Weekly Market Overview

Indicative ICE 11 Prices

<table>
<thead>
<tr>
<th>Season</th>
<th>AUD/MT*</th>
<th>Weekly Change</th>
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</thead>
<tbody>
<tr>
<td>2019</td>
<td>488.38</td>
<td>-0.07%</td>
</tr>
<tr>
<td>2020</td>
<td>470.53</td>
<td>-1.28%</td>
</tr>
<tr>
<td>2021</td>
<td>448.86</td>
<td>-0.44%</td>
</tr>
<tr>
<td>2022</td>
<td>437.75</td>
<td>0.11%</td>
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*These figures are indicative of available ICE 11 prices as at 17 February 2020 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.
• The MAR20 ICE#11 contract rallied irrationally high in the first half of last week, peaking on Wednesday at 15.90 USc/lb before falling to its low on Friday at 14.89 USc/lb, eventually closing the reporting period at 15.06 USc/lb

• Key representatives of the sugar industry met at the Dubai Sugar Conference last week to discuss the industry outlook. The Thai crop remained the center of discussion as most members agreed how serious the short-term tightness is. This, along with the imminent MAR20 contract expiry, provided the basis for the current extremely volatile market movements. (Learn more about the hot topics in Dubai by reading our latest monthly market report, available by clicking here).

• Analysts acknowledged that world consumption is still steadily growing at approximately 1% per year.

• There was no surprising news for the market to digest, which leaves us waiting for final Thai crop figures and for Brazil to start harvesting.

• Speculators remained optimistic, added another 19,000 lots to their position to total 149,000 lots net-long, according to the Commitment of Traders report on Tuesday 11th February.
The Aussie dollar traded above 67 US cents for most of the week, closing the week at 0.6712 AUD/USD as the market began to stabilise due to easing coronavirus fears. The number of new deaths and cases has reduced for a number of days in a row, with the World Health Organisation reporting a total of 71,429 cases, 1775 deaths and 6296 recoveries to date.

The Aussie was boosted last Wednesday when the Reserve Bank of New Zealand surprised the market by maintaining their Cash Rate at 1%.

Looking forward, the market continues to be at the mercy of coronavirus news in the short term, with limited Australian data of significance scheduled to be released.
Jargon Buster

What is a Rally?

A rally is the rapid increase in the price of an asset (e.g. sugar or AUD) in the market.

QSL is Australia's largest and most experienced raw sugar marketer.

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