

Current as of 04 February 2019

Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2018	380.46	-1.19%
2019	405.30	0.40%
2020	426.03	1.36%

*These figures are indicative of available ICE 11 prices as at **04 February 2019** 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.

Weekly Market Overview

By QSL Trading Analyst Barbara Roberts

SUGAR

- Last week sugar prices were stagnant, trading in a tight range. The MAR19 contract traded to a high of 12.92c/lb and low of 12.46c/lb on Monday, before closing the week at 12.60c/lb on Friday. No major fundamental news occurred to move sugar prices.
- AISTA (All India Sugar Trade Association) released its first estimate of Indian sugar production which was 31.5 - 32.2mmt as expected. Despite dry weather and some infestation, the cane crop is going well. CS (Centre-South) Brazil is still mostly dry, and if this continues until March there is a high chance this will impact next year's crop. Statistics show that the 2018/19 global sugar surplus has lowered from 3.5 - 2.6 mmt.
- The US Government has published the first Commitments of Traders report (COT) since 18th of December 2018. The report as at 24 December 2018 is showing the net short spec position of 63,000 lots.

CURRENCY

- The Aussie Dollar closed the week at 0.7270c after testing the lows of 0.7095c on Monday it slowly increased to a high of 0.7295c by the end of the week. Dovish signals were echoed throughout the week weakening the US dollar. Higher crude oil prices and positive outlook over the trade talks between US – China, were among the highlights.

- The Federal Open Market Committee (FOMC) meeting last Wednesday reaffirmed The Federal Reserve's (Fed) position to put on hold interest rates hikes in the US, benefitting from the news the Brazilian real gained 400 points, advancing into the 3.64 range. The Equity market also responded well to the news trading up 1.6 %. The Aussie dollar traded to 7 week highs.
- Domestically, CPI numbers for the Q4 (fourth quarter) were released pointing that the year-ended inflation was down to 1.7% and demonstrating that the RBA (Reserve Bank of Australia) has been achieving their targets established in the Monetary Policy. The RBA will be meeting on the 5 February for the first time in 2019 to establish the cash rate.

2018-Season Historical ICE 11 Price Chart



This is a whole-of-season ICE 11 price chart for the 2018 Season, based on the current 5:1 pricing ratio applicable to QSL Target Price Pool growers. Source: Bloomberg. Published at www.qsl.com.au as at 04.02.19

[For more sugar market information, please read the latest QSL Market Snapshot, available by clicking here](#)