QSL MARKET UPDATE

QSL 100 YEARS OF SERVICE

10 October 2024

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Indicative ICE 11 Prices

Season	AUD/MT*	Weekly Change
2024	724.85	+1.75%
2025	637.18	+0.44%
2026	578.23	+0.62%
2027	554.89	+0.60%

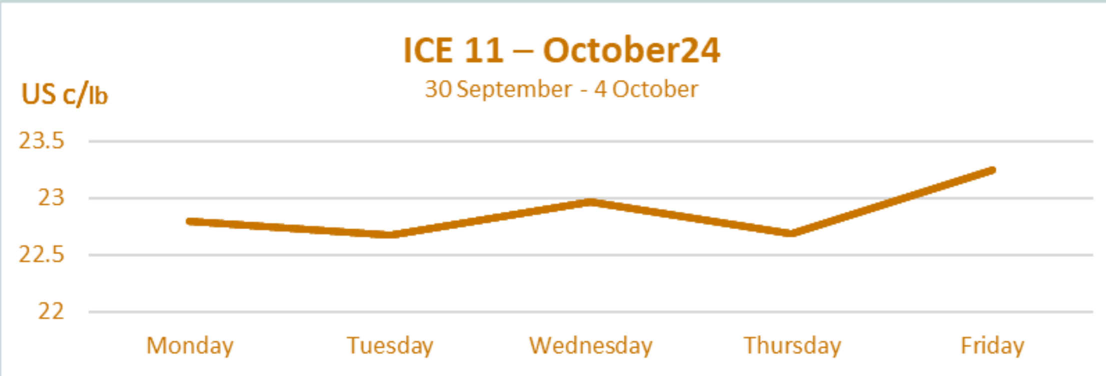
** These figures are indicative of available ICE 11 prices as at 8 October and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE 11 Exchange and/or other Marketers of Growers' Economic Interest in Sugar. Values also do not account for any adjustments resulting from local Grower-Miller pricing arrangements.*

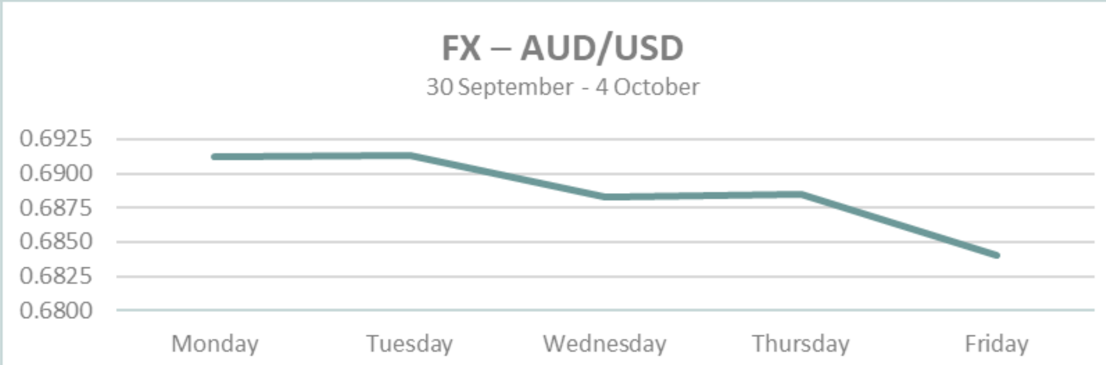
- **Overview:** The previously rallying raw sugar futures market changed tune and traded sideways in a 150 point range for the week. The now prompt March 2025 contract traded to a low of 22.15 USc/lb on Monday before strengthened to a weekly high of 23.45 USc/lb on Friday before closing the week at 23.01 USc/lb.

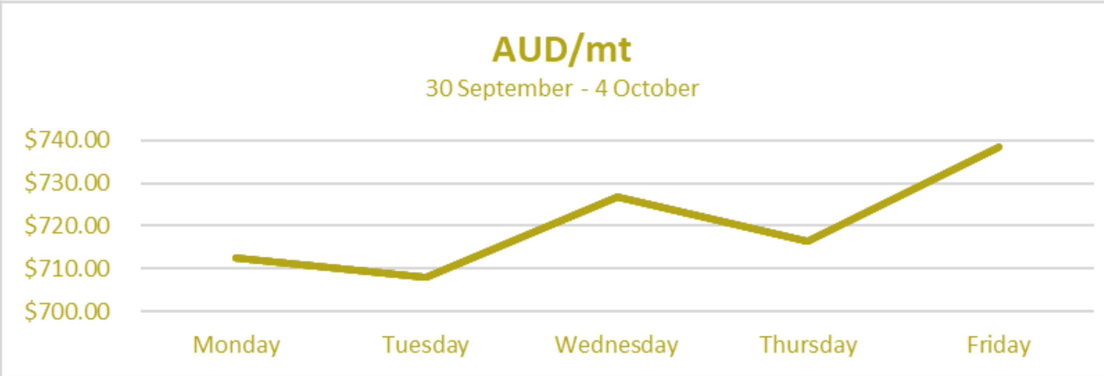
- **October Expiry:** The October futures contract expired last week at 22.67 USc/lb with 1.7 million tonnes delivered to the tape. The majority of which comprised unsurprisingly of CS Brazil origin, however there were also small parcels of assumedly unwanted Argentinean, Mexican and other Central American. This was the 3rd largest expiry on record for an October contact and all 1.7 million tonnes were received by a single tradehouse.

- **Brazil Estimates:** Market talk continues to pivot around forecasts for the current CS Brazil crop. A relatively large range of two million tonnes is forecasted as we enter the final quarter of harvesting, with some expecting production as low as 38.8 million tonnes while others as high as 40.8 million tonnes. From these forecasts the discussion then follows whether the expected first quarter 2025 raw sugar deficit while be manageable or not, given slight increases to other smaller producers such as the EU, Mexico, Pakistan and Thailand.

- **Commitment of Traders:** Speculators continued to increase their long position in line with final days of the late September rally. As at October 1, speculators were net long 72,000 contracts, an increase of 15,560 contracts from the previous week.







Currency

- **Overview**: The Australian dollar (AUD) steadily retreated across the week as risk sentiment in markets soured on the news of a reignition of tension in the Middle East. The AUD traded from a high of 69.41 US cents on the Monday to a low of 68.30 US cents on the Friday.

- **Oil:** Financial markets were on high alert following a flare up in tensions in the Middle East as Iran launched a missile attack on Israel, with more than 100 ballistic missiles launched. Fears of disruptions to the world's oil supply saw Brent-crude oil prices skyrocket more than 8% and many risk assets, such as the Australia dollar, tumble lower.

- **US Employment:** US labour market data surprised markets on Friday when the unemployment rate unexpectedly dropped by 0.1% to 4.1%, contrary to predictions of no change, while the labor force participation rate remained steady at 62.7%, in line with forecasts. This suggests the US job market is still strong and likely gives the Federal Reserve some level of comfort that fighting inflation with higher interest rates is not yet coming at the expense of the labour market. The Fed may now not feel the pressure to rush into cutting rates and gives some breathing room to continue softening monetary policy as they see fit.

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QSL (Queensland Sugar Limited)
Level 12/348 Edward St
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