



2017/18 AWB Harvest Pool: Estimated Pool Return update – 16 May 2018

Program Update

Today AWB increased the majority of Harvest Pool Estimated Pool Returns for all grades across all port zones by between \$1 and \$7 per tonne and confirms the second pool distribution payment will occur tomorrow.

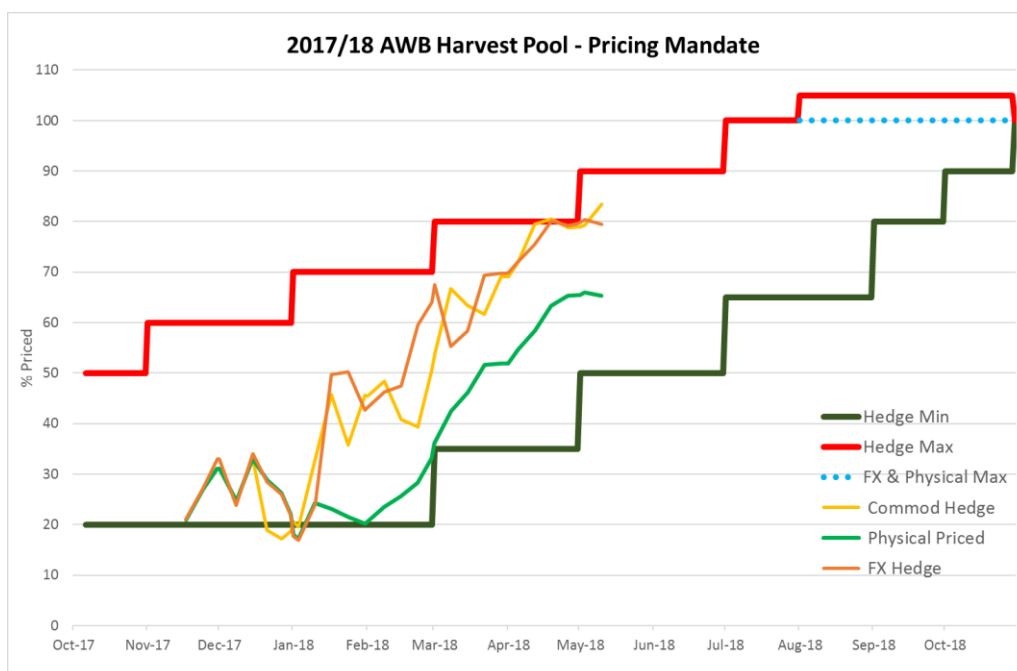
Domestically Australian wheat cash prices have firmed across all grades and port zones on the back of continued dry conditions throughout Australia’s wheat belt. With no extensive rain relief in sight, the next four weeks will determine Australia’s 2018 wheat production potential.

US wheat futures continue their volatile ride and are currently poised around A\$240 per tonne. The market has been trading \$20 per tonne higher and lower than today’s price as US wheat export sales opportunities struggle after any weather driven price rally. Last week’s USDA published export sales figures were less than half of what analysts expected, adding further volatility to US wheat futures. Also US winter wheat conditions were slightly upgraded to “good to excellent” following the crop receiving some much needed moisture in key production states. There was also a forecasted 5% increase in the 2018/19 US wheat crop on the back of increased harvested area and potentially higher yields.

We continue to increase equity in the pool as we strategically increase sales with an eye on potential sale opportunities in coming months. Currently we remain at the upper limits of futures hedging at 80% and physical wheat sales sit at 65%, or slightly less than mid-range of our mandated 50% - 90% position. Whilst CBOT futures will continue to come under pressure from any adverse weather forecasts, we feel there is less downside price risk to Australian grain values as domestic consumers buy hand to mouth against a background of dwindling domestic stocks.

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	\$351.50	↑ \$1	-	-	-	-
APH2	\$337.00	↑ \$2	\$331.00	↑ \$0.5	\$326.00	↑ \$0.5
H2	\$328.50	↑ \$3.5	\$316.00	↑ \$3.5	\$311.00	↑ \$3.5
AUH2	\$325.50	↑ \$4.5	\$310.50	↑ \$5	\$305.50	↑ \$5
APW1	\$325.00	↑ \$5	\$310.50	↑ \$5.5	\$305.50	↑ \$5.5
ASW1	\$323.00	↑ \$5	\$307.50	↑ \$5.5	\$302.50	↑ \$5.5
AGP1	\$323.00	↑ \$4	\$302.50	↑ \$6	\$297.50	↑ \$6
SFW1	\$321.00	↑ \$4	\$298.00	↑ \$7	\$293.00	↑ \$7
FED1	\$319.00	↑ \$4	\$297.50	↑ \$5.5	\$292.50	↑ \$5.5

