



9 January 2024

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Weekly Market Overview

Indicative ICE 11 Prices

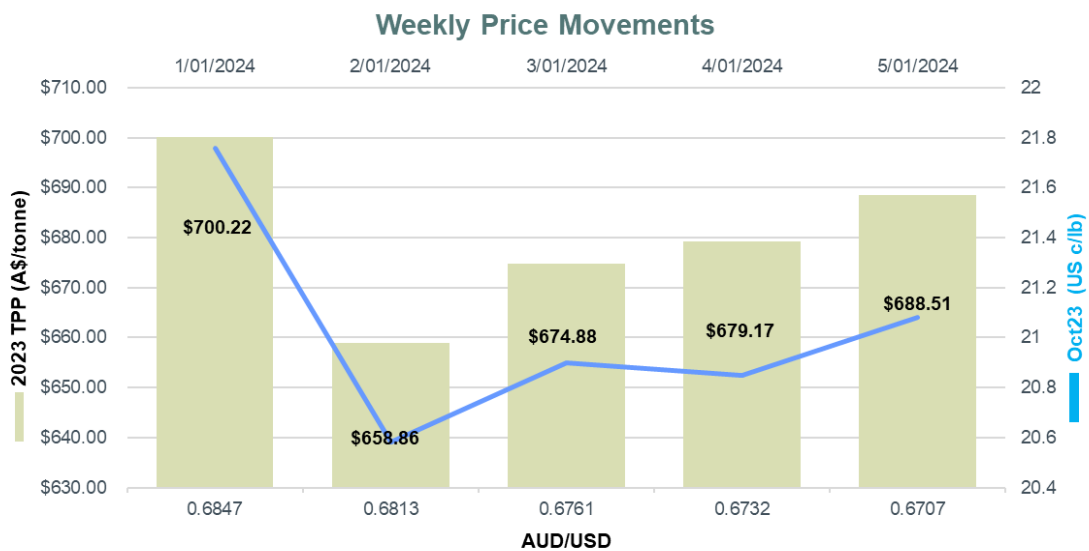
Season	AUD/MT*	Weekly Change
2023	687.14	-3.98%
2024	670.80	-0.55%
2025	632.57	-0.26%
2026	615.42	-0.14%

* These figures are indicative of available ICE 11 prices as at 9 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.

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- **Overview:** After six weeks of continued losses, the ICE 11 raw sugar futures market found some strength last week following weak production figures out of India. The prompt March 2024 ICE 11 contract hit a low of 20.37 USc/lb on the Tuesday before reaching a high of 21.40 USc/lb on the Wednesday, closing the week at 21.10 USc/lb.
 - **India:** As of 31 December, there were 511 sugar mills operational in India, compared to 514 mills at the same time last season. The cumulative sugar production for the period stood at 11.21 million tonnes, reflecting a 7.6% year-on-year decrease. In the key sugar-producing region of Maharashtra, 3.82 million tonnes of sugar had been produced,
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down nearly 20% year-on-year, with the Karnataka region experiencing a 10% year-on-year decline, with sugar production only reaching 2.40 million tonnes of sugar for the period.

- Brazil vessel lineup:** The Williams Brazil Sugar Line Up report for the week ending 3 January showed a small reduction in the number of ships and volume of sugar waiting to be loaded. The vessel count decreased by 7 ships to 64, and while the total volume of sugar waiting to be loaded fell to 2.5 million tonnes of sugar, this figure still represented a 320% increase on the same time last year. Brazil's crush is nearing its conclusion and, thanks to a largely uninterrupted shipping program, 2023/24 sugar exports are on track to exceed the previous record of 30.9 million tonnes, set in the 2020/21 season.
- Commitment of Traders:** The ICE 11 Commitment of Traders report as of 2 January printed another reduction of 2500 contracts, with speculators reported to have held a 17,000-net long position.



Currency

- **Overview:** The Australian dollar (AUD) continued its bullish run last week due to market expectations of interest rate cuts for the United States in 2024. The AUD traded between a low of 67.05 US cents on the Friday and a high of 68.07 US cents on the Monday.
- **US job market:** The recent US labor market data release exceeded expectations, providing a positive signal to the Federal Reserve as they assess indicators and consider potential interest rate adjustments. In December, non-farm payroll employment saw a robust increase of 216,000 jobs, surpassing the anticipated 175,000 rise. The unemployment rate remained steady at 3.7%, while the participation rate experienced a 0.3% decline, settling at 62.5%.
- **Federal Reserve:** As revealed in the minutes of their December meeting, Federal Reserve officials reached the consensus that interest rate cuts are probable in 2024. During the session, the Federal Open Market Committee, responsible for setting interest rates, decided to maintain the benchmark rate within a range of 5.25% to 5.5%. While providing limited clarity on the timing of the interest rate decreases, Committee members expressed an expectation for three quarter-percentage-point cuts by the conclusion of 2024.

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