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>409.52</td>
<td>2.16%</td>
</tr>
<tr>
<td>2019</td>
<td>431.75</td>
<td>2.46%</td>
</tr>
<tr>
<td>2020</td>
<td>447.90</td>
<td>1.29%</td>
</tr>
</tbody>
</table>

*These figures are indicative of available ICE 11 prices as of 25 February 2019 and reflect the weighted average gross 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

- ICE 11 contracts resumed trading last Tuesday, and with it sugar prices rallied reaching the 13c/lb handle. MAR19 made its low on Tuesday at 13.14 c/lb and its high on Wednesday at 13.50c/lb, before closing the week at 13.37c/lb. The main driver for the rally appears to be an increase in ethanol prices, which followed gasoline prices at the pump in Brazil.

- Centre South Brazil has been having a good amount of rain recently and is now expected to achieve overall rainfall close to seasonal average, preventing further damage to the cane. In India, sugar production up to 15 February had been 21.9 million metric tonnes (mmt), with total forecast estimated 31.6 mmt.

- The Commitment of Traders (COT) report as of 5 February showed a net short of 58,508. Frustratingly we still have another three weeks to wait until we have an up-to-date picture of the spec position.

CURRENCY

- The Aussie dollar traded in a rather dull range over the past week, moving between 0.7070c and 0.7183c. It closed the week at 0.7140c, as risk sentiment firmed and higher commodity prices helped lift the AUD to the upper end of its range.
• Advanced trade discussions between the US and China brought some optimism to markets, especially with President Trump stating that he wanted the USA to win through competition and not through blocking more advanced tech. Once inked, the US/China trade agreement could have positive influences on sugar, because if China decides to buy high volumes of US ethanol, it can make ethanol bullish which will feed into the ethanol/sugar parity consequently pushing up sugar prices.

• China has closed their doors for Australian coal. Oil prices increased near-term due to the situation in Venezuela. Domestically, the Reserve Bank of Australia (RBA) and Governor Lowe enhanced the importance of focusing on wages indicators due to weak consumer spending and higher unemployment.

• The US will get most of the market attention over this week with important data to be released including Q4 GDP, personal income and outlays.

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 6:0 pricing ratio applicable to QSL Target Price Pool growers. Source: Bloomberg. Published at www.qsl.com.au as at 25.02.19

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