

Pre-Allocation Update

SOUTHERN CONNECTED SYSTEM

Key Events

29.09.2017

Key market events from the last fortnight

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

FORTNIGHTLY ALLOCATIONS

The next Allocations will be announced on 2 October for VIC and 3 October for NSW.

TRADING RESTRICTIONS

The Barmah Choke remains closed.

Trade from NSW to VIC is currently limited to volume traded from VIC to NSW.

Murrumbidgee IVT limit is currently at 57.2GL. Trade out of the Murrumbidgee into the Murray system remains open. In the past week, prices have firmed to ~\$150/ML.

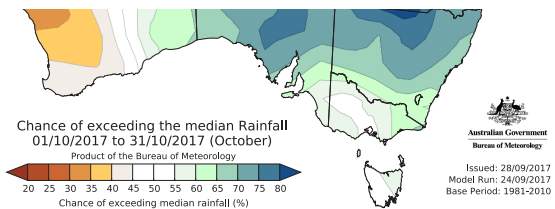
Trade out of the Goulburn remains closed.

BOM OUTLOOK

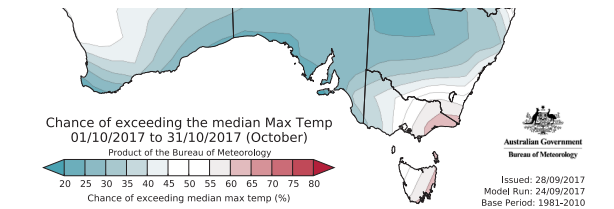
The October to December outlook, issued 28 Sept 2017, shows an equal chance of wetter or drier conditions for most of Australia. October is forecast to be wetter in SE AUS.

BOM October Outlook

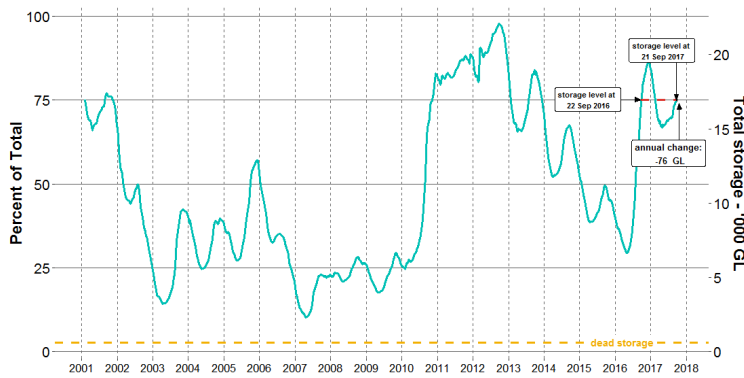
Chance of Exceeding Median Rainfall



Chance of Exceeding Median Max Temp



Water Storage in the Murray Darling Basin



Inflows into the Murray system have increased in recent months. Storage is currently 131GL less than at the same time last year, but well above the levels seen in the previous two seasons. With low rainfall and a warmer winter, temporary water price has remained stronger than anticipated at the beginning of the season.

Source: MDBA 28 September 2017.

TEMPORARY WATER PRICE (\$/ML) | CHANGE SINCE SEPTEMBER 15

NSW Murray 10 \$140↑	NSW Murray 11 \$150↑	NSW Murrumbidgee \$150↑
VIC 6 \$130↑	VIC 1A \$128↑	VIC 7 \$155↑
SA Irrigation \$150↑		
- ABOVE BARMAH CHOKE -	- BELOW BARMAH CHOKE -	

Table 1. 2017/18 Outlooks for Major New South Wales Irrigation Districts

	1 Nov 2017	1 Feb 2018	1 Oct 2017	1 Feb 2018
NSW MURRAY GS[^]				
Dry⁺	37%*	59%*	33%	33%
Very Dry⁺⁺	30%	39%	33%	33%
NSW MURRUMBIDGEE GS[^]				
Dry⁺	33%	33%	33%	33%
Very Dry⁺⁺	30%	39%	33%	33%

Table 2. 2017/18 Outlooks for Victorian Irrigation Districts

VIC GOULBURN AND LODDON HR				
	Similar inflow Season	16 Oct 2017	15 Dec 2017	15 Feb 2018
Dry	2015/16	75%	87%	82%
Extreme Dry	2006/07	71%	74%	37%

CURRENT ALLOCATIONS | 15 SEPTEMBER

NEW SOUTH WALES		VICTORIA		SOUTH AUSTRALIA	
Murrumbidgee HS	95%	Goulburn HR	71%	SA Irrigation (Class 3)	100%
Murrumbidgee GS	33%	Campaspe HR	100%	Stock & Domestic (Class 1)	100%
NSW Murray HS	97%	Murray HR	98%	Industry (Class 5)	100%
NSW Murray GS	28%	Loddon HR	71%	Recreation (Class 4)	100%

⁺Murray and ⁺⁺Murrumbidgee currently tracking around this scenario.

^{*}Borrow from B-M account is fully repaid.

[^]Licence holders can add individual carryover to the relevant percentage.