



# QSL MARKET UPDATE



6 August 2024

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## Indicative ICE 11 Prices

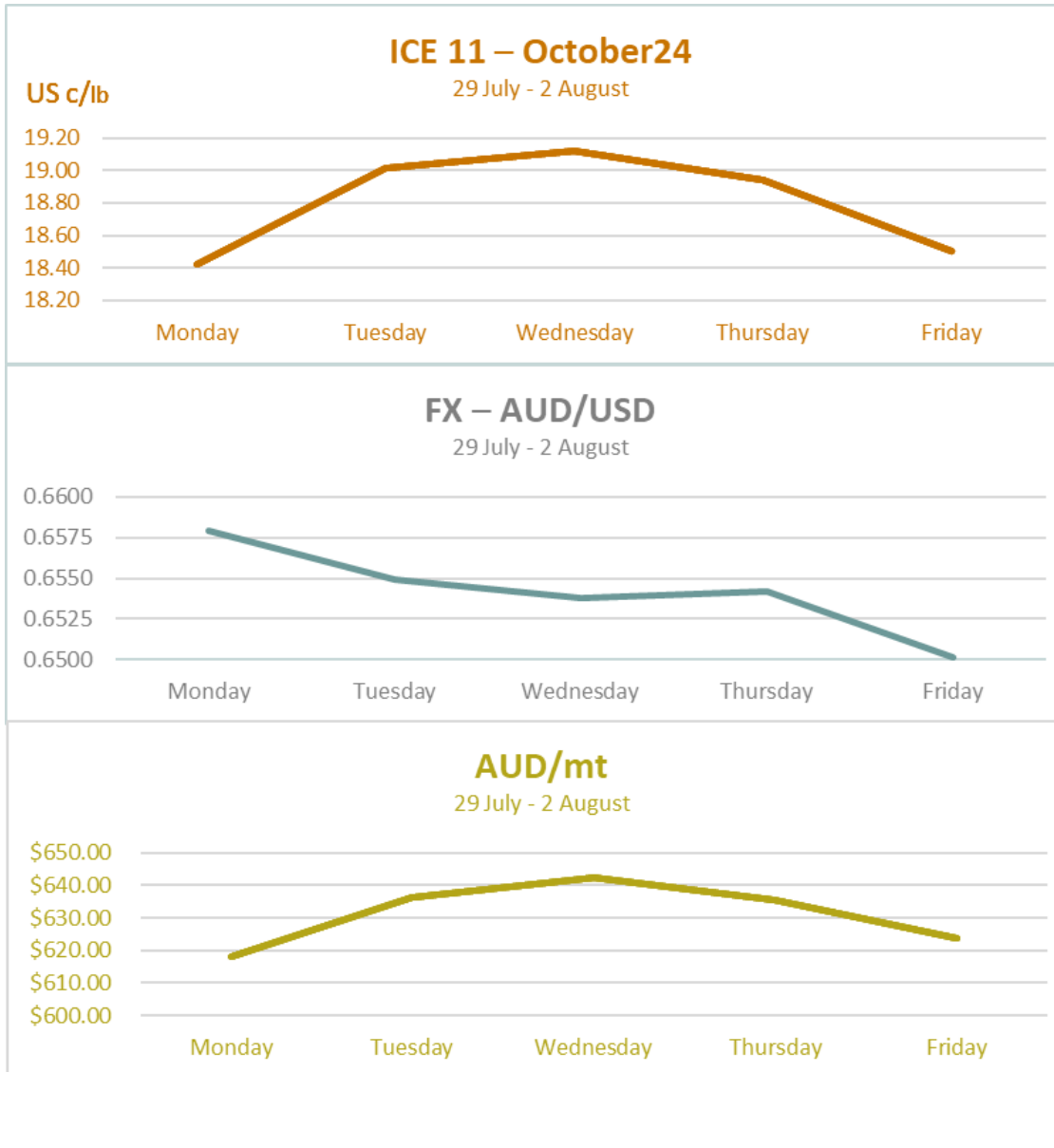
Season	AUD/MT*	Weekly Change
2024	610.93	-1.14%
2025	589.52	+0.12%
2026	581.01	+0.44%
2027	581.02	+1.42%

*\* These figures are indicative of available ICE 11 prices as at 5 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.*

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- **Overview:** The raw sugar futures market remained relatively stable last week, before sharply declining towards the end of the week as traders decided to cash in their profits. The prompt October 2024 contract traded from a high of 19.32 USc/lb on the Tuesday to a low of 18.00 USc/lb on the Friday, before closing the week at 18.10 USc/lb.
  - **India:** The Indian Sugar Mills & Bio-Energy Manufacturers Association (ISMA) released an update ahead of the 2024/25 season which indicated the total area of land under sugarcane, as determined by satellite images, is approximately 5.61 million hectares.

This, along with a stronger monsoon compared to the previous year, has led experts to predict around 33.3 million tonnes of sugar will be produced, not accounting for ethanol production. To date, there has been no news on whether the Indian government will allow sugar exports for the upcoming season.

- **Brazil line up:** The Williams Brazil Sugar Line Up report for the week ending 31 July revealed another significant increase in the amount of sugar and ships waiting to be loaded. The volume of sugar in the lineup increased by 700,000 tonnes week-on-week, to 4.18 million tonnes of sugar, with the number of vessels increasing by 8 to 93. As the season ramps up, loading rates have been efficient, increasing by 14% for the month of July compared to last year.
  - **Commitment of Traders:** The latest Commitment of Traders report revealed a small reduction of 5000 contracts, bringing the net-short position to 40,475 contracts as of 30 July. This reflected the largely range-bound activity that took place on the raw sugar futures market during the reporting period.
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## Currency

- Overview:** The Australian dollar traded below 65 US cents last week for the first time since May in the wake of news that Australia's inflation had softened. Last week, the AUD traded from a high of 65.62 US cents on the Tuesday, to a low of 64.79 US cents on the Wednesday, before settling just above 65 US cents at the end of the week.

- **Inflation:** The latest CPI was released last week, with the annual rate to June 2024 coming in slightly lower than expected at 3.8%. The market reacted quickly to the news with the AUD trading sub 65 US cents for a short period of time. This information gave the RBA plenty to consider when they met to discuss interest rates on Tuesday 6 August, with the Board deciding to hold interest rates at 4.35%.
- **US:** As widely expected, the Federal Reserve decided to hold interest rates at 5.25%-5.5% at their last meeting. Chairman Powell indicated that rate cuts could be on the cards soon, however wasn't explicit in his language when referring to a cut next month. It is expected the US will make 1-2 rate cuts by the end of the year.

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