

Pre-Allocation Update

SOUTHERN CONNECTED SYSTEM

Key Events

14.11.2017

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 15 November for VIC and NSW.

TRADING RESTRICTIONS

The Barmah Choke remains closed.

Trade from NSW to VIC The current risk of spill limit allows 200GL of net trade from NSW to VIC.

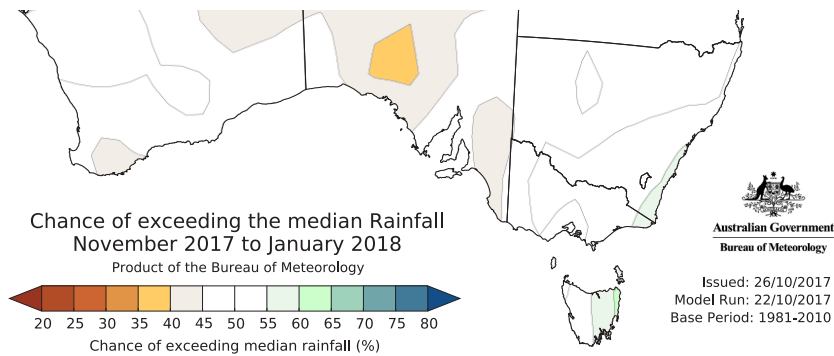
Murrumbidgee IVT limit has been reached. Trade into the Murrumbidgee is now closed. Trade out of the Murrumbidgee into the Murray system remains open.

Trade out of the Goulburn remains closed.

LOW RISK OF SPILL ANNOUNCED IN MURRAY

On 10 Nov, a low risk of spill was declared in the VIC Murray. Resource Manager Dr Bailey stated, "All water remaining in spillable water accounts in the Murray system will be made available to entitlement holders for use or trade." Following this announcement temporary prices dropped immediately from ~\$130/ML in the Murray to ~\$115/ML. Price has rebounded since to ~\$130/ML. Demand for temporary water increased following the announcement and continues to remain strong.

BOM RAINFALL SUMMARY



November is likely to be drier for most of SA and Victoria, with just a 50% chance of being wetter than average.

BARMAH-MILLEWA ALLOWANCE REPAID

The Barmah-Millewa Allowance (B-MA) has been fully repaid as of the allocation announcement on November 1. No further water repayments are owing in the NSW Murray.

TEMPORARY WATER PRICE (\$/ML) CHANGE SINCE 1 NOVEMBER			
NSW Murray 10	\$130 ↓	NSW Murray 11	\$130 ↓
VIC 6	\$120 ↓	VIC 1A	\$97 ↓
- ABOVE BARMAH CHOKE -		- BELOW BARMAH CHOKE -	
NSW Murrumbidgee	\$145 ↓	VIC 7	\$130 ↓
SA Murray	\$130 ↓		

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%

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 | 1 November

NEW SOUTH WALES		VICTORIA		SOUTH AUSTRALIA	
Murrumbidgee HS	95%	Goulburn HR	93%	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	32%	Loddon HR	93%	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.