



3 March 2021

[View this email in your browser](#)

Weekly Market Overview

Indicative ICE 11 Prices

Season	AUD/MT*	Weekly Change
2020	465.70	-5.45%
2021	440.58	-0.19%
2022	393.87	1.36%
2023	375.05	4.24%

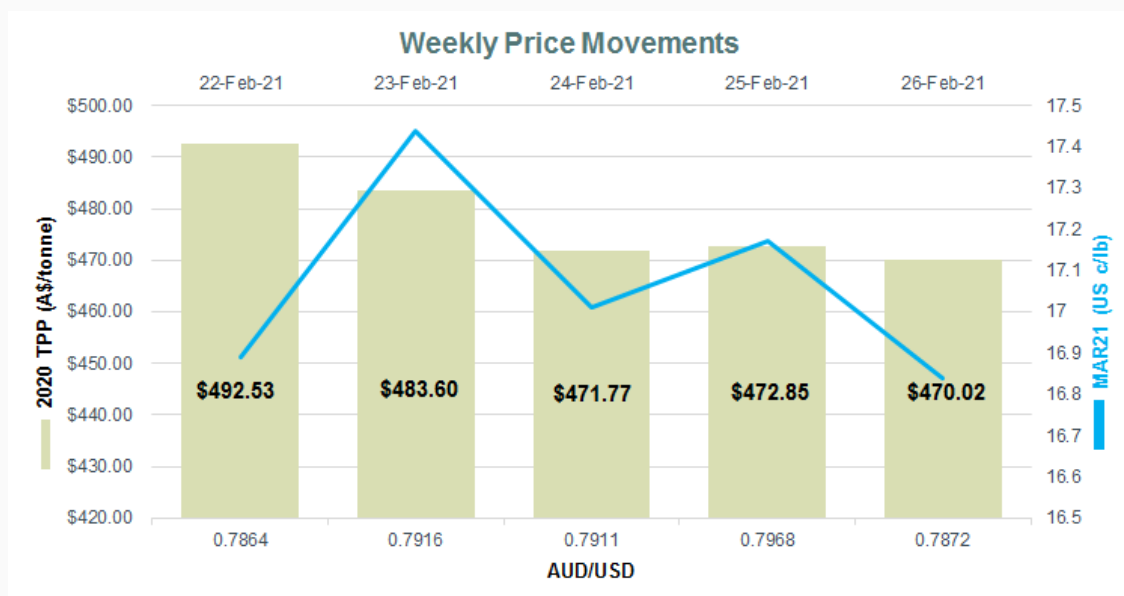
**These figures are indicative of available ICE 11 prices as at the week ending 1 March 2021 and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE 11 Exchange 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

- After weeks of extremely volatile market movements, the March 21 ICE 11 contract expired last week at 17.53 USc/lb.
 - A total of 893,166 mt were 'delivered to the tape' (see our Jargon Buster). While this represented a decent-sized delivery, it was not the record the market was expecting. The mixed bag of sellers,
-

including Indian, Centre South Brazil and Central American producers, gave the market little indication of the global raw sugar supplies available and therefore has not pushed the market in either direction.

- The Brazilian Real lost 3.1% to land at 5.56 against the US Dollar after Roberto Castello Branco, CEO of Petrobras (a Brazilian state-owned corporation in the petroleum industry), was spontaneously fired by President Jair Bolsonaro and replaced with a retired army general, Joaquim Silva e Luna. The change was made in an attempt to appease truck drivers who are furious over the recent fuel price hikes.
- **Outlook:** Despite a minor pull back after the March 2021 contract expiry, the overall bullish trend should remain intact in the short-term (possibly 3-6 months).



Currency

- It was a volatile week for the Australian Dollar as the local unit rallied above 80 US cents last week for the first time since early 2018, before

dropping 314 points on Friday down to 76.93 US cents off the back of the US bond market selling off sharply.

- Unsurprisingly, the Reserve Bank of Australia (RBA) left the cash rate unchanged at 0.10% at their monthly board meeting yesterday (2 February). The stance on leaving the cash rate untouched for the next three years was reiterated, and it was hinted that the newly announced quantitative easing program could be extended if needed.
- In the US, the first round of the COVID-19 relief package is set to expire on 14 March. The Democrats are currently laying out their plan for another phase, with the House of Representatives to pass a bill by the end of the week. It is believed President Joe Biden could trim his \$1.9 trillion relief package, which may include lowering the income cap for those that receive direct payments of \$1,400.
- **Outlook:** The Aussie Dollar appears range-bound between 77 and 80 US cents potentially through to Q3 (third quarter).

Jargon Buster

What does 'delivered to the tape' mean?

Delivering to the tape refers to those sellers that opt to deliver physical sugar against an open sold futures position rather than closing out their position prior to that ICE 11 contract's expiry.

The ICE 11 exchange will then match the open-position buyers and sellers together at expiry. Sellers have to make sugar available at the port they have nominated for up to 10 weeks, while buyers have this time to nominate a vessel for loading.

The 'tape' is a slang term for ticker tape which illustrates traded markets.

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

This report contains information of a general or summary nature. While all care is taken in the preparation of this report, the reliability, accuracy or completeness of the information provided in the document is not guaranteed. The update on marketing and pricing activity does not constitute financial, investment advice. You should seek your own financial advice. Nothing contained in this report should be relied upon as a representation as to future matters. Information about past performance is not an indication of future performance. QSL does not accept any responsibility to any person for the decisions and actions taken by that person with respect to any of the information contained in this report. You have received this email as you are subscribed to receive newsletters and other marketing material from QSL. We take your privacy very seriously. View our Privacy Statement on QSL's website. When you make enquiries of QSL or sign up for QSL news or information, you thereby consent to QSL collecting and using the personal information that you provide to QSL in the operation of QSL's business, which may include direct marketing. You may opt out of this service at any time if you no longer wish to receive any communications from us by using the unsubscribe function at the bottom of this email.



Copyright © 2019 QSL (Queensland Sugar Limited), All rights reserved.
You received this email because you are marketing with QSL or have expressed an interest in our services.

Our mailing address is:
QSL (Queensland Sugar Limited)
Level 12/348 Edward St
Brisbane, Queensland 4000
Australia
[Add us to your address book](#)

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#)

