

# QSL Market Update

Current as of 23 January, 2017

## Today's Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2016	589.26	-5.67%
2017	571.77	-2.33%
2018	509.39	-3.08%
2019	468.69	-4.26%

The figures quoted above are indicative of available ICE 11 prices as at 23 January 2017 and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter (OTC) margin fees charged by banking institutions and, therefore, may differ from daily prices quoted by the ICE #11 Exchange and/or other Marketers of Growers' Economic Interest in Sugar (GEI Sugar). Values also do not account for any adjustments resulting from local Grower-Miller pricing arrangements.

## 2017 Season Historical Price Chart

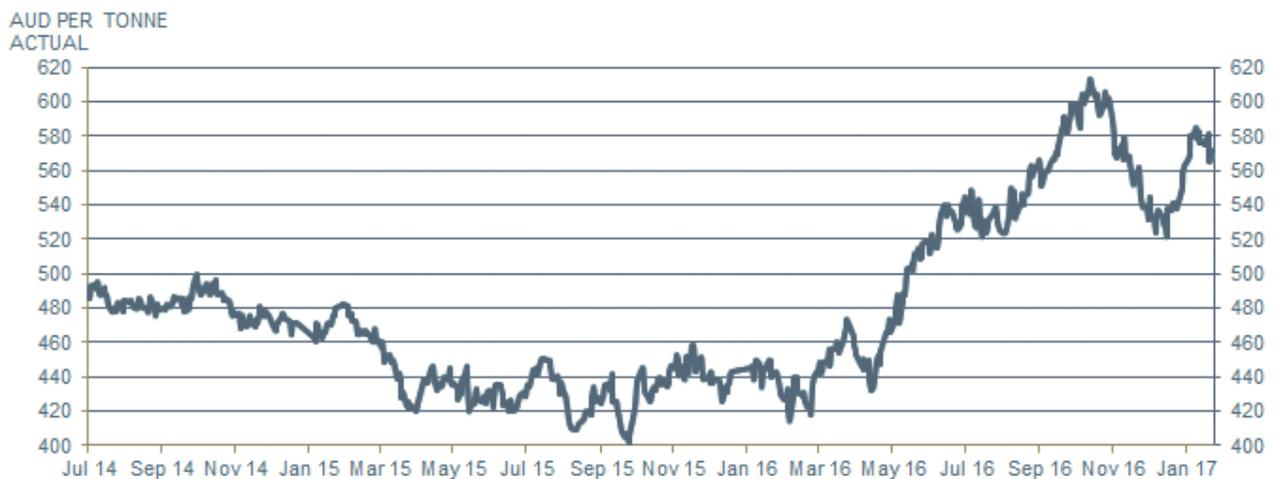


Figure 1 Source: Bloomberg. Published at [www.qsl.com.au](http://www.qsl.com.au) as at 23.01.2017

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## QSL Market View

Current as of 23 January 2017

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

MARKET COST DRIVERS	PROMPT (Mar17) A\$/mt	2017 Season A\$/mt	Comments
Current Market	\$581.25	\$571.77	
Sugar Fundamentals - Global exc. Brazil	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>	India concerns are still being watched closely by the market. There has been some noise about additional Central American sugar for the Mar17 expiry.
Sugar Fundamentals - Brazil	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	No changes since last week, with still plenty of Brazil raws available out to March 17, but we believe there is a potential increase for gasoline prices and a stronger Brazil Real may provide some support for May 17 onwards.
Macro Issues/ Specs	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	A couple of attempts to break out above the 21 c/lb technical ceiling were rebuffed, with a large sell-off in the Mar 17 contract in response to this. However on a more positive note, it seems like some of this volume was rolled to May 17. Overall the USD and macro drivers continue to remain volatile due to political factors.
AUD/USD	<span style="color: yellow;">●</span>	<span style="color: green;">●</span>	The "Trump Factor" continues to provide downward pressure on the USD with protectionist talk seeming to be prioritized before economic growth. As such, the AUD still remains comparatively stronger. Interest rate differentials are still expected to provide direction in the medium term.
Overall Comments	The sugar market failed to move above the technical levels at around 21 c/lb and AUD/mt values have remained impacted negatively by a relatively strong AUD. Without any fresh fundamental news, the market may potentially come under pressure in the short term over the next couple of weeks as the nearby futures contract expiry starts to come into focus and the specs have to close out their Mar17 positions which are net bought.		

Please refer to QSL's website for the latest market information via the daily Market Snapshot: <http://www.qsl.com.au/sugar-prices/daily-indicative-prices>. For QSL's 2016-Season indicative pool prices, visit: <http://www.qsl.com.au/pricing/pricing-products/2016-season/qsl-pool-price-matrices-2016-season>.

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