

Pre-Allocation Update

SOUTHERN CONNECTED SYSTEM

Key Events

2016.12.14

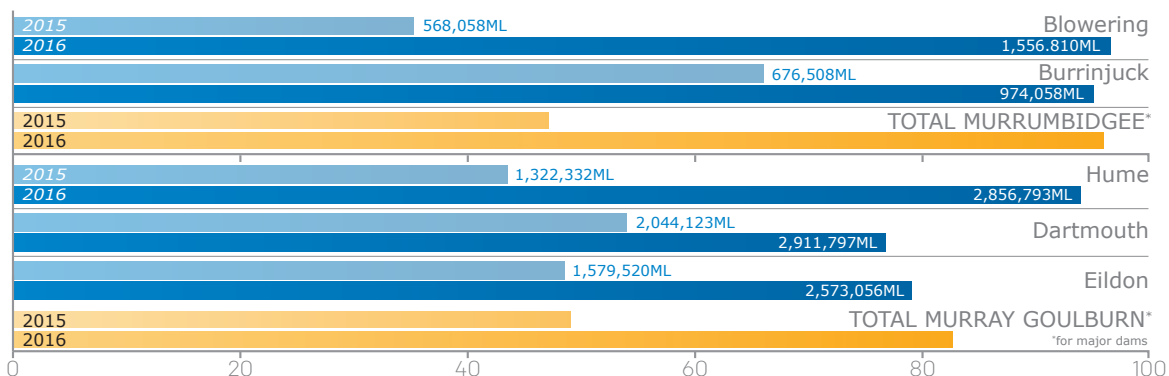
Key market events from the last fortnight

Contact your broker to discuss how this could impact your water requirements

Next Allocation Announcement VIC Dec 15

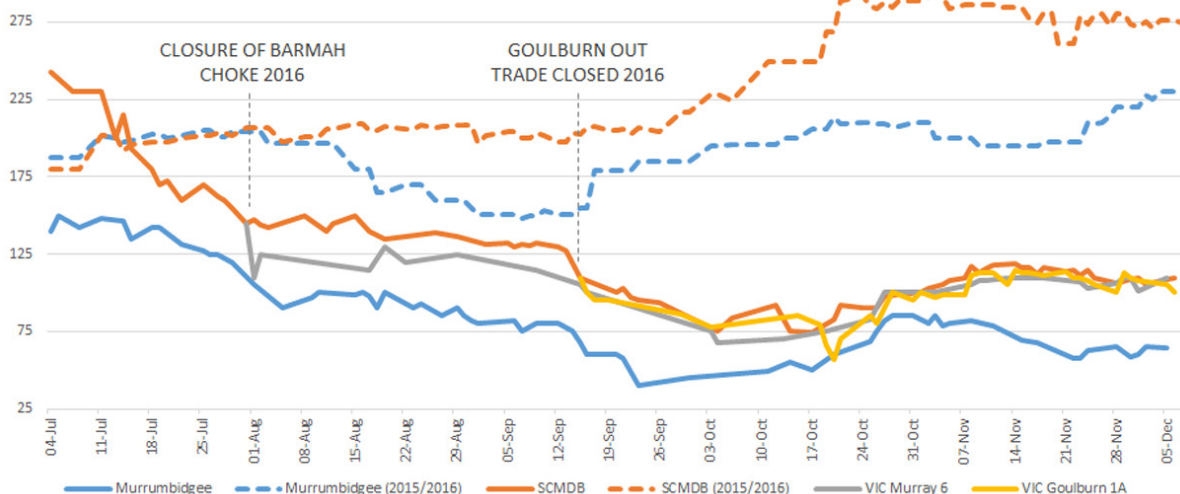
NSW FORTNIGHTLY ALLOCATIONS HAVE CEASED
Now that major systems have 100% Allocation, fortnightly NSW Allocations will cease for the remainder of the water year

CURRENT STORAGES AS OF 11 DECEMBER



ABARES stated water storage levels in the Murray-Darling Basin (MDB) increased by 173GL during the week ending 8 December 2016 to 19,592GL, and are at 87% of total capacity which is the highest in nearly 4 years.

TRADE CLOSURES AFFECT ON TEMP PRICE



Trade restrictions have caused a price differential in the Southern Connected System temporary market, with prices above Choke in NSW and VIC (NSW Zone 10, VIC Zone 6) lower than those below the Choke in NSW and VIC (NSW Zone 11, VIC Goulburn 1A and Zone 7).

TEMPORARY WATER PRICE (\$/ML)^			
NSW Murray 10	\$70 ↓	NSW Murray 11	\$75 ↓
VIC 6	\$70 ↓	VIC 1A / VIC 7	\$80 / \$85 ↓
- ABOVE BARMAH CHOKE -		- BELOW BARMAH CHOKE -	
		NSW Murrumbidgee	\$50 ↓
		SA Irrigation	\$85 ↓

^Prices compared to 15 November

A DRY SUMMER AHEAD

The recent climate outlook from the BOM indicates that December is likely to be drier than average across most of mainland Australia, with a 70-80% chance of below average rainfall across most of eastern Australia. November rainfall was 31% below the long-term average across Australia, but 44% below average across the Murray-Darling Basin. Also, there is a high chance of a warmer start to summer, with much of Australia likely to experience warmer daytime temperatures in December.

CONFIRMED ALLOCATIONS AS OF LAST ANNOUNCEMENT ON NOVEMBER 15

NEW SOUTH WALES		VICTORIA		SOUTH AUSTRALIA	
Murrumbidgee HS	100%	Goulburn HR	100%	SA Irrigation (Class 3)	100%
Murrumbidgee GS	100%	Campaspe HR	100%	Stock & Domestic (Class 1)	100%
NSW Murray HS	100%	Murray HR	100%	Country Towns (Class 2)	100%
NSW Murray GS	100%	Loddon HR	100%	Industry (Class 5)	100%