



2017/18 AWB Harvest Pool: Estimated Pool Return update – 15 December 2017

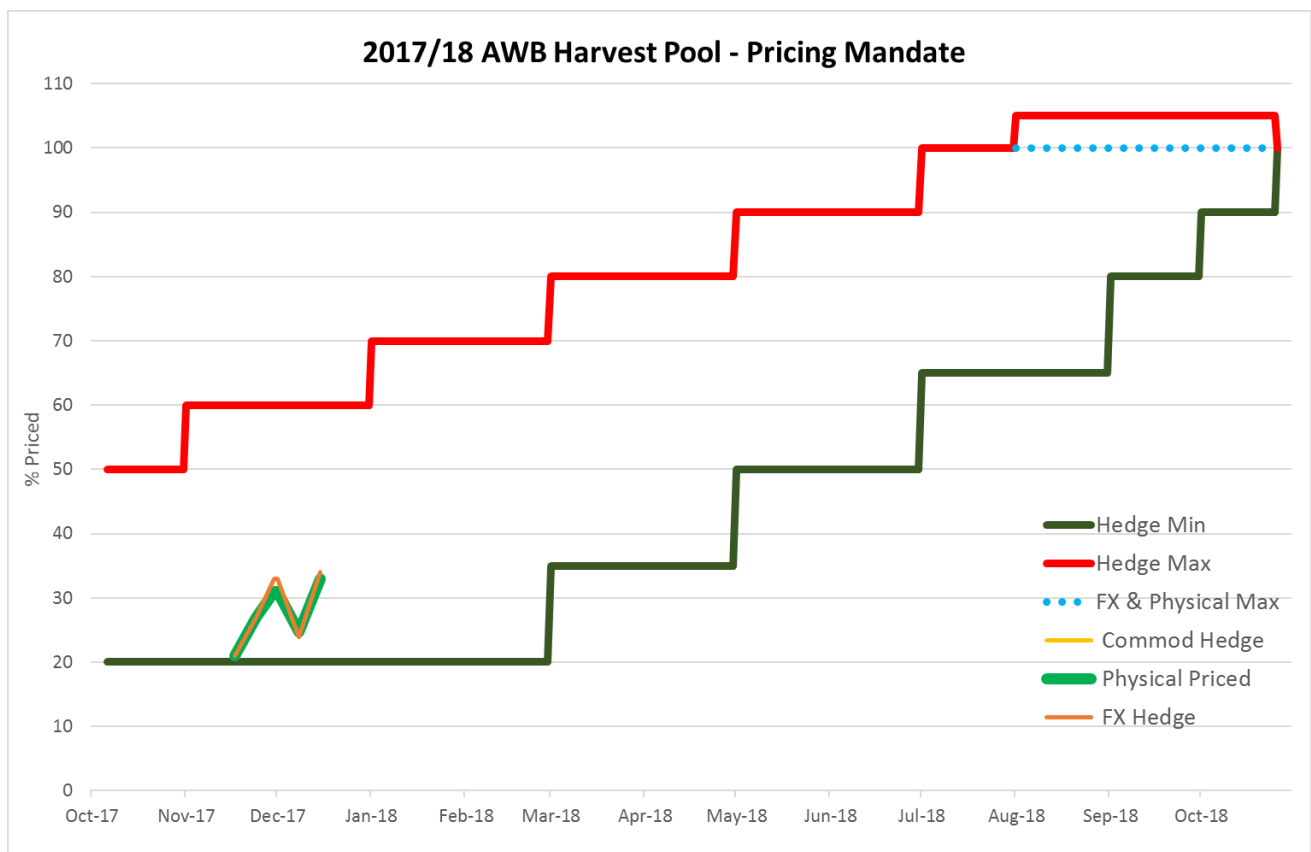
Program Update

Today AWB are making Harvest Pool EPR revisions ranging from down \$7.50 to up \$5 depending on port and grade.

The AWB pools continue to focus on taking advantage of ‘at harvest’ premiums paid for milling grades and out of spec feed grades. We typically will replace this wheat with grades which are easier to market later in the year to inelastic demand customers. The alternative to buying Australian physical wheat is to instead switch this exposure into the global wheat derivative markets. Due to the global grains balance sheet remaining oversupplied, the US wheat markets are again trading at 12 month lows in the nearby futures contract and the forward curve continues to pay a fairly healthy premium to selling wheat in the deferred months – which is effectively the market saying, don’t give it to me now, keep it yourself until later. With US wheat effectively on its knees, the cost of buying upside options is also historically very cheap. Long story short the market on the whole is presenting plenty of opportunities for us to add value to your bottom line through gaining exposure to a mixture of physical markets, grade spreads and offshore futures and options markets.

Pricing Mandate Update

AWB is committed to transparency and to demonstrate this, we provide a regularly updated pricing position. This exceeds the level of transparency recommended by the Australian Grain Industry Code of Practice, Operating Standard for Grain Pool Providers. The pricing mandate shows the parameters our trading team operate in when making pricing and hedging decisions.



