

Current as of 13 May 2019

Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2019	389.90	-4.47%
2020	425.71	-2.38%
2021	439.99	-1.03%

*These figures are indicative of available ICE 11 prices as at **13 May 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

- Trading to new lows the prompt contract is struggling to get back to a 12c handle. The Jul19 sugar contract made its high on Friday at 12.75 c/lb and its low on Wednesday at 11.64 c/lb, closing the week at 11.72 c/lb. Small technical rallies provided some price volatility for short periods, however the lack of fundamental news meant these were unsustainable.
- The current low price isn't likely to impact current crops as they are already in the ground, however a low price environment is required over the medium term to encourage producers to switch crops/or reduce plantation for the next season. Prices are currently sitting at the bottom of the ethanol parity range.
- **UNICA – Center-South Brazil numbers for 2nd half April:** Numbers are still indicating a high sugar mix. Hydrous demand remained strong causing prices to drop sharply, down 4.8% from last week. Results were in line with market expectations and as such had minimal price impact.

UNICA – Brazil Results	Accumulated to 16 April 2019	Accumulated to 16 April 2018
Cane Crushed (mln tonnes)	45.00	60.2
Sugar (mln tonnes)	1.375	2.250
Sugar Mix (% of cane)	28.6%	34.1%

- **Commitment of Traders:** The net short position of the Non-Index specs rose from 76,000 to 123,000 lots. However, its believed that given price activity since the reporting period the net short position could now be around 140,000 ~ 150,000 lots.

CURRENCY

- The Aussie Dollar remained trapped in a very narrow range, between 0.6988 to 0.7012, closing Monday at 0.6999. US China trade disputes are back in the spotlight, making investors more reluctant and markets more volatile.
- The US and China trade agreement isn't looking promising at this stage. As China is holding a no deal position, the US has responded with more tariffs on Chinese exports and planning to add another \$300bn in tariffs within weeks if China continues to stall. The 25% tariff rate imposed by the US last week hasn't been applied to goods already in transit and aims to give a couple of weeks window to negotiate the current agreement.
- Despite ongoing Brexit issues, UK Q1 GDP printed 0.5% of annual growth. Other numbers to watch domestically this week ahead are: Q1 wages, April employment data and NAB's April Business Survey.

2019-Season Historical ICE 11 Price Chart



This is a whole-of-season ICE 11 price chart for the 2019 Season, based on the current 1:2:2:1 pricing ratio applicable to QSL Target Price Contract growers. Source: Bloomberg. Published at www.qsl.com.au as at 13.05.19

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