



# QSL Weekly Update

Week ending 21 October 2016

## Daily Price

Friday, 21st Oct 2016

**22.62** US c/lb prompt

**0.7627** AUD/USD spot

**\$<sup>3</sup>653.72** MT OTC

**\$<sup>3</sup>630.39** MT IPS OTC

By Carla Keith and Cathy Kelly,  
QSL Industry Relationship Managers

**Carla** Ph. 0409 372 305

Email [carla.keith@qsl.com.au](mailto:carla.keith@qsl.com.au)

**Cathy** Ph. 0409 285 074

Email [cathy.kelly@qsl.com.au](mailto:cathy.kelly@qsl.com.au)

## Indicative Pool Prices

The table below provides an overview of the QSL Pool Prices Matrices available at [www.qsl.com.au](http://www.qsl.com.au).

All prices quoted are **indicative only** and do not include an allocation from the QSL Shared Pool. Growers should always consult their mill for information about their individual cane payments.

### 2016 as at Friday 30th September

**Harvest** **\$551** IPS GROSS

**Actively Managed** **\$580** IPS GROSS

**Guaranteed Floor** **\$470** IPS GROSS

**US Quota** **\$763** IPS GROSS

### Multi-season Pools

**2-Season Forward 2016** **\$478** IPS GROSS

**3-Season Forward 2016** **\$502** IPS GROSS

**2-Season Forward 2017** **\$506** IPS GROSS

*This report contains information of a general or summary nature. While all care is taken in the preparation of this report, the reliability, accuracy or completeness of the information provided in the document is not guaranteed. The update on marketing and pricing activity does not constitute financial product or investment advice. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this report.*

## QSL Market Snapshot

Current as at 21 October, 2016

QSL updates the daily indicative prices for each of the four futures contracts for 2016, 2017, 2018 and 2019 Seasons [here](#). The graph below tracks ICE #11 movement for the 2016 Season and is sourced from Bloomberg.

You can register to receive our daily price SMS [here](#).

### 2016 Season



### Indicative Prices

Season	Futures Contract	US c/lb	AUD/USD	AUD per tonne By Month	AUD per tonne By Season
2016	Mar-2017	22.60	0.7603	658.55	655.32
	May-2017			639.82	
	Jul-2017			619.72	
2017	Oct-2017	20.51	0.7559	604.67	598.18
	Mar-2018			594.42	
	May-2018			571.88	
2018	Jul-2018	18.36	0.7500	553.52	539.69
	Oct-2018			543.69	
	Mar-2019			538.02	
2019	May-2019	16.68	0.7439	520.26	494.32
	Jul-2019			507.39	
	Oct-2019			498.10	
	Mar-2020			492.25	
	May-2020			476.68	

Please note : The figures quoted are weighted in a 1:2:2:1 ratio over the four relevant futures contracts and have been adjusted to include Over-the-Counter (OTC) margin fees charged by banking institutions and may differ from the actual prices quoted on the ICE #11 exchange. Values also do not account for any adjustments resulting from local grower-miller pricing arrangements.

## QSL Market View

Current as at 21.10.16











Trend is more favourable to positive \$A/mt returns.



Trend is neutral to \$A/mt returns.



Trend is less favourable to \$A/mt returns.

CURRENT MARKET DRIVERS As at 21.10.16			COMMENTS
<b>Current Market</b>	<b>\$653.72</b> ICE #11 Prompt Mar 17 \$/mt gross	<b>\$ 619.72</b> ICE #11 2017 Season \$/mt gross	Prices continue to chop around the 22.50 c/lb and 23.50 c/lb price ranges. Despite a positive production print in last week's UNICA report, we remain wary of underperformance in Brazil. Specs have become somewhat stagnant as price action dipped over the back end of last week.
<b>Global Sugar Fundamentals (exc. Brazil)</b>			Markets appear adequately supplied for 2016 Q4, with expectations for the deficit to arrive 2017 Q1.
<b>Brazil Sugar Fundamentals</b>			Bi-weekly production in Brazil was at the higher end of the range last fortnight (2.95 million tonnes). UNICA continues to stress lowering yields to affect the harvest.
<b>Macro issues/ Specs</b>			Another small reduction in net long speculative positions week on week.
<b>AUD/USD</b>			A test below 0.7550 US cents was short lived as the AUD has continued to perform well versus major crosses over the past week. An uptick in confidence for commodities supportive of a higher AUD. Near term risk for the AUD higher as terms of trade appear constructive on firming commodities.

## QSL Annual General Meeting

QSL held its Annual General Meeting in Brisbane on Wednesday 19 October. You can read Chairman Guy Cowan's address to the meeting [here](#).

A copy of QSL CEO Greg Beashel's presentation is available [here](#).

QSL's Annual Report is available to read [here](#). Some of our key achievements for the 2015/16 year include:

- Met our '5 for 5' multi-year safety target, with a Total Recordable Injury Frequency Rate (TRIFR) of 5 as at 30 June 2016.
- 2015-Season QSL-managed pools outperformed the market benchmark for a fifth consecutive year by a weighted average basis of **\$19.61 net per tonne IPS**.
- Coordinated the successful receipt of \$1.9 billion in customer payments, with 98% of shipments delivered in full and on time.
- Secured enhanced marketing returns above the Free On Board (FOB) physical market premium average and maintained our position as largest marketer of Queensland sugar.
- Reduced our funding costs by entering into a US\$200m syndicated inventory financing agreement and leveraging flexibility within our core \$500m syndicated credit agreement to reduce our credit limit in non-peak times.
- Expanded grower payment and pricing options via delivery of an accelerated Advance payment schedule for the Guaranteed Floor Pool and the introduction of a longer in-season Fixed Contract pricing window and 10-tonne forward pricing minimum orders for the 2017 Season.
- Maintained our strong environmental record, with no reportable offences during the reporting period.
- Introduced the use of Near Infrared Spectroscopy in export quality management.
- Received industry recognition for QSL's commitment to youth training and noted improvements in QSL's annual Women's Gender Equality Agency compliance report.
- Delivered the Cairns Bulk Sugar Terminal Shed 2 re-roofing project on time and under budget.
- Undertook our inaugural measurement of QSL's organisational culture using the *Human Synergistics Organisational Cultural Inventory*.
- Implemented the use of advanced coatings to extend the life of the Bulk Sugar Terminals' marine concrete structures to potentially 100 years.
- Successfully executed the second year of our Korean Long Term Contract.

## Your QSL Representatives



**Cathy Kelly, Industry Relationship Manager - Central and Southern Districts**

Ph. 0409 285 074

Email [cathy.kelly@qsl.com.au](mailto:cathy.kelly@qsl.com.au)



**Carla Keith, Industry Relationship Manager – North Queensland**

Ph. 0409 372 305

Email [carla.keith@qsl.com.au](mailto:carla.keith@qsl.com.au)



**Daniel Messina, Grower Relationship Manager – Far North Queensland**

Ph. 0429 660 238

Email [daniel.messina@qsl.com.au](mailto:daniel.messina@qsl.com.au)



**Jonathan Pavetto, Grower Relationship Officer – Herbert River**

Ph. 0428 664 057

Email [jonathan.pavetto@qsl.com.au](mailto:jonathan.pavetto@qsl.com.au)



**Kathy Zanco, Grower Relationship Officer – Plane Creek and Proserpine**

Ph. 0437 645 342

Email [kathy.zanco@qsl.com.au](mailto:kathy.zanco@qsl.com.au)