



18 January 2024

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Weekly Market Overview

Indicative ICE 11 Prices

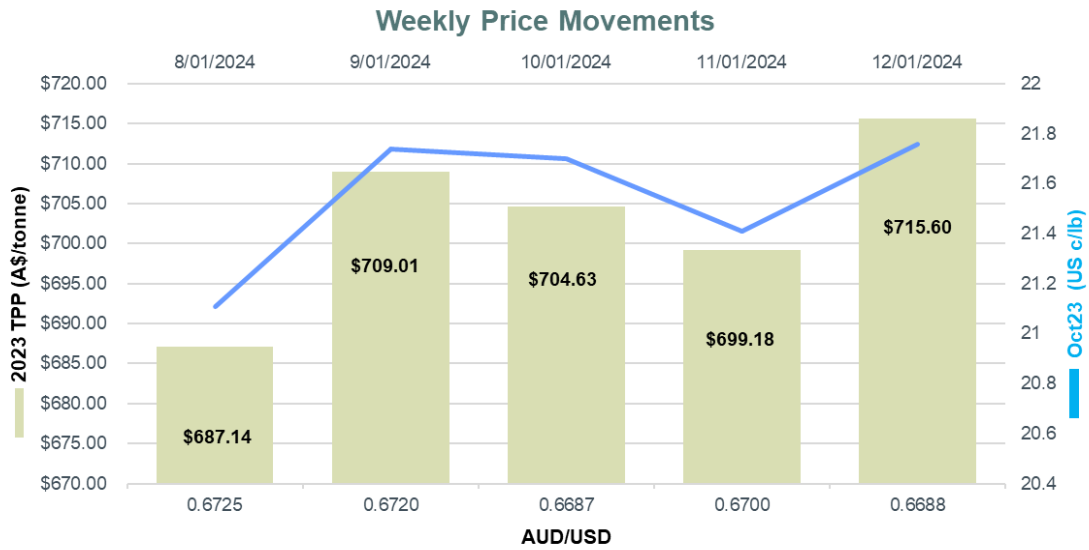
Season	AUD/MT*	Weekly Change
2023	708.34	+3.09%
2024	679.31	+1.27%
2025	635.43	+0.45%
2026	614.67	-0.12%

** These figures are indicative of available ICE 11 prices as at 15 January 2024 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.*

- Overview:** The ICE 11 raw sugar market was relatively stagnant last week as market analysts waited on harvest progress reports out of India and Thailand. The prompt March 2024 ICE 11 contract traded from a low of 21.11 USc/lb on the Monday before reaching a high of 21.96 USc/lb on the Tuesday, closing the week at 21.61 USc/lb.
- UNICA:** Earlier this month the Brazil Sugar Cane Industry Body (UNICA) released its Centre South harvest update covering the second half of December. While the results were lower than expected, 4.87 million tonnes of cane was crushed and 236,000 tonnes of sugar was produced for the fortnight, indicating an exceptionally robust

conclusion to the 2023/2024 cane crushing campaign. The cumulative figures for the entire 2023/2024 season, with 644 million tonnes of cane crushed and 42 million tonnes of sugar produced, now stand as records. These numbers represent an 18.7% year-on-year increase in cane crushed and 25.4% year-on-year growth in sugar production.

- **Brazil vessel lineup:** The Williams Brazil Sugar Line Up report for the week ending 10 January showed another small reduction in the number of ships and volume of sugar waiting to be loaded. The vessel count decreased by 6 ships to 58, while the total volume of sugar waiting to be loaded remains at 2.5 million tonnes of sugar. While the season is almost over, with only a couple of mills still operational, Brazil will continue to export sugar as long as the weather remains unseasonably dry.
 - **Thailand:** A delayed start to the Thai crushing season has caused production numbers to fall behind the 2022/23 season by almost 10%. With mills now running at full capacity, 22.7 million tonnes of cane had been crushed and 2.03 million tonnes of sugar produced as of 9 January. Low sugar content has been observed so far, leading analysts to downgrade their sugar forecasts from 8.5 million tonnes to 7.5 million tonnes.
 - **Commitment of Traders:** The ICE 11 Commitment of Traders report as of 9 January printed another reduction of 11,000 contracts, with speculators reported to have held a 5,500-net long position.
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Currency

- Overview:** The Australian dollar (AUD) weakened last week following the news that US inflation remained higher than market projections. The AUD traded between a high of 67.35 US cents on the Monday down to a low of 66.47 US cents on the Thursday.
- AUS inflation:** Domestically, the monthly Consumer Price Index (CPI) printed lower than predicted, rising 4.3% in the 12 months to November, down from 4.9% in October, marking the lowest rise since January 2022. However, given the conservatism shown by the RBA over the past 2 years, it is likely that there will be no adjustment to the cash rate during the RBA's February meeting.
- US CPI:** In the United States, the Consumer Price Index (CPI) for December was higher than expected, posting a 0.3% month-on-month increase, 0.1% higher than anticipated. The headline CPI showed a rise of 3.4% in the 12 months to December, compared to 3.1% in November. Federal Reserve speakers have since stated that while they are content with the path inflation is tracking, they are cautious about rushing into

any rate cuts. The US Dollar enjoyed some relative strength following these announcements which led to the AUD falling below 67 US cents.

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