



# QSL Weekly Update

Week ending 19 May 2017

## Daily Price

Friday, 19th May 2017

**16.03** US c/lb prompt

**0.7419** AUD/USD spot

**\$A 472.84** MT OTC

**\$A 455.97** MT IPS OTC

## Your QSL Grower Services Team

Far North Queensland: Daniel Messina, Grower Relationship Manager,  
Ph. 0429 660 238 [daniel.messina@qsl.com.au](mailto:daniel.messina@qsl.com.au)

North Queensland: Carla Keith, Industry Relationship Manager  
Ph. 0409 372 305 [carla.keith@qsl.com.au](mailto:carla.keith@qsl.com.au)

Herbert River: Jonathan Pavetto, Grower Relationship Officer  
Ph. 0428 664 057 [jonathan.pavetto@qsl.com.au](mailto:jonathan.pavetto@qsl.com.au)

Burdekin: Rebecca Love, Grower Relationship Officer  
Ph. 0429 054 330 [rebecca.love@qsl.com.au](mailto:rebecca.love@qsl.com.au)

Proserpine and Plane Creek: Emma Sammon, Grower Relationship Officer  
Ph. 0418 978 120 [emma.sammon@qsl.com.au](mailto:emma.sammon@qsl.com.au)

Central and Southern Districts: Cathy Kelly, Industry Relationship Manager  
Ph. 0409 285 074 [cathy.kelly@qsl.com.au](mailto:cathy.kelly@qsl.com.au)

## Indicative Pool Prices

The table below provides an overview of the QSL Pool Prices Matrices available at [www.qsl.com.au](http://www.qsl.com.au). All prices quoted are indicative only and do not include an allocation from the QSL Shared Pool. Growers should consult their mill for information about their individual cane payments.

2016 as at Friday 12th May 2017

Harvest	<b>\$513</b> IPS GROSS	Multi-season Pools	
Actively Managed	<b>\$560</b> IPS GROSS	2-Season Forward 2016	<b>\$480</b> IPS GROSS
Guaranteed Floor	<b>\$465</b> IPS GROSS	3-Season Forward 2016	<b>\$497</b> IPS GROSS
US Quota	<b>\$779</b> IPS GROSS	2-Season Forward 2017	<b>\$489</b> IPS GROSS

*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. Information about past performance is not an indication of future performance. The update on marketing and pricing activity does not constitute financial product or investment advice. You should seek independent advice before making any pricing decisions. 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.*

## QSL Market View

As at 15 May 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 (Jul17) A\$/mt	2017 SEASON A\$/mt	COMMENTS
Current Market	\$458.96	\$476.11	
Sugar Fundamentals - Global exc. Brazil	<span style="color: yellow;">●</span>	<span style="color: red;">●</span>	Local Indian prices continued to firm during the week, indicating local supply shortages are starting to be felt. No news on any further imports yet.
Sugar Fundamentals - Brazil	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	News from the New York Sugar Dinner included some perspectives that the ageing CS Brazil crop may lead to some lower yields for this season. This was supported by the UNICA figures released during the week where the yields fell 8%. This progress will be something traders will keep an eye on. While oil prices are still under pressure, the BRL strengthened during the week, which helped to support sugar.
Macro Issues/ Specs	<span style="color: yellow;">●</span>	<span style="color: yellow;">●</span>	Speculators continued to sell more sugar futures during the week, adding further to their net short (sold) position. USD strength pushed commodities down across the board. Oil still remains weak with the upcoming OPEC meeting a key indicator for direction.
AUD/USD	<span style="color: green;">●</span>	<span style="color: green;">●</span>	The AUD/USD remained under pressure during the week, moving close to 0.73 after lower retail sales data and commodity prices. US Data is still positive with an expected June rate rise now largely priced in by the market for the USD.
Overall Comments	In a repeat of previous weeks, the sugar market tried to rally mid-week, but dropped again on Friday. The weaker AUD/USD is helping to provide some stability. A couple of more optimistic indicators on the sugar fundamentals have started to emerge, but unless we see some dramatic fundamental headline news on Indian demand or Brazilian production to halt the flow, the key driver will likely remain the ongoing speculator selling where we now have the first net short position in nearly two years.		

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>. For QSL's 2016-Season indicative pool prices, visit:

<http://www.qsl.com.au/pricing/pricing-products/2016-season/qsl-pool-price-matrices-2016-season>.

## SMS vs Email price updates – what’s the difference?

Growers who receive QSL’s Daily SMS Price Update and our Daily Indicative Prices Update Email may wonder why the prices quoted in these two updates differ. The answer to this lies in their differing areas of focus.

**SMS Updates:** QSL’s daily price SMS details the market-close price for the current prompt ICE 11 futures contract, and quotes the US cents/pound price, the current AUD/US exchange rate, and the equivalent price in AUD/tonne and AUD/tonne IPS. As well as providing an insight into the general state of the market, the information in this SMS is of particular interest to those growers who wish to price directly against the prompt contract (such as those using QSL’s new in-season Target and Fixed Price Contract products).

**Email Updates:** QSL’s Daily Indicative Prices email covers the weighted average season price for the 2017, 2018, 2019 and 2020 Seasons. This season average reflects QSL’s 1:2:2:1 pricing ratio and is indicative of the available ICE #11 prices used by growers in QSL’s Target and Fixed Priced Forward Contract grower-managed pricing products, where the grower sets a whole-of-season pricing target rather than pricing against individual contracts.

It should be noted that the AUD/tonnes prices quoted in these updates have been adjusted to include Over-the-Counter (OTC) 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 (GEI Sugar). These values also do not account for any adjustments resulting from local grower-miller pricing arrangements.

To subscribe to either update is free – just visit our website ([www.qsl.com.au](http://www.qsl.com.au)) and click on the Sign up e-news / Sign up for Daily Price SMS buttons at the bottom of the page.

## Emma takes the reins in Sarina

Grower Relationship Officer Emma Sammon, pictured right, is now the key contact for growers in the Plane Creek area, following the commencement of Kath Zanco’s maternity leave. Emma is available for appointments in the QSL office in the Canegrowers building at 36 Broad Street. You can call her direct on 0418 978 120 or email her at [emma.sammon@qsl.com.au](mailto:emma.sammon@qsl.com.au). Kathy is expected to return to her position later this year.



## Upcoming events for QSL Grower Services Team

Date	Event	Venue
19 -20 May	<i>Canegrowers Mackay Ag Trade Expo</i> Cathy Kelly will be available to answer your questions.	West Leagues Club, Walkerston
24-26 May	<i>FNQ Field Days</i> Daniel Messina will man the QSL tent at site #B12.	Mareeba
25 May	<i>Innisfail Babinda Cane Productivity Services Awards</i> QSL is a proud supporter of this event and Daniel Messina will attend.	Innisfail
3 June	<i>Australian Hand Cutting Championships</i> QSL is a proud supporter of this annual event. Rebecca Love and Carla Keith will compete in the women’s event.	Home Hill Showgrounds
6-7 July	<i>Ingham Agricultural Show</i> QSL will again sponsor the Schools’ Show Cane Event.	Ingham Showgrounds