

QSL Market Update

Current as of 2 April 2019

Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2018	389.46	0.19%
2019	412.87	-0.26%
2020	442.03	0.18%

**These figures are indicative of available ICE 11 prices as at 2 April 2019 and reflect the weighted average AUD/mt gross 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 Manager Matt Page

SUGAR

- In another week full of bearish sentiment, the May19 sugar contract traded over a very narrow range last week, posting its low of 12.40c/lb on Tuesday before reaching its high of 12.73c/lb the following session and eventually closing the week right in the middle of its recent range at 12.53c/lb.
- With little fundamental change in raw sugar news, market attention turned to the London White sugar price. A collapsing premium (price difference between raws and whites) suggests that the market still has some work to do to uncover new buying interest.
- Weather risk remains ever present with El Nino still hanging around and potentially delaying the Indian monsoon, further damaging drought-stricken cane in Maharashtra and North Karnataka. Meanwhile drier weather in Brazil is providing ideal crushing conditions for the start of the Centre-South harvest which is beginning to crank up in earnest.
- The 'trust the range' mantra remains the sugar trader's best friend for now, with buying support from end users and trade houses evident as we approach low 12s, while a wall of Thai and Brazilian producer pricing appears to hang above the 12.75c/lb level. Unfortunately with the clock ticking louder in the producer's ear, it appears any break from that range will more likely be to the downside as producers are forced to price.

CURRENCY

- The Aussie Dollar continues to trade either side of 71 cents, with equal and opposite forces maintaining a delicate equilibrium.
- Support from crude oil, equities and a return of risk appetite has seen the AUD push up to 0.7140, however central banks continue to show increased dovishness, with the RBNZ last Wednesday and the RBA today both citing downside risks on the global economy and curbing any over-enthusiasm.
- Meanwhile the dog's breakfast that is Brexit continues to drag on with no clear pathway laid out by the UK parliament. This will continue to weigh on risk sentiment as we approach the new 'hard Brexit' deadline on 12 April.
- Tonight and tomorrow will provide some key events for local markets to digest with the Federal Budget being tabled and Trade Balance data (which will include inflated iron ore flows/prices post Vale) due.

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 0:0:0:6 pricing ratio applicable to QSL Target Price Pool growers. Source: Bloomberg. Published at www.qsl.com.au as at 02.04.19

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