



QSL MARKET UPDATE



4 July 2024

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Indicative ICE 11 Prices

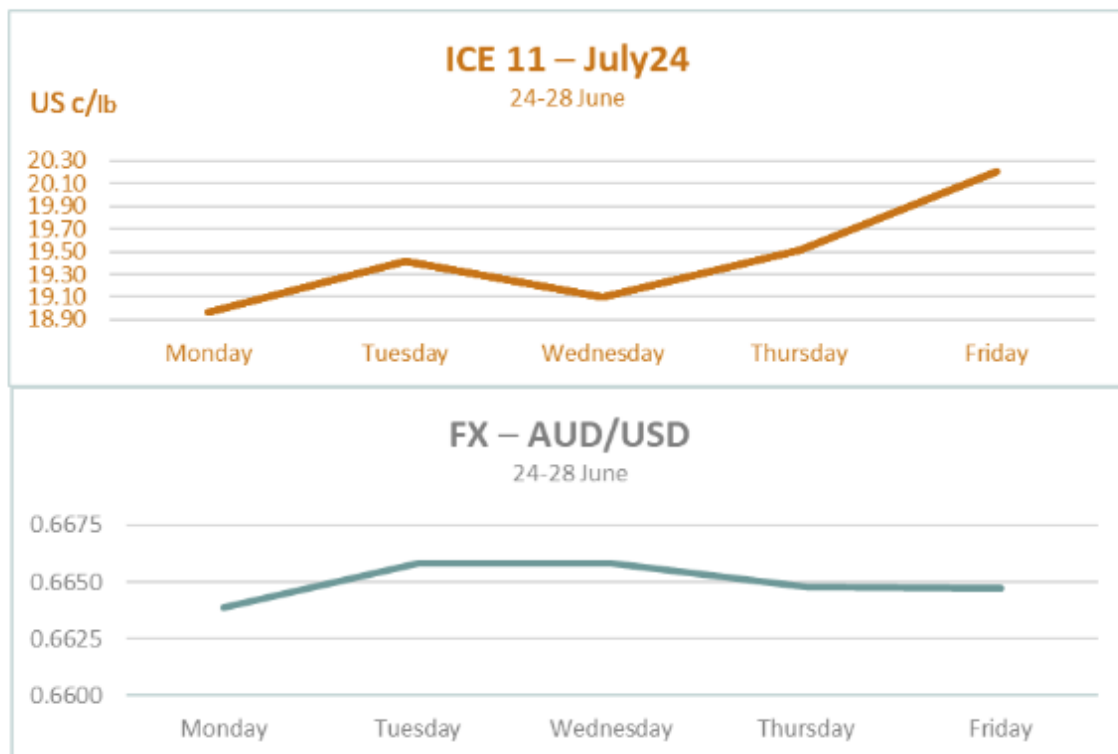
Season	AUD/MT*	Weekly Change
2024	664.63	+4.75%
2025	608.86	+1.59%
2026	579.76	+0.34%
2027	562.31	-1.11%

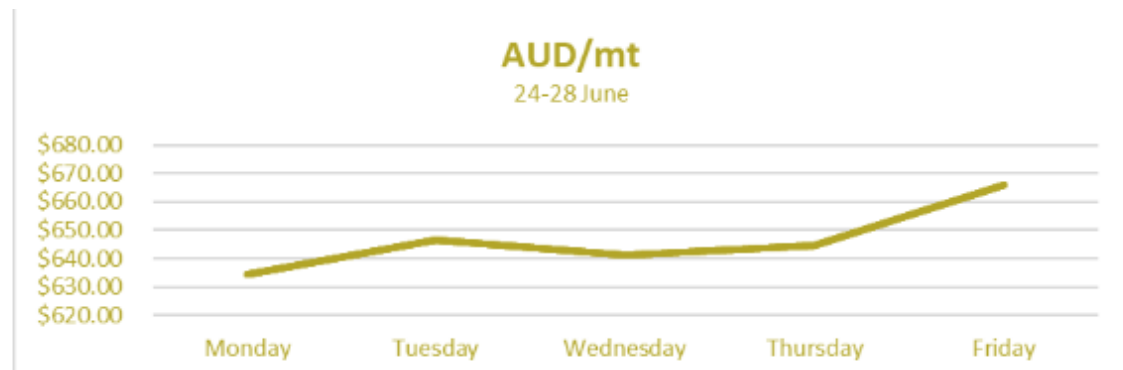
** These figures are indicative of available ICE 11 prices as at 1 July 2024 and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE 11 Exchange and/or other Marketers of Growers' Economic Interest in Sugar. Values also do not account for any adjustments resulting from local Grower-Miller pricing arrangements.*

- **Overview:** The raw sugar futures market continued to rally late into last week as season estimates for Brazil continued to decline. The prompt July 2024 contract traded from a low of 19.49 USc/lb on the Tuesday, up to a high of 20.30 USc/lb on the Friday, before closing the week at 20.30 USc/lb.
- **Brazil:** The latest UNICA (Brazilian Sugarcane Industry and Bioenergy Association) report for the 2024/25 season unsurprisingly revealed prolonged strength in crushing operations. In the first half of June, 49 million tonnes were crushed to produce 3.12 million tonnes of sugar at a sugar mix of 49.70%. This brings the season-to-date totals to 189 million tonnes and 10.95 million tonnes respectively at a 48.38% sugar mix.

Despite dry weather and favourable harvesting conditions, Total Recoverable Sugar (CCS) levels remain lower than last season at 125.38 kgs of sugar per tonne of cane.

- **July expiry:** The first 2024 Season contract expired on 30 June with a lower-than-expected delivery to the tape. The total delivery was 1.08 million tonnes of sugar with most of it coming from Centre South Brazil. Historically, July contracts have seen larger deliveries, with contributions from Thailand and Mexico. This pattern continues to highlight the reliance on sugar from Brazil.
- **Commitment of Traders:** The latest Commitment of Traders report printed another consecutive reduction of net-short contracts. As of 25 June, speculators held a position of 29,165 lots net short, a reduction of 24,895 from the previous report.





Currency

- **Overview:** The Aussie dollar remained relatively stable last week due to a lack of significant news to drive its movement. The AUD traded from a low of 66.47 US cents on the Tuesday, to a high of 66.70 US cents on the Friday.
- **US interest rates:** This week, Federal Reserve (Fed) Chair Jerome Powell, European Central Bank (ECB) President Christine Lagarde and Brazilian Central Bank President Roberto Campos Neto participated in a panel discussion at the ECB Policy Forum in Portugal. During the discussion, Powell noted that while the US economy is making progress in reducing inflation, more evidence of improvement is necessary before considering rate cuts. Chair Powell highlighted that the strong economy and robust job market provide the Fed with the flexibility to delay rate cuts. Powell also emphasised the Fed's dual mandate, indicating that any unexpected weakness in the labour market could trigger a response from the Federal Reserve.

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