

# QSL Market Update

Current as of 14 August, 2017

## Today's Indicative ICE 11 Prices

SEASON	AUD/MT*	WEEKLY CHANGE
2018	424.52	-1.63 %
2019	439.29	-0.33%
2020	437.46	-0.20%

The figures quoted above are indicative of available ICE 11 prices as at 14 August 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.

## 2018-Season Historical Price Chart



Source: Bloomberg. Published at [www.qsl.com.au](http://www.qsl.com.au) as at 14.8.2017

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## QSL Market View

Current as of 14 August 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 (Oct 17) A\$/mt	2018 SEASON A\$/mt	COMMENTS
Current Market	\$369.91	\$424.52	
Sugar Fundamentals - Global exc. Brazil			No change to the expectation of limited further Indian import requirements. Q3 and Q4 trade flows now appear well covered based on the larger trade volumes out of Brazil. Further out, the additional supply from India, Europe and Thailand is still on track.
Sugar Fundamentals - Brazil			Strong crush volumes and the supportive Brazilian Real has the market positioning for larger-than-expected sugar production into the Oct 17 expiry. Although the market is below ethanol parity levels no switchover has yet been seen, with mills still sticking with sugar sales and hedges.
Macro Issues/ Specs			The speculator net-sold positions (~84k as at Tuesday) is expected to grow further. Downward pressure continues on most technical support levels, except on Relative Strength which is oversold.
AUD/USD			The AUD/USD traded lower on the back of Trump's 'fire and fury' rhetoric, finding support at mid-78 cents. While the market is looking for safety, this time around it doesn't appear to be the USD. The AUD requires new data for a substantive directional move, with nothing of note expected this week.
Overall Comments	Weakness continues in the ICE 11 Oct 17 contract, with Friday being the ninth consecutive negative session as Brazilian production continues to streamroll ahead. Short-term volatility can be expected as the trade may look to cover shorts on the prompt contract. However, the general negative trend is expected into Q1 2018 as Brazilian and Thai volumes look for homes. Whilst general structural weakness across the commodity basket continues to push prices down, positive sentiment is building towards a fall for the AUD/USD.		

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>.

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