



14 April 2021

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## Weekly Market Overview

### Indicative ICE 11 Prices

Season	AUD/MT*	Weekly Change
2020	446.20	4.72%
2021	442.66	5.09%
2022	406.04	4.84%
2023	372.53	1.06%

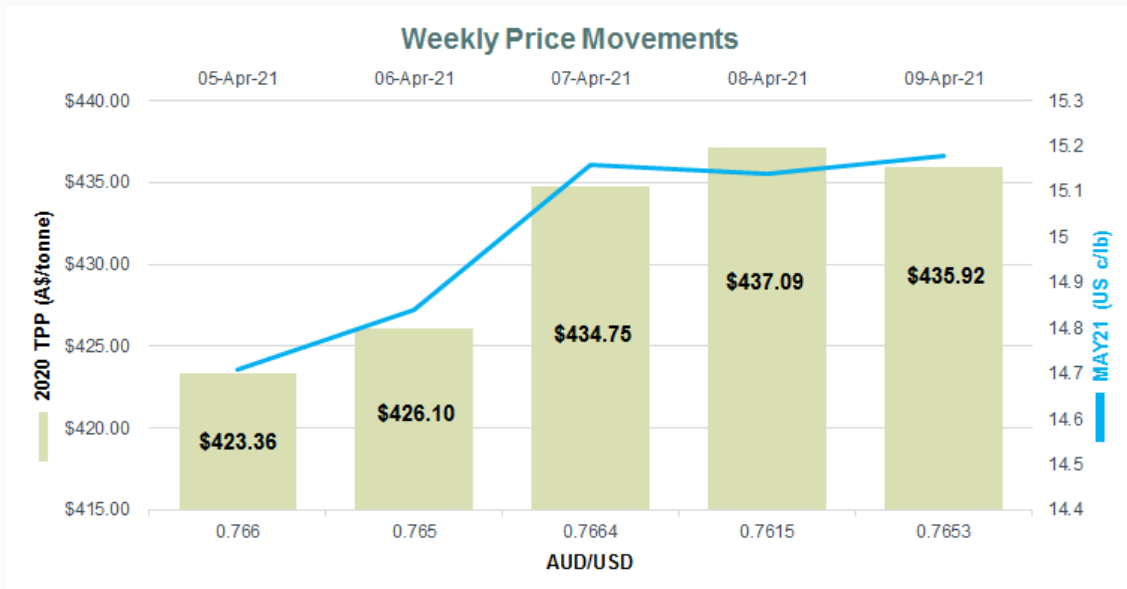
*\*These figures are indicative of available ICE 11 prices as at the week ending 12 April 2021 and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE 11 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

- After a 3-week retreat, raw sugar prices have finally turned the corner trading to new highs every day, closing higher 4 out of 5 days last week. The May 21 ICE 11 contract closed the week up 75 points week-on-week at 15.46 USc/lb.
- In the first two of weeks of the Brazilian harvest, cane yields are reported to be approximately 10-15% lower year-on-year in the Sao Paulo region. Sucrose content on the other hand is slightly higher.
- An unexpected frost through Northwest Europe may force growers to replant part of the sugar beets crop. In France, approximately 7% of the total planted area (30,000 hectares) may have been damaged by the frost after temperatures plunged to below

negative 7 degrees Celsius.

- While the funds reduced their net-long position to 147,000 lots as of the 6 April Commitment of Traders report, their long position is likely to have increased significantly on a live basis given the continuing rally in prices.



## Currency

- The Australian dollar traded sideways in a narrow 89-point range last week after a subdued start, with many markets closed for the Easter long weekend. The AUD reached a high of 76.77 US cents on Thursday and a low of 75.88 on Saturday.
- The April Reserve Bank of Australia (RBA) meeting provided little significant news to influence the market. It was reiterated that the RBA is prepared to implement further Quantitative Easing measures after the second \$100bn round ends in September if necessary.
- In the US, Chairman of the Federal Reserve Joe Powell once again confirmed interest rates will not be raised in the short term. When questioned about inflation, he stated that the Fed expected a small bump higher but this to only be transitory. He confirmed that they have the necessary tools to combat if, in the unlikely event, inflation reaches uncomfortable levels.

## Jargon Buster

### What is Quantitative Easing (QE)?

Quantitative easing is a monetary policy implemented by a central bank which aims to expand economic activity. The central bank will buy long-term financial assets, such as government bonds, in order to inject money into the economy.

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

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