



31 March 2021

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Weekly Market Overview

Indicative ICE 11 Prices

Season	AUD/MT*	Weekly Change
2020	437.38	-2.61%
2021	430.54	-1.91%
2022	391.46	-3.46%
2023	371.28	-3.49%

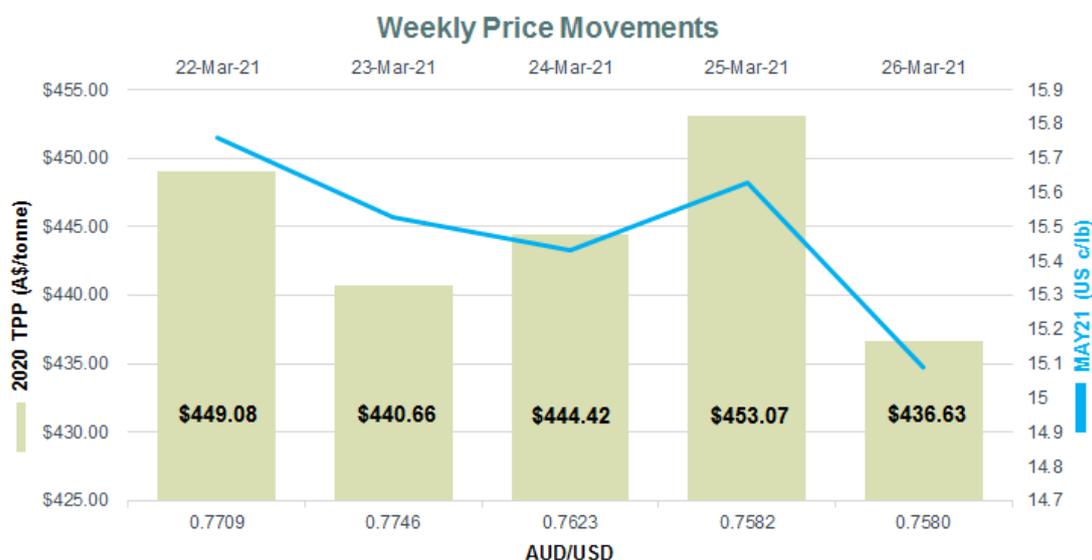
**These figures are indicative of available ICE 11 prices as at the week ending 29 March 2021 and reflect the weighted average AUD/mt price. The prices have been adjusted to include Over-the-Counter margin fees charged by banking institutions and so may differ from daily prices quoted by the ICE 11 Exchange 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

- A lack of fundamental news has left raw sugar prices at the mercy of a technical sell-off pushing the ICE 11 market lower. The May 21 contract closed the week 57 points lower at 15.19 USc/lb.
 - General macro-economic weakness, as well as rising COVID-19 cases and lockdowns throughout Europe, have given a boost to the US dollar (USD) and triggered risk-off
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sentiment in global markets. The US dollar strength continues to drag the entire commodities complex lower.

- In Brazil, Petrobras announced a second reduction in gasoline prices in as many weeks. A drop of 4% in the price of fuel dragged down ethanol prices in Brazil with estimates of spot ethanol parity now sitting around 12.07 USc/lb.
- Risk-off sentiment has encouraged speculators to continue liquidating their net long position in the raw sugar market, which as at 23rd of March reporting period had fallen significantly week on week from 198,000 lots to 169,000 lots



Currency

- US dollar strength saw the Aussie (AUD) retreat across the week down to a low of 75.63 US cents, moving close to the bottom of the wider 75-80 US cent range the currency has been trading in.
 - Oil prices have rebounded dramatically amid reports of a large container ship blocking the Suez Canal. Buffeted by a sandstorm, the 400m long ship crashed into the bank of the one-way canal causing a blockage of almost 100 bulk carrier ships and holding up
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approximately \$9 billion a day in global trade. The ship has since been freed.

- The United States remains on track to administer over 200 million COVID-19 vaccines in President Joe Biden's first 100 days in office. Approximately 32% of the entire adult population have received at least one dose. This coupled with expansive fiscal and monetary support sees the US economic recovery tracking ahead of its major G10 peers spurring USD and US Treasuries higher at the expense of global risk sentiment.

Jargon Buster

What is fund/speculator liquidation?

This is when an investment fund or speculator closes out their existing position on the market to realise a profit, or loss.

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