Indicative ICE 11 Prices

<table>
<thead>
<tr>
<th>SEASON</th>
<th>AUD/MT*</th>
<th>WEEKLY CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>388.74</td>
<td>0.46%</td>
</tr>
<tr>
<td>2019</td>
<td>413.93</td>
<td>0.32%</td>
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<tr>
<td>2020</td>
<td>441.23</td>
<td>-0.43%</td>
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*These figures are indicative of available ICE 11 prices as at 25 March 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

- Bearish sentiment remains with the May19 sugar contract trading over a well-worn range this week starting at 12.87c/lb on Monday and losing steam throughout the week closing on its lows of 12.43c/lb on Friday.

- **Production**: A new forecast for CS Brazil (Centre South Brazil) has been released estimating cane crop production to be around 570-590Mt. With sugar mix estimates slipping towards 37-38%, this brings total sugar production estimates up to around 27-29Mt. The Indian sugar harvest is coming to an end, and is expected to be around 32.5-33Mt.

- Rumours have circulated that China has granted Pakistan a preferential quota of 300,000 tonnes of exports to China. This quota may displace some Brazilian sugar for next season.

- **Global Deficit**: Rabobank estimates the global deficit to be around 4.3 million tonnes in 2019/20, versus a surplus of 1.1 million tonnes in 2018/19. Carry over stocks will mean the market will still have a significant cumulative surplus to digest in 2019/20.

- **Commitment of Traders**: Last week we saw the net short of the Non-Index funds decrease by 14,000 to 112,000 lots.
CURRENCY

- The Australian Dollar (AUD) last week traded in a 0.7083 to 0.7116 cent range. International and domestic news presented a mixed bag, although overall a positive risk environment helped lift the Aussie dollar to a stronger position.

- Around the world:
  - **The Fed (The Federal Reserve):** Last Wednesday The Fed left rates on hold as widely anticipated. However, a revision to the dotplots suggest they are not likely to increase rates in 2019. Conversely, a slowdown in the US economy has raised the possibility of rate cuts later this year.
  - **Crude Oil:** Risk sentiment has been closely correlated to crude oil prices lately. Brent has held firm around $66-67 a barrel, with OPEC-members, in particular Saudi Arabia and Russia, committed to production cuts in an attempt to keep prices less volatile.

- Generally, global growth is in a delicate position. Economic data worldwide has been weakening making it difficult for the central banks to continue down the path of monetary policy normalisation. As such markets are trading inconsistently, creating a frustrating range-bound trading environment.

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 25.03.19

For more sugar market information, please read the latest QSL Market Snapshot, available by clicking here