



14 May 2024

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Indicative ICE 11 Prices

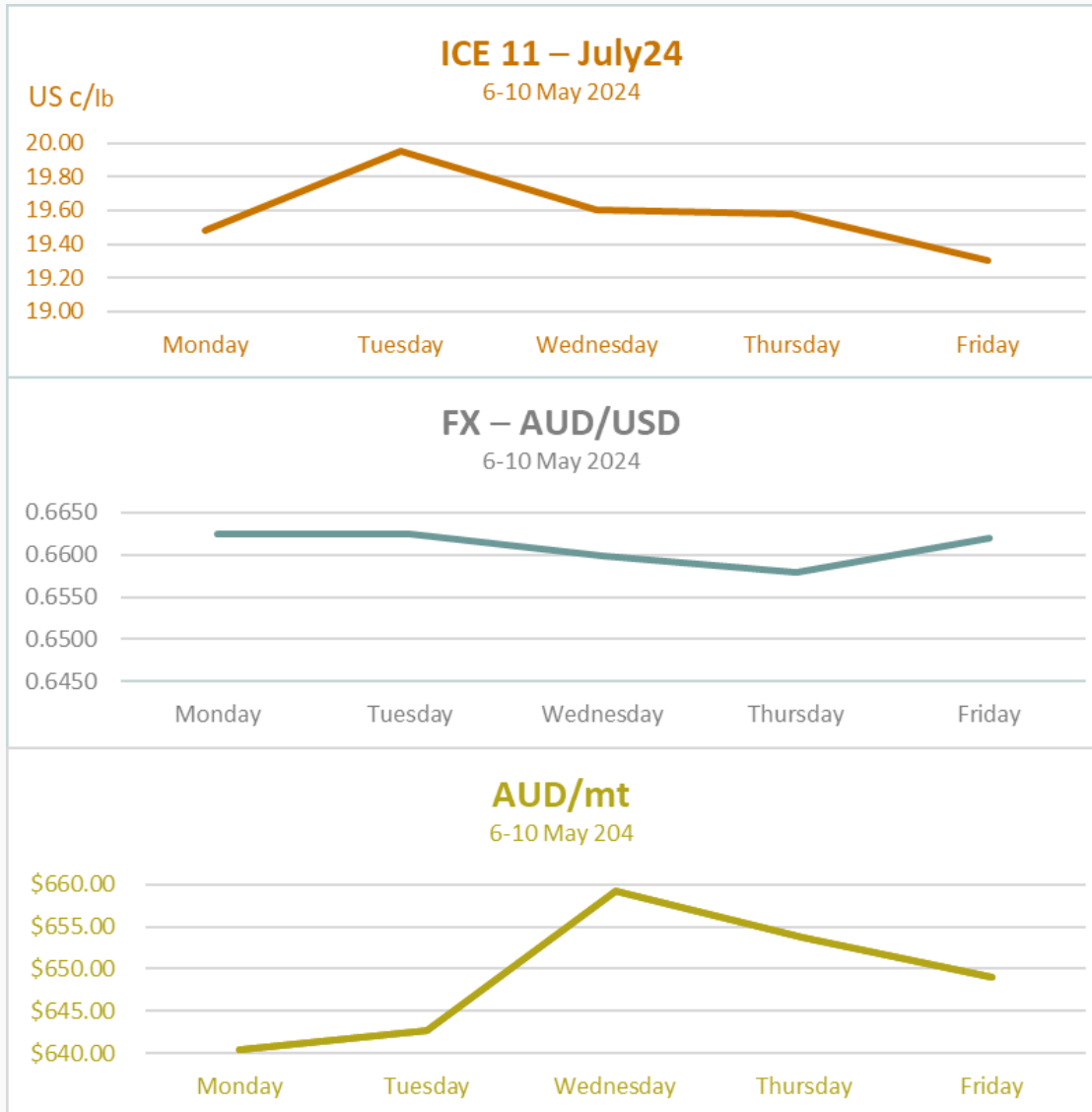
Season	AUD/MT*	Weekly Change
2024	641.51	+0.16%
2025	621.00	-0.54%
2026	598.88	-2.10%
2027	583.28	-2.97%

** These figures are indicative of available ICE 11 prices as at 13 May 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:** The ICE 11 raw sugar market started strong start last week, reaching 20.00 USc/lb however that strength failed to push higher and returned to the familiar 19.00-20.00USc/lb range for the remainder of the week. The prompt July 2024 contract traded from a low of 19.15 USc/lb on the Monday to a high of 20.00 USc/lb on the Tuesday, before closing the week at 19.30 USc/lb.
 - **New York Sugar Week:** Sugar traders and analysts gathered last week for the annual New York Sugar Week conference to discuss the outlook for the global sugar market which proved to be a two-sided affair. Most conference participants sat on the fence with a neutral view of the market with a balanced supply and demand outlook. Participants emphasised the reliance on Centre South Brazil for sugar

in 2024/25 and discussed the risk surrounding a single-origin producer at this time of year. The neutral view didn't provide the ICE 11 with any groundbreaking news to trade on, as evidenced by the continuation of the rangebound market.

- **Brazil Lineup:** The Williams Brazil Sugar Lineup report for the week ending 8 May revealed a large increase in the number of ships waiting to be loaded in Brazil. The vessel count increased to 117 ships, up 15 from the previous week, however nominated volume went down 250,000 tonnes to 2.6 million tonnes of sugar. Total exports out of Brazil for April stood at 1.88 million tonnes of sugar, up 95% year-on-year, leading to the growth in the lineup and significant pressure on Brazil to maintain the speed at which they are exporting to meet global demand.
 - **Thailand:** The crush has finished in Thailand and proved to be better than initially expected with 82.2 million tonnes of cane harvested and 8.77 million tonnes of sugar produced, a 12.5% and 20% respective decrease from the previous year. An extreme heatwave is impacting key sugarcane growing regions and stressing young cane; however cassava prices have dropped comparatively to sugar which may incentivise an increase in cane production for the 2024/2025 Season.
 - **Commitment of Traders:** Speculators have held their net short position virtually unchanged week-on-week with their position reduced by only 720 contracts to 47,500 contracts net-short as of 7 May.
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Source: Bloomberg

Currency

- Overview:** The Australian Dollar strengthened towards the upper end of its recent range last week in the lead-up to, and following, the May RBA meeting due to expectations of high interest rate forecasts. The AUD traded from a low of 65.58 US cents on the Tuesday to a high of 66.44 US cents on the Wednesday.
- Chinese inflation:** Chinese inflation data for April was released on Sunday which unexpectedly rose from 0.1% to 0.3% year-on-year. The increase points to some demand recovery as well as an increase

in April imports which suggests consumer confidence is growing. The Chinese economy remains shaky as their COVID-19 recovery only just begins which may lead to further inflation increases over the coming months.

- **RBA:** The RBA opted to keep the official cash rate in Australia on hold at 4.35% last week. The meeting had a more neutral than hawkish sentiment with the RBA meeting notes stating, "while inflation is easing, it is doing so more slowly than previously expected" and that "the Board is not ruling anything in or out". Many economists have since delayed their expectations for rate cuts to be in late 2024 or early 2025.

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