

QSL MARKET UPDATE



5 December 2024

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Indicative ICE 11 Prices

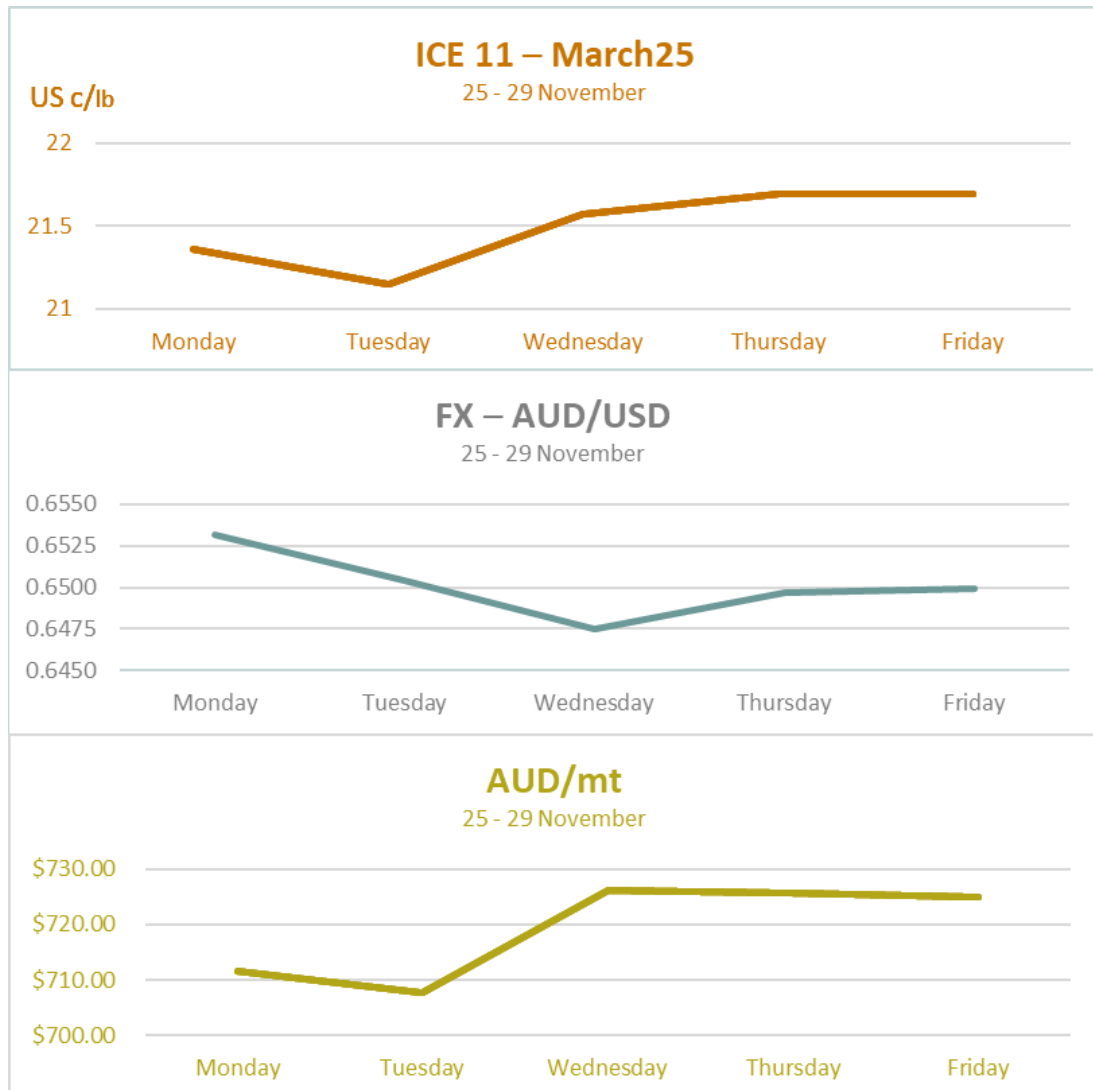
Season	AUD/MT*	Weekly Change
2024	705.63	-0.83%
2025	636.44	-1.14%
2026	585.32	-2.51%
2027	568.11	-1.53%

The figures above are indicative of available ICE 11 prices as at 2 December 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.

Sugar

- **Overview:** A weakening Brazilian Real (BRL) and delays in the Brazilian harvest have posed challenges for the raw sugar futures market, which continued to follow a two-month downward trend last week. The prompt March 2025 ICE 11 contract traded between a high of 22.00 USc/lb on the Wednesday and a low of 21.01 USc/lb on the Friday, ultimately closing the week at 21.08 USc/lb.

- **Brazil:** Widespread rainfall in early November continued to disrupt harvesting, with only 16.5 million tonnes of cane milled, a 53% decline compared to the same period last year. Sugar production for the fortnight totaled 898,000 tonnes, marking a 59.2% year-on-year decrease and the sugar mix fell further to 43%, down 7% from the previous year. Meanwhile, the BRL reached an all-time low of 6.10 USD/BRL last week as investors expressed concerns over Brazil's economic stability and the government's ability to manage debt and curb inflation. The weaker BRL makes sugar exports more competitive for Brazilian producers and may incentivise pricing on the ICE 11, contributing to downward pressure.
 - **India:** Initial delays in harvesting due to state government elections in Maharashtra have resulted in a slower start to sugar production in India. By the end of November, only 2.8 million tonnes of sugar had been produced from 381 mills, compared to 4.3 million tonnes from 431 mills during the same period last season. Forecast gross sucrose production for the season remain steady with many analysts predicting approximately 32 million tonnes, while ethanol production estimates range from 3 to 4.5 million tonnes of sugar equivalent which would leave final net sugar production between 27.5 and 29 million tonnes.
 - **Commitment of Traders:** As of 26 November, speculators were reported to have held a net short position of 4590 contracts, having sold 4320 contracts compared to the previous Commitment of Traders report.
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Currency

- Overview:** The Australian dollar remained relatively stable last week, trading around 65 US cents. It began at a low of 64.34 US cents on the Monday and climbed to its high of 65.28 US cents on the Friday.
- RBA:** Australia's economy recorded its slowest annual growth in decades during the September quarter, excluding the pandemic period. Private demand contracted, leaving government spending as

the primary driver of economic activity. The economy grew by just 0.3% during the quarter and 0.8% over the year, which may lead the RBA to consider cutting interest rates sooner than expected.

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