



10 March 2021

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Weekly Market Overview

Indicative ICE 11 Prices

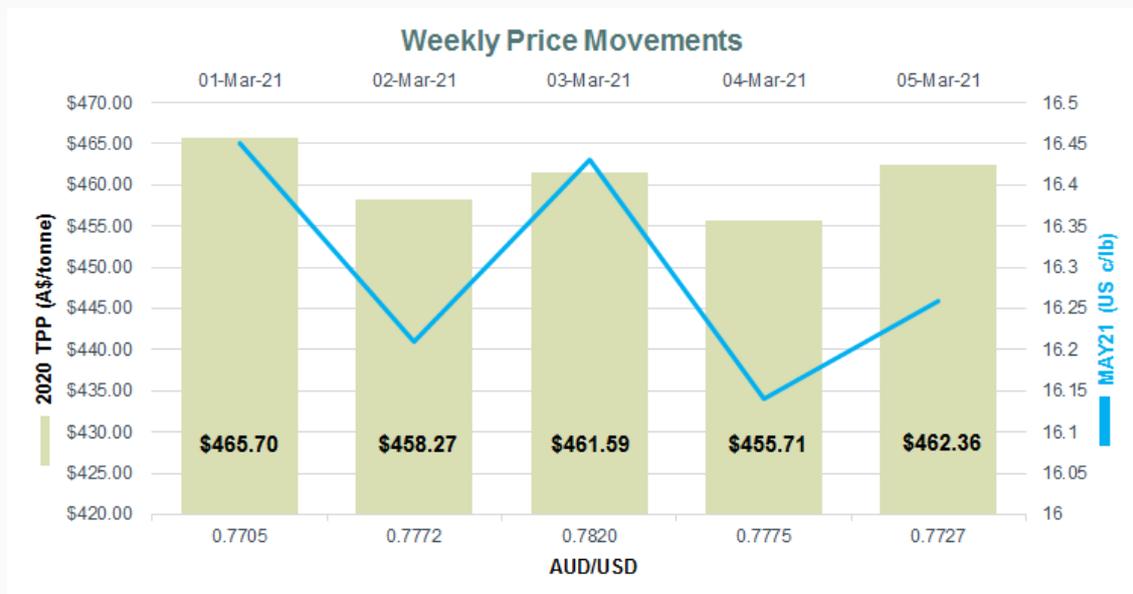
Season	AUD/MT*	Weekly Change
2020	469.06	0.72%
2021	446.77	1.40%
2022	399.77	1.50%
2023	373.83	-0.33%

**These figures are indicative of available ICE 11 prices as at the week ending 8 March 2021 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.*

Sugar

- **ICE 11:** Raw sugar ICE 11 prices took a step back last week to consolidate post the March 21 contract expiry. The May 21 contract briefly traded below 16 USc/lb to a low of 15.96 USc/lb on Wednesday before closing the week out at 16.20 USc/lb.
 - **Brazil:** Petrobras, a Brazilian state-owned corporation in the petroleum industry, has announced that the average value of ex-refinery gasoline will be adjusted higher by almost 9% and diesel by 5.5%. This price hike is likely to be a parting shot from recently sacked CEO Roberto Castello Branco and should provide support for ethanol prices.
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- **India:** Approximately 3.2 million tonnes of sugar sales have been made out of India with approximately half of that quantity currently exported. At this rate, it is expected that 5 million tonnes will be exported by the end of the season in September.
- **Outlook:** Both ethanol parity and Indian export parity should provide a solid floor for ICE 11 prices somewhere in the mid 15 USc/lb range. With a limited downside, the overall bullish trend should continue in the mid-term (approximately 3-6 months).



Currency

- The Aussie dollar stepped lower last week off the back of US dollar strengthening as rising bond yields feed into risk-off sentiment. US 10 year bond yields have broken above 1.5% sparking further fears of potential rapid inflation from COVID-19 relief spending from the government.
- The AUD traded lower over the course of the week reaching its low on Friday at 0.7656/USD before closing the week down at 0.7682/USD.
- **WTI (West Texas Intermediate crude oil):** Oil prices have rallied higher by 4% to almost \$US64 per barrel as OPEC+ announced its commitment to maintaining tight production limits into April, despite the market widely expecting an increase.
- **Outlook:** Despite the AUD briefly breaking below 77c, it has quickly traded back above this level and has reinforced that the market is more comfortable trading in a 77-80c range going forward (approximately 3-6 months).

Jargon Buster

What is OPEC+?

OPEC+ is the term used to describe those countries which export crude oil but are not within OPEC (the Organisation of the Petroleum Exporting Countries). OPEC+ countries include Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan and Sudan.

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