

QSL MARKET UPDATE



28 August 2024

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Indicative ICE 11 Prices

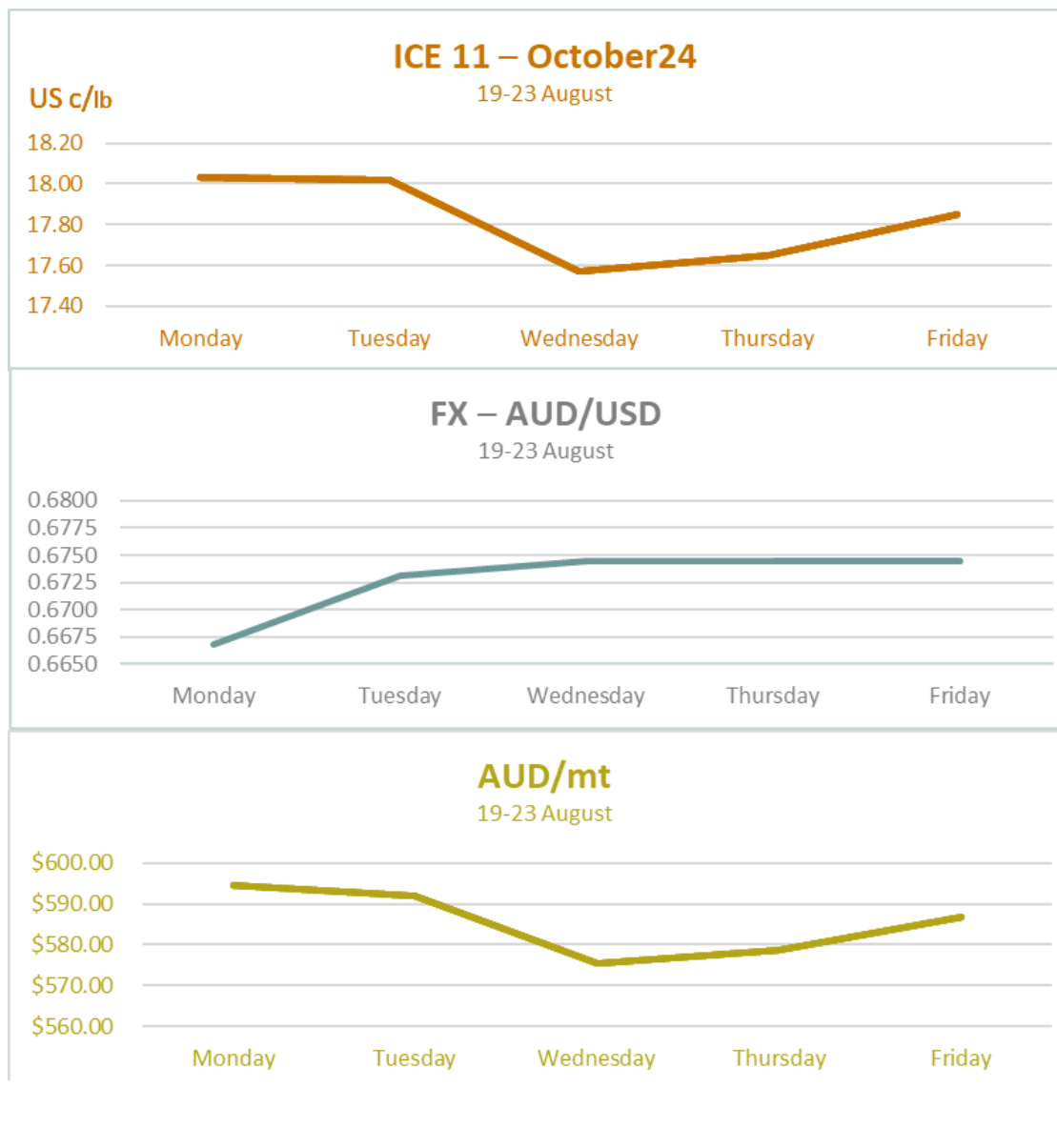
Season	AUD/MT*	Weekly Change
2024	595.67	+0.17%
2025	568.23	-0.86%
2026	557.89	-1.67%
2027	557.82	-1.62%

** These figures are indicative of available ICE 11 prices as at 26 August 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 its downward run last week, dropping to its lowest level since March 2023 before catching momentum on bullish news from Brazil. The prompt October 2024 ICE 11 contract hit its weekly low of 17.52 USc/lb on the Tuesday before trading to a high of 18.43 USc/lb on Friday and eventually closing the week at 18.39 USc/lb.
- **Brazil fires:** The Centre South has experienced prolonged dry weather during the crushing and slack season, causing unwanted cane fires throughout Brazil. Although exact numbers have not been released, it

is estimated 2000 fires or 5 million tonnes of cane have caught alight during the season to date. This may have a small effect on the crop size of Brazil but was certainly a news story for the speculators to short cover their positions and saw the market jump on Friday night.

- **Brazil shipping lineup:** Record export volumes continue in Brazil, with the pace of loading and dry weather supporting efficient progress. As of 21 August, the vessel count had fallen from 84 to 81 and the lineup volume decreased to 3 million tonnes, with loading at 3% faster than last year's record crop. Some analysts believe millers are storing sugar in the hope the price outlook improves later in the year. If so, this could see extended exports into late 2024 and early 2025.
 - **Commitment of Traders:** The latest Commitment of Traders report revealed an increase of 25,185 contracts in the speculators' net-short position, bringing it to 70,960 as at 20 August. This marks another consecutive week net-short and adds more firepower for the speculators as we close in on the October contract expiry.
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Currency

- Overview:** The Australian dollar (AUD) continued its run upwards last week as the US Federal Reserve (the Fed) appeared to signal imminent rate cuts. The AUD traded from a low of 66.77 US cents on the Monday to a high of 67.98 US cents on the Friday.
- Jackson Hole:** The Jackson Hole Economic Symposium, organised annually by the Federal Reserve Bank of Kansas City, brings together

central bankers and economists from around the world to discuss critical economic issues, with a focus on monetary policy. In his post-symposium speech, Fed Chair Jerome Powell strongly hinted at rate cuts, stating the Fed would no longer wait for labor conditions to cool. Markets now expect the Fed to begin cutting rates in September, with more cuts appearing likely to follow in the coming months. Following the announcement, the Australian dollar gained momentum, trending near 68 US cents over the weekend.

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