

QSL MARKET UPDATE



24 April 2024

Indicative ICE 11 Prices

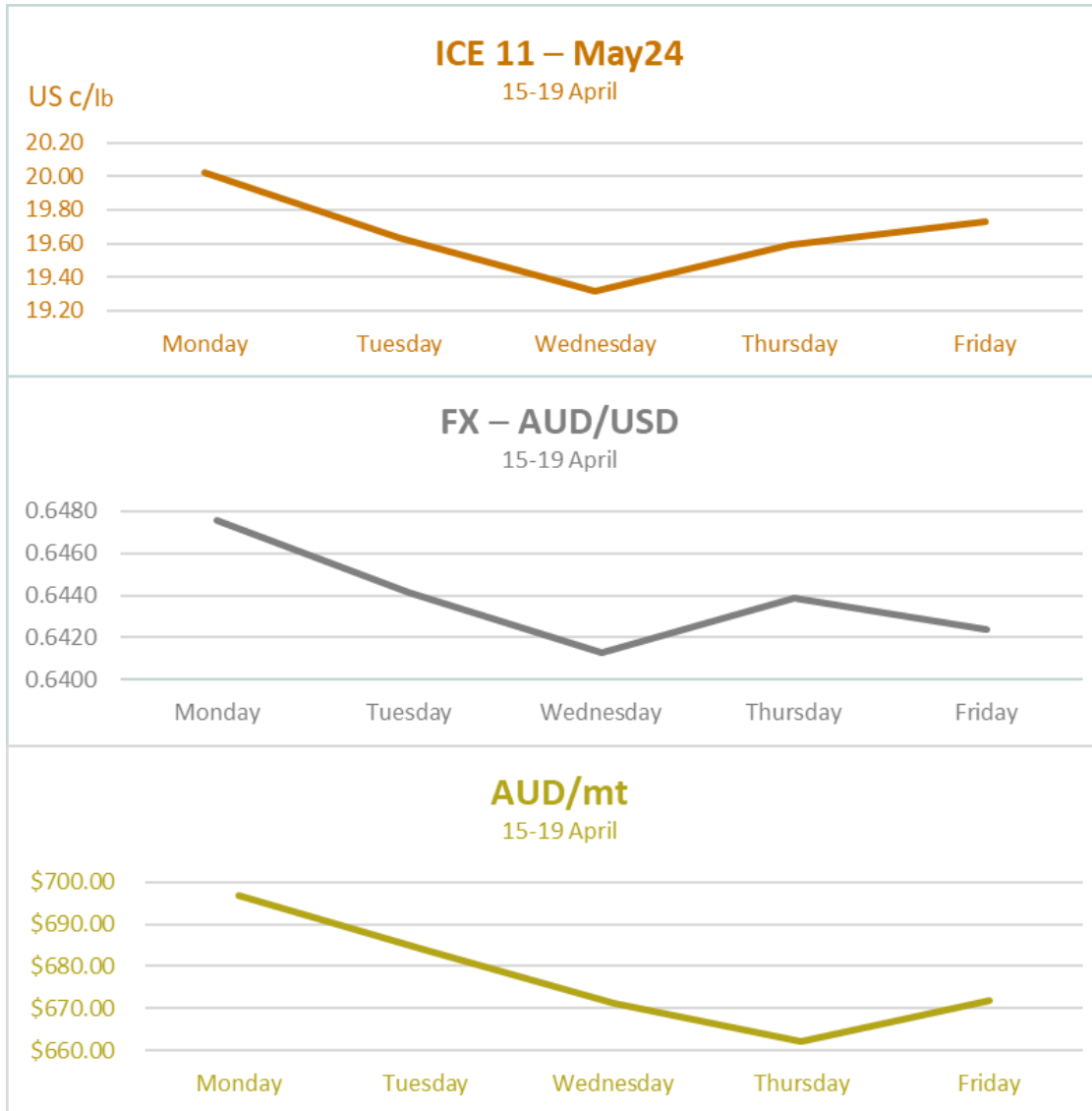
Season	AUD/MT*	Weekly Change
2023	676.50	-2.94%
2024	666.23	-2.00%
2025	640.69	-1.15%
2026	625.46	+1.45%

