

QSL MARKET UPDATE



11 April 2024

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Weekly Market Overview

Indicative ICE 11 Prices

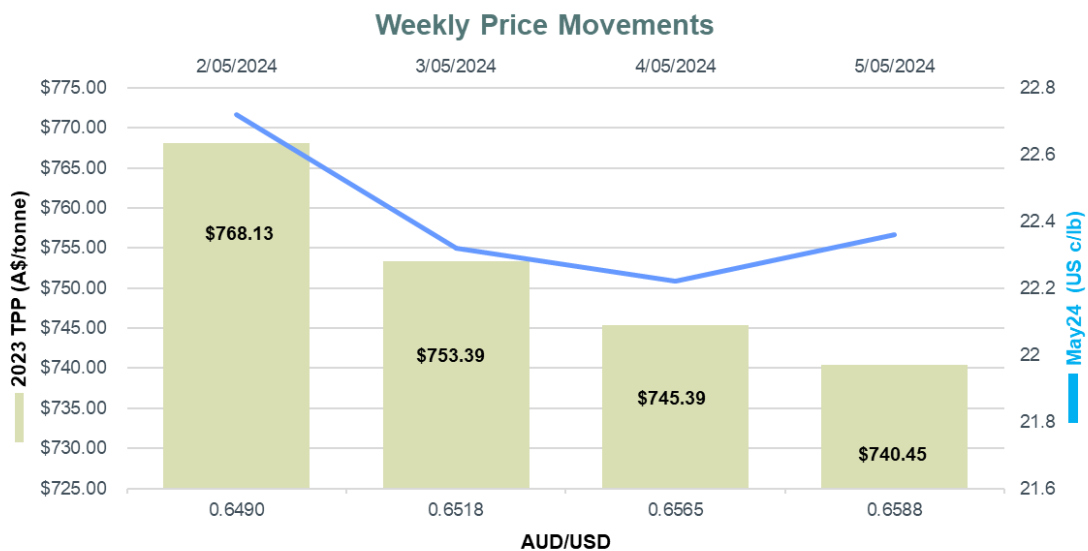
Season	AUD/MT*	Weekly Change
2023	735.35	-2.40%
2024	713.50	-2.63%
2025	660.02	-1.62%
2026	615.57	-1.73%

* These figures are indicative of available ICE 11 prices as at 10 April 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 started strong last week with plenty of speculator interest, however quickly turned south due to a mass sell-off as a result of bearish news out of India and Brazil. The prompt May 2024 contract traded from a high 22.91 USc/lb on the Monday, to a low of 21.80 USc/lb on the Thursday.
- **India:** Recent reports out of India continued to show strong harvesting and crushing figures. By the end of March, 326 mills had finished operations, with season-to-date totals standing at 295 million tonnes of cane crushed and 30 million tonnes of sugar produced, a decrease

of 3.4% and 0.6% year-on-year respectively. India is on track to produce a higher-than-expected total of 32.4 million tonnes of sugar this season which has led the Indian Sugar Mills Association (ISMA) to request permission from the government to export 1 million tonnes of sugar.

- Brazil:** The second half of March brought some much-needed rain for Centre South Brazil, with an average of 86mm falling across the region for the period. In the 7 months to March 2024, the region received an average of 813mm of rain, 250mm below the long-term average. Brazil is still expected to produce a crop of around 600 million tonnes of cane and 40-41 million tonnes of sugar in the 2024/25 Season.
- Commitment of Traders:** The latest Commitment of Traders report as of 2 April printed an increase of 12,435 contracts, bringing the overall speculator position to 54,700 lots net long. Given the rally in the market in the 2 weeks prior to the report, the increase was largely expected, but unlikely reflective of the speculator position on a live basis.



Currency

- **Overview:** The Australian Dollar (AUD) remained rangebound last week due to the lack of fresh news, trading from a low of 64.81 US cents on the Tuesday, to a high of 66.18 US cents on the Thursday.
- **RBA minutes:** In its March minutes, the RBA did not discuss a rate hike for the first time since it started increasing rates in May 2022. Nonetheless, the minutes reaffirmed a commitment to "do what is necessary to return inflation to target", indicating the Board retains a slight inclination towards tightening. The RBA may cut rates as early as mid-2024 with the next couple of months being critical for inflation.
- **US CPI:** The US March CPI inflation data released on 10 April exceeded expectations, with core inflation rising by 0.4% year-on-year. As a result, economists are now revising their forecasts for interest rate cuts from July to as late as December this year. Following the announcement, the AUD initially dropped by around 70 points before further selling pushed it to a low of 65.15 US cents.

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