Indicative ICE 11 Prices

<table>
<thead>
<tr>
<th>SEASON</th>
<th>AUD/MT*</th>
<th>WEEKLY CHANGE</th>
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<tbody>
<tr>
<td>2018</td>
<td>388.15</td>
<td>-0.81%</td>
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<tr>
<td>2019</td>
<td>408.39</td>
<td>-1.17%</td>
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<tr>
<td>2020</td>
<td>427.94</td>
<td>-1.10%</td>
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*These figures are indicative of available ICE 11 prices as at 14 January 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

• While we still lack significant sugar-specific fundamentals, sugar prices bobbed along under positive macro influences and enjoyed a bullish week, rallying to briefly touch the 13 c/lb handle. The MAR19 contract made its low of 11.94 c/lb on Monday, before posting its high on Wednesday at 12.94 c/lb, eventually closing the week at 12.78 c/lb.

• The US Government shutdown has completed 23 days and counting, and is now the longest shutdown in American history. While we await the Commitments of Traders report (COT) to be published, the market estimates a net-short spec position around 65,000 lots.

• Dry weather is still threatening yield production in India and Centre South Brazil. Brazilian weather conditions will be closely monitored until February. The Brazilian Real and Crude oil prices will be fundamental for changes in the sugar/ethanol mix, and could possibly bring some stability to sugar.

• Rumours from India suggest an increase in the minimum domestic price from 29,000 to 32,500 rupees. This would bring the export parity from 13 c/lb to nearly 15 c/lb. The incumbent party will be keen to see growers (voters) getting paid prior to the election in May. The Indian government has, by law, until March to make necessary amendments.
CURRENCY

- The Aussie Dollar closed the week at 0.7215, after testing the lows of 0.7140 on Tuesday and setting a weekly range of 0.7140 to 0.7215. A positive macro environment over the last week has provided the AUD with plenty of support. Higher crude oil prices, a weaker US dollar, US/China trade negotiations and positive equities were among the highlights.

- **Around the world:** US-China trade talks finished without any specific steps taken on complex issues, however sufficient progress has been made to buoy market sentiment. The US Federal Reserve declared that they will be more “patient and careful” in regards to future rate rises. US border issues are still to be resolved and are holding up any resolution to the government shutdown. Saudi Arabia announced oil exports will be cut by 800k in an effort to lift oil prices. China’s trade data was awful, showing a distinct slowdown in exports and overall decline in their trade balance. This may take the market a little while to digest fully but immediately saw the AUD and Chinese Yuan lower.

- **This week to follow:** Efforts to resolve the US shutdown and British Prime Minister Theresa May’s vote to avoid defeat on the Brexit withdrawal bill.

2018-Season Historical ICE 11 Price Chart

![Price Chart](chart.png)

*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 14.1.19.*

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