



23 May 2024

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Indicative ICE 11 Prices

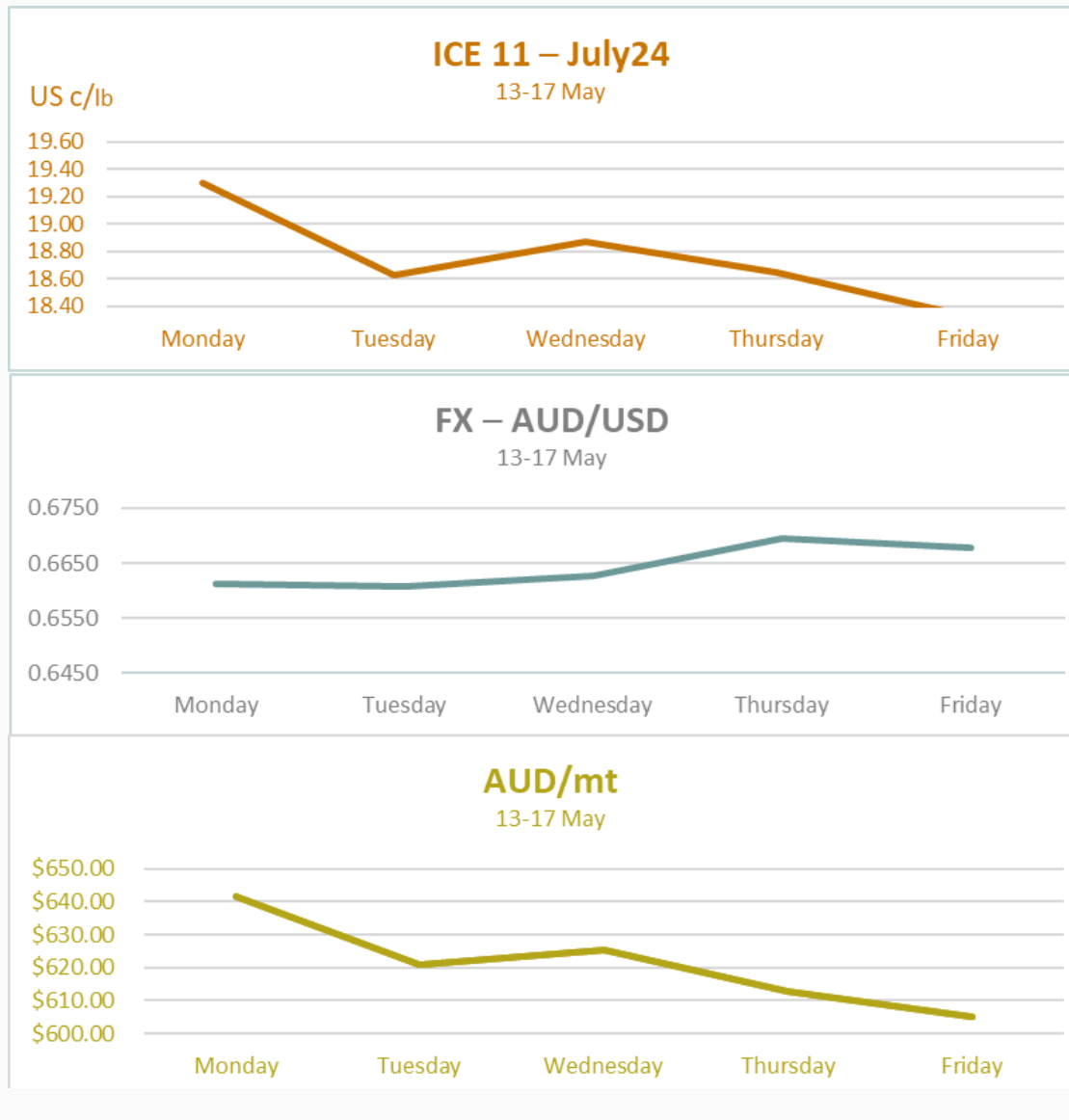
Season	AUD/MT*	Weekly Change
2024	599.17	-6.60%
2025	591.94	-4.68%
2026	588.55	-1.72%
2027	583.36	0.01%

** These figures are indicative of available ICE 11 prices as at 20 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.*

- **Overview:** The ICE 11 raw sugar market lost its recent strength last week as speculators liquidated their long positions. The prompt July 2024 contract traded from a high of 19.34 USc/lb on the Monday to a low of 17.95 USc/lb on the Thursday, before closing the week at 18.13 USc/lb.
- **Brazil:** The second UNICA (Brazilian Sugarcane Industry and Bioenergy Association) report for the 2024/25 Season showed strong crushing numbers. During the second half of April, 34.5 million tonnes of cane was crushed producing 1.8 million tonnes of sugar, bringing the season totals to 50 million tonnes of cane and 2.5 million

tonnes of sugar. The sugar mix was reported at 48.37%, up from 43% at the same time last year.

- **Brazil Lineup:** The Williams Brazil Sugar Lineup report for the week ending 15 May showed a significant decrease in ships waiting to be loaded, down 19 vessels to 98. Interestingly, the nominated volume increased by 260,000 tonnes of sugar to 2.9 million tonnes in the same period.
 - **Commitment of Traders:** Speculators continued to increase their net-short position following the ongoing sell-off in the ICE 11 market. As of 14 May, non-index speculators were reported to have held 72,500 lots net short as of 14 May, an increase of 25,000 lots from the previous report.
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Currency

- Overview:** The Australian Dollar strengthened further last week as US inflation came in softer than expected. The AUD traded from a low of 65.80 US cents on the Tuesday, to a high of 67.01 US cents on the Wednesday.
- US Inflation:** The Consumer Price Index (CPI) data for April, released on 15 May, indicated a slightly slower pace of inflation than anticipated. On a yearly basis, headline inflation increased by 3.4%, slightly down from the previous 3.5%, suggesting a modest deceleration. Core inflation also decreased, rising 3.6% year-on-year

compared to the previous 3.8%. The slowdown in both headline and core inflation could be seen as a positive sign for controlling inflationary pressures, potentially influencing future monetary policy decisions. However, the overall inflation rates remain elevated, indicating ongoing challenges with price stability.

- **Wages:** Australian wage growth appears to have peaked for now as the Wage Price Index rose 0.8% quarter-on-quarter and 4.1% year-on-year in the first quarter of 2024, down from 4.2% in the December quarter. This slight downside surprise is likely a favourable outcome for the RBA.

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