QUEENSLAND						
Grade	BRISBANE		GLADSTONE		MACKAY	
APH1	\$362.50	↓ \$7.5	-	-	-	-
APH2	\$345.00	↓ \$5	\$322.50	↑ \$2.5	\$317.50	↑ \$2.5
H2	\$325.00	↓ \$5	\$302.50	↑ \$2.5	\$297.50	↑ \$2.5
AUH2	\$323.00	↓ \$2	\$297.50	↑ \$2.5	\$292.50	↑ \$2.5
APW1	\$322.00	↓ \$3	\$297.00	↑ \$2	\$292.00	↑ \$2
ASW1	\$322.00	↓ \$1	\$295.00	↑ \$5	\$290.00	↑ \$5
AGP1	\$319.00	↓ \$1	\$282.50	↑ \$2.5	\$277.50	↑ \$2.5
SFW1	\$319.00	↓ \$1	\$282.50	↑ \$2.5	\$277.50	↑ \$2.5
FED1	\$311.00	↑ \$1	\$265.00	↑ \$5	\$260.00	↑ \$5

NEW SOUTH WALES				
Grade	NEWCASTLE		PORT KEMBLA	
APH1	\$367.50	↓ \$7.5	\$365.00	↓ \$5
APH2	\$350.00	↓ \$5	\$345.00	↓ \$5
H1	-	-	\$323.00	↓ \$2
H2	\$318.00	↓ \$2	\$310.00	↓ \$5
AUH2	\$302.50	- \$0	\$292.50	↓ \$5
APW1	\$298.00	↓ \$2	\$292.50	↓ \$5
ASW1	\$285.00	↓ \$5	\$277.50	↓ \$5
AH9	\$280.00	- \$0	\$272.00	↓ \$3
AGP1	\$280.00	- \$0	\$272.00	↓ \$3
SFW1	\$277.50	↑ \$2.5	\$267.00	↓ \$3
FED1	\$265.00	- \$0	\$250.00	- \$0

VICTORIA						
Grade	MELBOURNE		GEELONG		PORTLAND	
H1	\$313.00	↓ \$2	\$313.00	↓ \$2	\$307.50	- \$0
H2	\$284.00	↓ \$1	\$284.00	↓ \$1	\$277.50	- \$0
AUH2	\$262.50	- \$0	\$262.50	- \$0	\$257.50	- \$0
APW1	\$260.00	↓ \$2.5	\$260.00	↓ \$2.5	\$256.50	↓ \$1
ASW1	\$247.50	- \$0	\$247.50	- \$0	\$242.50	- \$0
AH9	\$242.50	↓ \$2.5	\$242.50	↓ \$2.5	\$237.50	↓ \$2.5
AGP1	\$242.50	↓ \$2.5	\$242.50	↓ \$2.5	\$237.50	↓ \$2.5
SFW1	\$237.50	↓ \$2.5	\$237.50	↓ \$2.5	\$232.50	↓ \$2.5
FED1	\$225.00	- \$0	\$225.00	- \$0	\$220.00	- \$0

SOUTH AUSTRALIA										
Grade	PORT ADELAIDE		PORT GILES		WALLAROO		PORT LINCOLN		THEVENARD	
H1	\$297.00	↓ \$3	\$297.50	↓ \$2.5	\$287.50	↓ \$2.5	\$297.50	↓ \$2.5	\$288.00	↓ \$2
H2	\$262.00	↓ \$3	\$262.00	↓ \$3	\$248.00	↓ \$2	\$262.00	↓ \$3	\$248.00	↓ \$2
AUH2	\$247.50	- \$0	\$246.00	↓ \$1.5	\$237.50	- \$0	\$246.50	↓ \$1	\$243.00	↓ \$2
APW1	\$244.50	↓ \$3	\$244.50	↓ \$3	\$235.50	↓ \$2	\$244.50	↓ \$3	\$239.50	↓ \$3
ASW1	\$237.50	- \$0	\$237.50	- \$0	\$227.50	- \$0	\$237.50	- \$0	\$233.00	↓ \$2
AGP1	\$227.50	↓ \$2.5	\$227.50	↓ \$2.5	\$219.00	↓ \$1	\$229.00	↓ \$1	\$223.00	↓ \$2
SFW1	\$225.00	- \$0	\$225.00	- \$0	\$215.00	- \$0	-	-	-	-
FED1	\$210.00	- \$0	\$210.00	- \$0	\$200.00	- \$0	\$210.00	- \$0	\$207.50	- \$0

WESTERN AUSTRALIA								
Grade	KWINANA		ALBANY		ESPERANCE		GERALDTON	
H1	\$315.00	- \$0	\$310.00	- \$0	\$306.00	↑ \$1	\$310.00	- \$0
H2	\$280.00	↓ \$2.5	\$279.00	↓ \$1	\$270.00	- \$0	\$277.50	↓ \$2.5
AUH2	\$269.00	↓ \$3.5	\$266.50	↓ \$3.5	\$260.00	- \$0	\$266.50	↓ \$3.5
APW1	\$269.00	↓ \$1	\$266.50	↓ \$1	\$259.00	↓ \$1	\$266.50	↓ \$1
APW2	\$264.00	↓ \$1	\$259.00	↓ \$1	\$251.50	↓ \$1	\$259.00	↓ \$1
ASW1	\$257.50	↓ \$2.5	\$252.50	↓ \$2.5	\$242.50	↓ \$2.5	\$252.50	↓ \$2.5
AGP1	\$245.00	- \$0	\$242.50	- \$0	\$235.00	- \$0	\$240.00	- \$0
ANW1	\$325.00	- \$0	\$322.50	- \$0	-	-	\$325.00	- \$0
ANW2	\$282.00	↑ \$2	\$279.50	↑ \$2	-	-	\$282.00	↑ \$2
FED1	\$225.00	- \$0	\$222.50	- \$0	\$215.00	- \$0	\$220.00	- \$0

For more information contact your local AWB representative or call 1800 447 246