NEW SOUTH WALES					
Grade	NEWCASTLE		PORT KEMBLA		
APH1	\$351.50	↑ \$1	\$347.00	↑ \$1	
APH2	\$337.00	- \$0	\$333.00	↑ \$1	
H1	-	-	\$323.50	↑ \$2.5	
H2	\$317.50	↑ \$3.5	\$311.50	↑ \$3.5	
AUH2	\$303.00	↑ \$4.5	\$294.00	↑ \$3.5	
APW1	\$300.50	↑ \$4.5	\$294.00	↑ \$3.5	
ASW1	\$287.50	↑ \$4.5	\$280.50	↑ \$4	
AH9	\$285.50	↑ \$4.5	\$280.50	↑ \$3.5	
AGP1	\$284.50	↑ \$3.5	\$277.50	↑ \$4.5	
SFW1	\$282.00	↑ \$3	\$272.00	↑ \$4	
FED1	\$279.00	↑ \$3	\$266.50	↑ \$3.5	

VICTORIA						
Grade	MELBOURNE		GEELONG		PORTLAND	
H1	\$312.00	↑ \$2	\$312.00	↑ \$2	\$306.50	↑ \$2
H2	\$280.00	↑ \$1	\$280.00	↑ \$1	\$275.50	↑ \$1
AUH2	\$262.00	↑ \$3	\$262.00	↑ \$3	\$258.50	↑ \$3
APW1	\$262.00	↑ \$2	\$262.00	↑ \$2	\$258.50	↑ \$2
ASW1	\$251.50	↑ \$3	\$251.50	↑ \$3	\$246.50	↑ \$3
AH9	\$246.00	↑ \$6.5	\$245.00	↑ \$5.5	\$240.00	↑ \$5.5
AGP1	\$246.00	↑ \$3	\$245.00	↑ \$2	\$240.00	↑ \$2
SFW1	\$237.50	↑ \$2.5	\$237.50	↑ \$2.5	\$232.50	↑ \$2.5
FED1	\$236.00	↑ \$2.5	\$236.00	↑ \$2.5	\$231.00	↑ \$2.5

SOUTH AUSTRALIA										
Grade	PORT ADELAIDE		PORT GILES		WALLAROO		PORT LINCOLN		THEVENARD	
H1	\$294.50	↑ \$1.5	\$293.50	↑ \$0.5	\$286.50	↑ \$1	\$296.00	↑ \$1.5	\$282.50	↑ \$0.5
H2	\$260.00	↑ \$3	\$257.50	↑ \$1	\$250.00	↑ \$3	\$261.00	↑ \$2	\$242.50	↑ \$0.5
AUH2	\$246.00	↑ \$3	\$244.00	↑ \$1	\$239.50	↑ \$2.5	\$246.00	↑ \$3.5	\$237.00	↑ \$1.5
APW1	\$246.00	↑ \$3.5	\$244.00	↑ \$1.5	\$239.00	↑ \$2.5	\$245.00	↑ \$4	\$235.50	↑ \$2
ASW1	\$236.00	↑ \$3	\$234.00	↑ \$1.5	\$228.00	↑ \$3	\$236.00	↑ \$2	\$226.00	↑ \$2
AGP1	\$227.50	↑ \$2.5	\$226.00	↑ \$1	\$220.00	↑ \$2.5	\$227.50	↑ \$4	\$218.00	↑ \$1.5
SFW1	\$225.00	↑ \$3.5	\$222.50	↑ \$1	\$217.00	↑ \$2.5	-	-	-	-
FED1	\$222.00	↑ \$1.5	\$220.00	↑ \$0.5	\$214.00	↑ \$0.5	\$222.00	↑ \$1.5	\$209.50	↑ \$0.5

WESTERN AUSTRALIA									
Grade	KWINANA		ALBANY		ESPERANCE		GERALDTON		
H1	\$314.50	↑ \$1.5	\$311.50	↑ \$1.5	\$308.00	- \$0	\$313.00	↑ \$1	
H2	\$283.00	↑ \$4	\$282.50	↑ \$2.5	\$273.00	↑ \$1	\$281.50	↑ \$2.5	
AUH2	\$271.00	↑ \$4	\$269.00	↑ \$2.5	\$261.50	↑ \$1.5	\$269.50	↑ \$2.5	
APW1	\$270.00	↑ \$5	\$268.00	↑ \$3.5	\$261.00	↑ \$2	\$268.50	↑ \$3.5	
APW2	\$265.00	↑ \$4	\$261.00	↑ \$4	\$255.50	↑ \$1.5	\$262.50	↑ \$3.5	
ASW1	\$254.50	↑ \$5	\$251.50	↑ \$5	\$246.00	↑ \$2.5	\$251.50	↑ \$5	
AGP1	\$249.50	↑ \$4	\$246.50	↑ \$3.5	\$237.50	↑ \$2	\$246.00	↑ \$3.5	
ANW1	\$333.00	↑ \$3	\$329.00	↑ \$1.5	-	-	\$331.00	↑ \$1	
ANW2	\$295.00	↑ \$3	\$292.00	↑ \$2.5	-	-	\$297.00	↑ \$5	
FED1	\$241.50	↑ \$5	\$238.50	↑ \$4.5	\$229.50	↑ \$3	\$238.50	↑ \$4	

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