



28 April 2021

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Weekly Market Overview

Indicative ICE 11 Prices

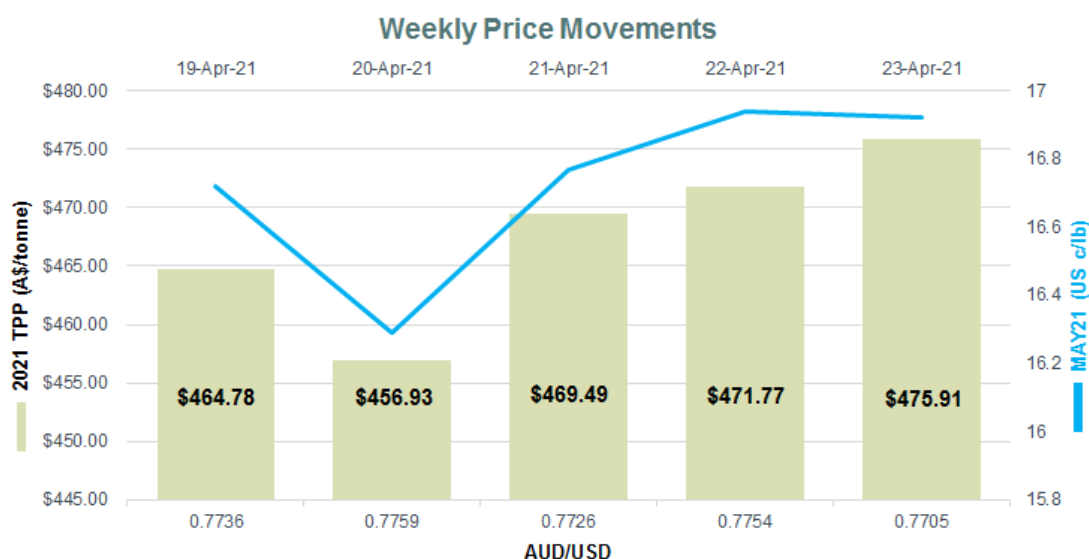
Season	AUD/MT*	Weekly Change
2020	481.77	1.15%
2021	476.90	2.61%
2022	427.27	2.48%
2023	378.68	0.19%

*These figures are indicative of available ICE 11 prices as at the week ending 27 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

- Last week saw NY ICE 11 raw sugar prices pushed higher for a third week of gains, breaking through the 17 USc/lb level. The prompt May21 contract reached a high of 17.08 USc/lb on the Friday, before closing the week at 16.91 USc/lb
- A major Asian-based trade house released a report which set the market into a buying frenzy after stating the Centre South Brazil cane crop "could lose at least 10% of ag yields". This estimate represents a total cane crop of 530 million tonnes and sugar production in the range of 31 to 33 million tonnes. For comparison the 2020/21 season crop officially finished at 38.47 million tonnes.

- Speculators provided huge buying support to the market by adding 50,000 lots to their long position in one week. The Commitment of Traders report shows they now hold a 220,000 lot net-long position as of 20 April.
- Export sales out of India have reached approximately 5.3 million tonnes (out of a 6 million-tonne export subsidy quota), indicating there is very little selling left.



Currency

- The Australian Dollar picked up some stamina throughout last week, trading as low as 76.91 US cents and as high as 78.16 USc.
- There was overall positive sentiment, with equities trading on the positive side for most of the week, and iron ore prices hitting a record high of \$US193.85 per tonne.
- Consumer confidence in the US rose to 121.1 from 109.7, well above expectations of 113. The unexpected movement seemed due to the latest round of stimulus payments and improvements on the COVID-19 front.
- The US Dollar was supported by reports that US President Biden plans to almost double capital gains tax on Americans who earn over \$US1 million per annum to 39.6% from 23.8%. The extra funds (which could be in the vicinity of \$US1 trillion) raised from the tax are expected to go towards childcare, paid family care and education, and will be officially announced later this week as a new fiscal plan.

Jargon Buster

What is the US Consumer Confidence Index (CCI)?

The CCI is a measure of consumers' perception of the future economic position of their country. A score above 100 indicates consumers are optimistic about the future economic situation and are more likely to spend their money on major purchases. Values below 100 indicate consumers are pessimistic towards future economic development and are more likely to save their money and consume less.

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