** These figures are indicative of available ICE 11 prices as at 22 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 continued its rapid downward spiral last week as speculators persisted with liquidating their positions in the market. The spot May contract traded from a high of 20.60 USc/lb on the Monday to a low of 19.17 USc/lb on the Wednesday before recovering slightly to close the week at 19.73 USc/lb.
- **Commitment of Traders:** The recent Commitment of Traders report dated 16 April revealed that speculators had shed 56,000 contracts week on week to hold a net-short position of 23,000 lots. This is the first time the specs have held a net-short position since October 2022 and highlights how rapidly the market has fallen. With extreme returns available in other commodities such as cocoa, coffee and gold, specs

may be incentivised to reallocate their investments from the ICE 11 to these other commodity markets. An improvement to Brazilian rainfall recorded in late March/early April is also likely to have contributed to the sell-off as further downside to the upcoming Centre South Brazil crop may be limited.

- **India:** Of the 535 Indian sugar mills which operated in the 2023/24 season, 451 have now closed, with production totalling 31.09 million tonnes by mid-April. As the season winds down, India is projected to reach a total sugar production of 32.4 million tonnes, with 2 million tonnes sugar equivalent diverted to ethanol production.
 - **Demand:** The demand for raw sugar remains strong, with reports of many countries taking advantage of "cheap" sugar in the 19 USc/lb range over the past two weeks. Egypt is expected to have purchased approximately 250,000 tonnes, China at least 500,000 tonnes and other countries such as Morocco and Nigeria also acquiring sugar.
-



Source: Bloomberg

Currency

- Overview:** The Australian Dollar traded to its lowest level since August 2023 last week following news of an Israeli air strike on Iran. The AUD traded from a high of 64.93 US cents on the Monday to a low of 63.63 US cents on Friday.
- Geopolitical:** Israel was reported to have conducted an airstrike on an Iranian airbase on Friday in retaliation for Iranian drone attacks the

weekend prior. No civilians were reported killed. It has been suggested the attack was sent as a warning to Iran that Israel is willing to respond to any move and can escalate the situation if necessary. Risk sentiment plunged on the news, with the Aussie dollar falling more than half a cent and oil prices climbing above \$US90/barrel on supply disruption concerns. Despite no further retaliation, markets remain on high alert.

- **Australian Labour:** Employment decreased by 6600 in March, while hours worked increased by 0.9% compared to the previous month. The unemployment rate saw a slight uptick from 3.7% to 3.8%. Despite the modest decline in employment, the labour market appears to be performing better than the RBA anticipated back in February. The RBA had projected employment growth to slow to 2% year-on-year, with the unemployment rate expected to reach 4.2% by the end of the June quarter this year.

QSL is Australia's largest GEI Sugar marketer.

[To learn more about us, click here](#)

This report contains information of a general or summary nature. While all care is taken in the preparation of this report, the reliability, accuracy or completeness of the information provided in the document is not guaranteed. The update on marketing and pricing activity does not constitute financial, investment advice. You should seek your own financial advice. Nothing contained in this report should be relied upon as a representation as to future matters. Information about past performance is not an indication of future performance. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this report. You have received this email as you are subscribed to receive newsletters and other marketing material from QSL. We take your privacy very seriously. View our Privacy Statement on QSL's website. When you make enquiries of QSL or sign up for QSL news or information, you thereby consent to QSL collecting and using the personal information that you provide to QSL in the operation of QSL's business, which may include direct marketing. You may opt out of this service at any time if you no longer wish to receive any communications from us by using the unsubscribe function at the bottom of this email.



Copyright © 2024 QSL (Queensland Sugar Limited), All rights reserved.

You received this email because you are marketing with QSL or have expressed an interest in our services.

Our mailing address is:

QSL (Queensland Sugar Limited)

Level 12/348 Edward St

Brisbane, Queensland 4000

Australia

[Add us to your address book](#)

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#)

This email was sent to admin@kalagro.com.au

[why did I get this?](#) [unsubscribe from this list](#) [update subscription preferences](#)

QSL (Queensland Sugar Limited) · Level 12/348 Edward St · Brisbane, Queensland 4000 · Australia