

Pre-Allocation Update

SOUTHERN CONNECTED SYSTEM

Key Events

31.10.2017

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 1 November for VIC and NSW.

TRADING RESTRICTIONS

The Barmah Choke remains closed.

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

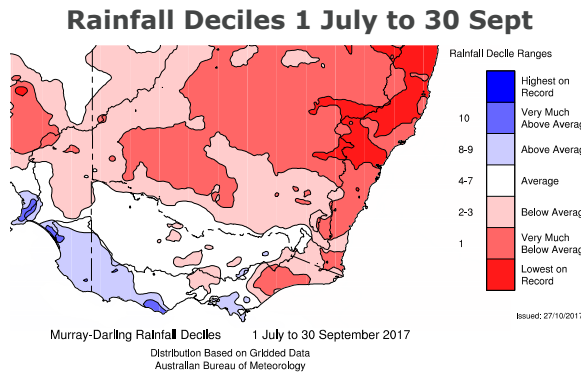
Murrumbidgee IVT limit has been reached. Trade into the Murrumbidgee is now closed. Trade out of the Murrumbidgee into the Murray system remains open.

In the past week, Murrumbidgee prices have remained steady at ~\$150/ML. This price stability is in contrast to other markets in the Southern Connected System and can be put down to the reduced supply while demand continues to remain strong.

Trade out of the Goulburn remains closed.

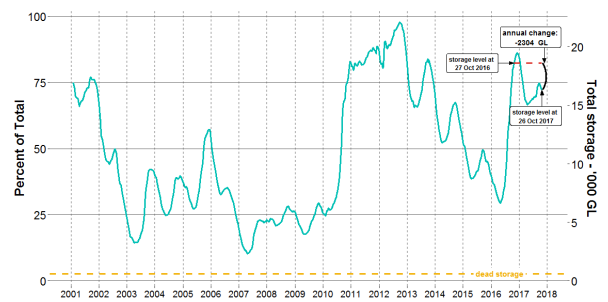
RECENT RAINS HAVE LITTLE IMPACT ON STORAGES

The prolonged dry spell leading up to and including winter has seen rainfall below average for much of NSW. Whilst there has been some rainfall over the month of October, it has done little for storages, which are ~2.3GL less than the same time last year and trending downwards.



Source: BOM.

Water Storage in Murray-Darling Basin



Source: ABARES 26 October.

TEMPORARY WATER PRICE (\$/ML) CHANGE SINCE 16 OCTOBER			
NSW Murray 10	\$135-	NSW Murray 11	\$135↓
VIC 6	\$125↓	VIC 1A	\$100↓
		VIC 7	\$135↓
- ABOVE BARMAH CHOKE -		- BELOW BARMAH CHOKE -	
NSW Murrumbidgee	\$150-	SA Murray	\$135↓

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 [^]		NSW MURRUMBIDGEE GS [^]	
Dry⁺	37%*	59%*	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%

Table 3. Current Allocations | 16 October

NEW SOUTH WALES		VICTORIA		SOUTH AUSTRALIA	
Murrumbidgee HS	95%	Goulburn HR	91%	SA Irrigation (Class 3)	100%
Murrumbidgee GS	33%	Campaspe HR	100%	Stock & Domestic (Class 1)	100%
NSW Murray HS	97%	Murray HR	100%	Industry (Class 5)	100%
NSW Murray GS	29%	Loddon HR	91%	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.