



27 March 2024

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Weekly Market Overview

Indicative ICE 11 Prices

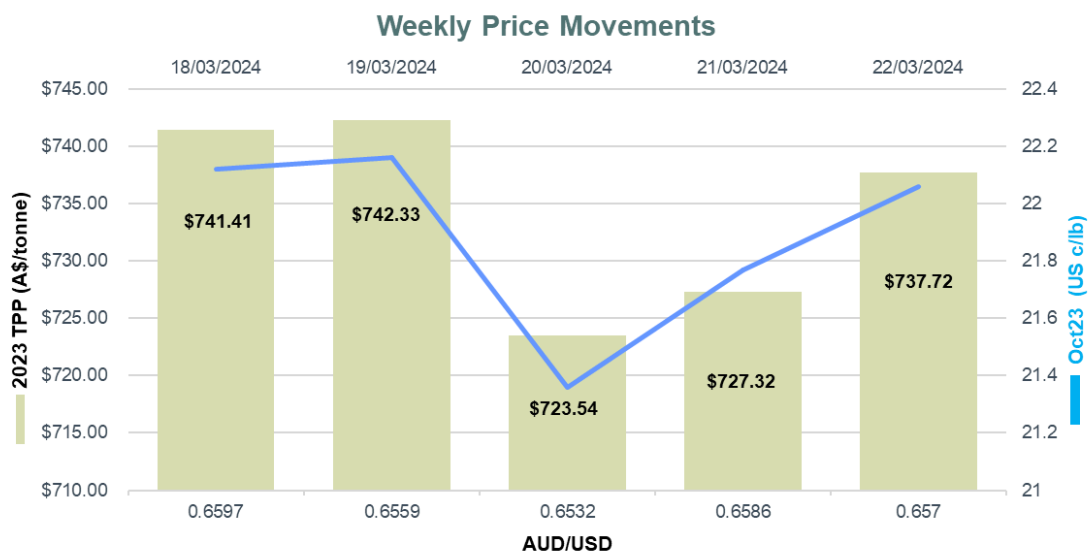
Season	AUD/MT*	Weekly Change
2023	736.56	-0.65%
2024	722.10	+0.37%
2025	668.90	+0.16%
2026	622.13	-0.28%

* These figures are indicative of available ICE 11 prices as at 26 March 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 futures market continued to trade between 21 and 22 USc/lb last week, as speculators sat on their hands waiting for fresh market developments. The prompt May 2024 contract traded from a high of 22.35 USc/lb on the Monday, down to a low of 21.13 USc/lb on the Wednesday, before closing the week at 21.85 USc/lb.
- India:** Recent milling data out of India showed that in the key cane growing region of Uttar Pradesh, 87 million tonnes of cane had been processed, resulting in 9.1 million tonnes of sugar, while Maharashtra had processed 102 million tonnes of cane, yielding 10.4 million tonnes of sugar. India's sugar production is decelerating, with the final sugar production for this season projected to be 32-33 million tonnes, however, the likelihood of any sugar exports out of India still remains low.

mills still in operation. It is anticipated that Thailand will crush 82 million tonnes of cane, resulting in the production of 8.7 million tonnes of sugar. This would represent a 14% decrease in sugar production year-on-year.

- **Commitment of Traders:** The ICE 11 Commitment of Traders (COT) report as of 19 March reported a position of 14,70 lots net long held by the speculators, a decrease of 3,650 contracts from the previous report.



Currency

- **Overview:** The Australian Dollar (AUD) was tested after an eventful week, holding steady as the RBA and the US Federal Open Market Committee (FOMC) continued to hold rates. The AUD traded from a low of 65.05 US cents on the Tuesday, up to a high of 66.34 US cents on the Thursday.
- **FOMC:** On 20 March the FOMC announced its decision to maintain the policy rate within the range of 5.25% to 5.5%. This marks the fifth consecutive meeting that they have chosen to keep interest rates unchanged. Although it is believed that the policy rate has reached its highest point in the current tightening cycle, uncertainty persists regarding the specific timing and magnitude of any potential rate reductions in 2024.
- **RBA:** The RBA board opted to maintain its cash rate at 4.35% at their 19 March meeting, noting, "The board anticipates that achieving sustained inflation within the target range of 2%-3% will take some time." This decision has spurred a consensus among economists and banks to tentatively plan for rate cuts in the fourth quarter of 2024. However, there

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