



15 February 2024

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Weekly Market Overview

Indicative ICE 11 Prices

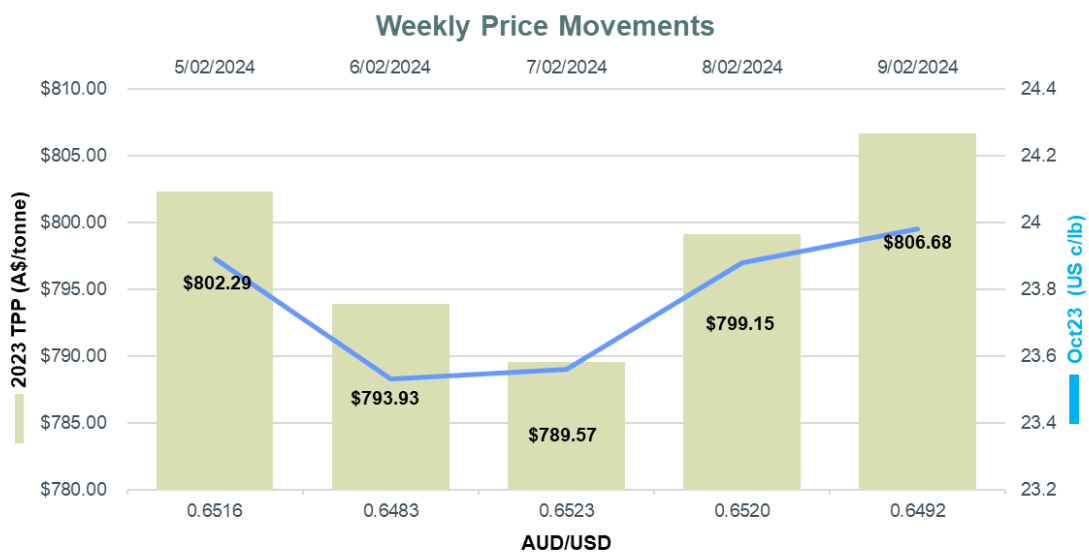
Season	AUD/MT*	Weekly Change
2023	805.03	+0.34%
2024	764.45	+1.38%
2025	690.34	+0.64%
2026	624.92	-0.98%

* These figures are indicative of available ICE 11 prices as at 12 February 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 raw sugar futures market remained subdued last week as speculators chose to remain on the sidelines, awaiting further developments. The prompt March 2024 ICE 11 contract traded from a low of 23.02 USc/lb on the Tuesday, up to a high of 24.42 USc/lb on the Friday, before closing the week at 24.02 USc/lb.
- Thailand:** The Thai Sugar Millers Corp announced that they anticipate a 32% year-on-year decline in Thailand's sugar production for the 2023/24 season, estimating just 7.5 million tonnes of sugar will be produced, the lowest production in 17 years. Insufficient rainfall has been a contributing

factor, and the ongoing influence of the El Niño weather system may exacerbate the situation by further diminishing precipitation over the next two years.

- **Brazil:** Dry weather throughout January has been persistent in Centre South Brazil, however widespread rain and storms are expected over the next 10 days. While some are predicting that Brazil's 2024 crop will be as low as 600 million tonnes of cane, it is expected that sugar yields will be good due to the optimal age of the cane.
- **Commitment of Traders:** The ICE 11 Commitment of Traders report as of 6 February revealed a virtually unchanged position week-on-week, with an increase of just 175 contracts. Speculators were reported to have held a 23,350-net long position.



Currency

- **Overview:** More pressure has pushed the Australian dollar (AUD) down further as rate cuts in both Australia and the US seem unlikely in the

near future. The AUD traded from a high of 66.41 US cents the Wednesday to a low of 64.69 US cents on the Friday.

- **RBA:** As expected, the Reserve Bank of Australia (RBA) kept the cash rate on hold last week at 4.35%. In their post-meeting statement, the RBA was somewhat more hawkish than anticipated by the market, with the Board retaining a bias towards tightening.
- **US:** Recently released data showed that in the twelve months to January 2024, the US consumer price index (CPI) increased by 3.1%, down from 3.4% in December, with core CPI (excludes food and energy costs) rising by 0.4% month-on-month. Given the stronger-than-expected data, the likelihood of the Federal Open Market Committee (FOMC) declaring rate cuts before Q3 appears diminished:

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