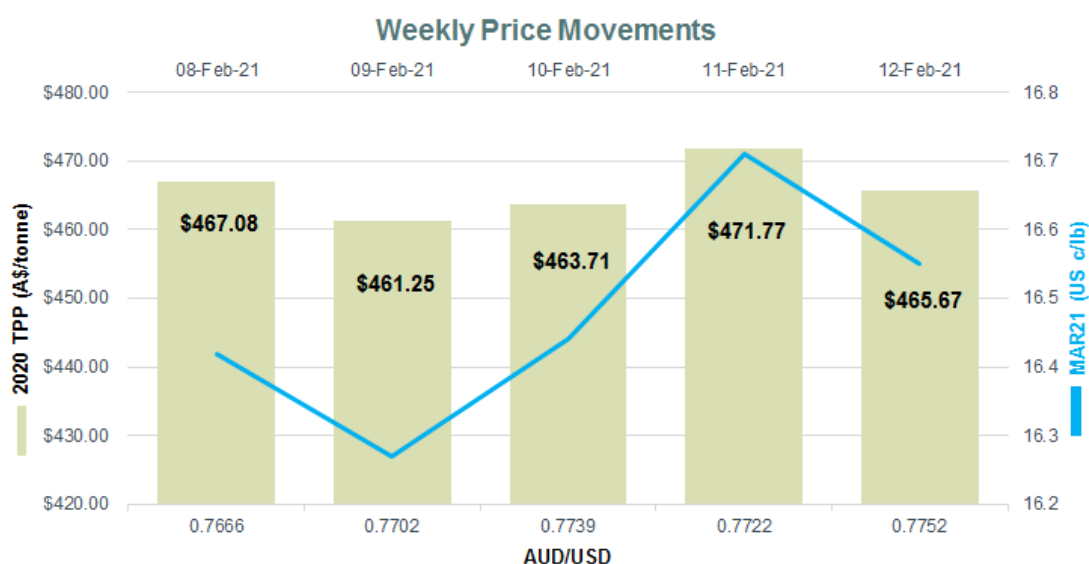
*These figures are indicative of available ICE 11 prices as at the week ending 15 February 2021 and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE 11 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

- Volatility from massive trading volumes in the lead up to the MAR 21 Contract expiry pushed the expiry contract through the 17 USc/lb barrier on Wednesday reaching a new contract lifetime high of 17.05 USc/lb. The week closed relatively unchanged week-on-week at 16.38 USc/lb.
 - Logistical issues continue to plague exports out of India despite the market demanding as much of the country's sugar as possible. It has been reported that India has sold approximately 1.75mln tonnes of sugar for export, but only 200,000 tonnes have actually been shipped. Raw sugar exports totalled just over 100,000 tonnes in January
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2021 compared to 280,000 tonnes in January 2020.

- Positive sentiment dominates the market and is keeping the flat price elevated despite speculators reducing their net long position down to 209,000 lots as of the 9 February Commitment of Traders (COT) report.



Currency

- The Australian dollar (AUD) steadily strengthened from its weekly low on Monday of 76.51 cents to a high on Friday of 77.72 cents over a quiet week with reduced participation in markets as many Asian countries celebrated the Lunar (Chinese) New Year.
 - The much anticipated speech from the US Federal Reserve Chairman Jerome 'Jay' Powell brought little new news as he restated his dovish stance by highlighting the weakness in the US labour market, and declaring that monetary policy would need to be accommodative to moderate inflation.
 - The USD weakened off the back of the January US core Consumer Price Index (CPI) missing expectations of +0.2% and publishing a 0.0% change month-on-month sparking inflation fears post COVID-19 vaccines.
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Jargon Buster

What is the Consumer Price Index (CPI)?

The Consumer Price Index is a statistical measure of the change in price over time of a fixed basket of goods and services. The CPI is generally measured month to month or year to year and is used by economists and governments to monitor inflation in the economy.

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