



For week 9th - 15th Mar 2020

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Weekly Market Overview

Indicative ICE 11 Prices

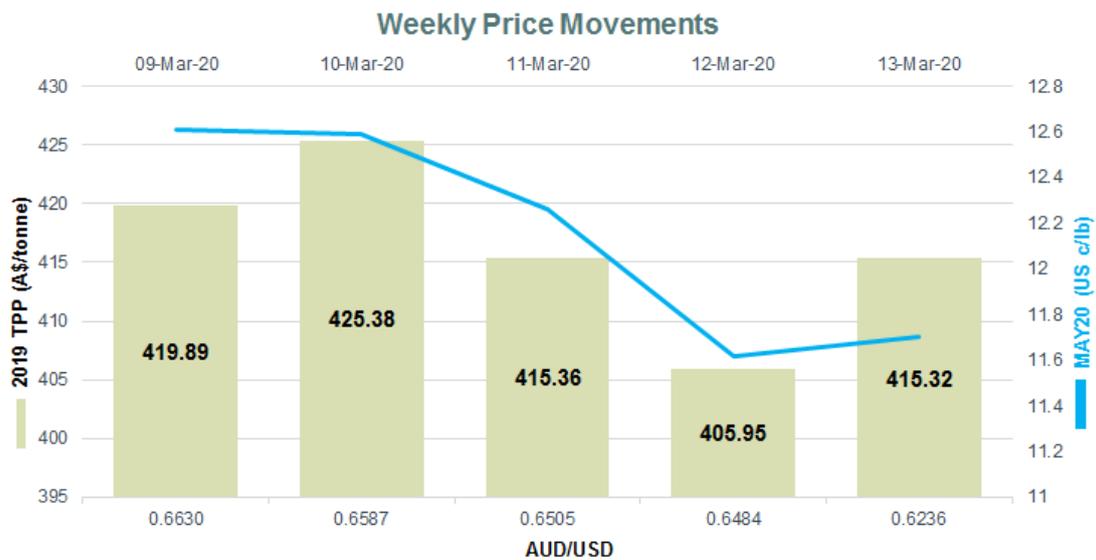
Season	AUD/MT*	Weekly Change
2019	415.32	-1.96%
2020	425.46	-2.07%
2021	435.23	1.43%
2022	443.67	4.99%

**These figures are indicative of available ICE 11 prices as at 15 March 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.*

Sugar

- Sugar prices extend the downward trend with the MAY20 ICE#11 contract making its high on Tuesday at 12.93 USc/lb and its low on Thursday at 11.53 USc/lb before closing the week at 11.70 USc/lb down 10.1%.
 - The Brazilian Real continued to reach new record lows of 5.0258 USD/BRL on Thursday, encouraging Brazilian exports of sugar.
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- Crude oil has lost almost 50% of its value from its high in February of \$54.66 a barrel down to a low on Monday of \$27.34, this may push Brazilian mills to begin producing more sugar over ethanol.
- Speculators continue to reverse their net long position to avoid risk showing they are not confident in future sugar prices in these volatile market conditions. The commitment of traders report shows a reduction of 58,000 lots down to a 51,000 lot net long position as of the 9 March. On a live basis they are now likely at a new short position.



Currency

- The Australian dollar remains in an extremely volatile state trading a 5 cent range for the week 9-15 March between a 0.6681 AUD/USD high on Tuesday and a 0.6124 AUD/USD low on Friday before closing the week at 0.6203 AUD/USD. The Aussie dollar today (Wednesday) sunk to a 17-year low, buying just 59.94 US cents, a level not seen since 2003. Since February the Aussie dollar has continued a downward trend to levels not seen since the global financial crisis as the coronavirus outbreak plagues the economy.

- The market continues to respond erratically to emergency announcements from governments around the world attempting to stabilise their economies amid the coronavirus pandemic crisis.
- On Thursday the Aussie dollar briefly responded positively to Australian Prime Minister Scott Morrison's announcement of a \$17.6 billion dollar economic stimulus package to help the economy 'bounce back' from the impacts of the virus.
- Any positivity was short-lived as US President Donald Trump spontaneously banned travel to and from Europe for 30 days without consulting European officials on the decision, causing the Aussie dollar to slide even further.
- The World Health Organisation has reported 190,600 cases and over 7,700 deaths worldwide from COVID-19 as of the 6am 18 March. As the number of cases and deaths continue to accelerate and the global downturn evolves, there is little stopping the AUD from continuing its movement sub 60c.

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