



17 March 2021

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Weekly Market Overview

Indicative ICE 11 Prices

| Season | AUD/MT* | Weekly Change |
|--------|---------|---------------|
| 2020 | 457.25 | -2.52% |
| 2021 | 442.97 | -0.85% |
| 2022 | 402.65 | 0.72% |
| 2023 | 380.45 | 1.77% |

**These figures are indicative of available ICE 11 prices as at the week ending 15 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

- The May 21 ICE 11 contract traded a narrow range over the week, between 16.54 USc/lb and 15.84 USc/lb, with a very small volume of trade struggling to push the market convincingly in either direction.
- 33 out of 57 mills in Thailand have now closed as the season winds up. The final cane crush estimate sits at 66 million tonnes with expectations of 7.46 million tonnes of sugar, down 10% year-on-year. Interestingly, yields appear to be slightly higher due to a reduced share of burnt

cane – 26% of the crop in 2020/2021 compared to 49% in 2019/20.

- Market participants are increasingly turning their attention towards the upcoming Centre South Brazil crop and how damaged it has been from the lack of rainfall. The cane due to be cut at the beginning of the season is likely to be badly affected by the dry first two months of the traditional "rainy season" (October/November).
- The latest Commitment of Traders (CoT) report for the week ending 9 March reported a reduction in the speculator position for the third week in a row. Their position was decreased by 19,000 lots to 201,000 lots net long.



Currency

- The Australian dollar strengthened slightly across the week from its low on Tuesday at 76.21 US cents to its high on Friday of 78.00 US cents as markets traded with a risk-on tone.
- In the United States, President Biden announced he is going to speed up the COVID-19 vaccine rollout by now allowing medical students, dentists and veterinarians to administer the shot. The US reached the milestone

of delivering 100 million doses of the vaccine, with the Center for Disease Control and Prevention Center (CDC) data showing that 14.5% of the population is now fully vaccinated and approximately 27% have received at least the first dose.

- The US Core Consumer Price Index (CPI) data release came in weaker than expected at 0.1% change month-on-month against the expected 0.2%. This sent a calming message and eases the pressure on the fears we saw last week from talk of possible inflation.

Jargon Buster

What is the Consumer Price Index (CPI)?

The Consumer Price Index is a statistical measure of the change in price over time of a fixed basket of goods and services. The CPI is generally measured month-to-month or year-to-year and is used by economists and governments to monitor inflation in the economy.

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