



2017/18 AWB Harvest Pool: Estimated Pool Return update – 30 June 2018

Program Update

Today AWB increased the Harvest Pool Estimated Pool Returns for all grades across all port zones by between \$1 and \$10.50 per tonne as we continue to capture value on the back of high domestic wheat prices.

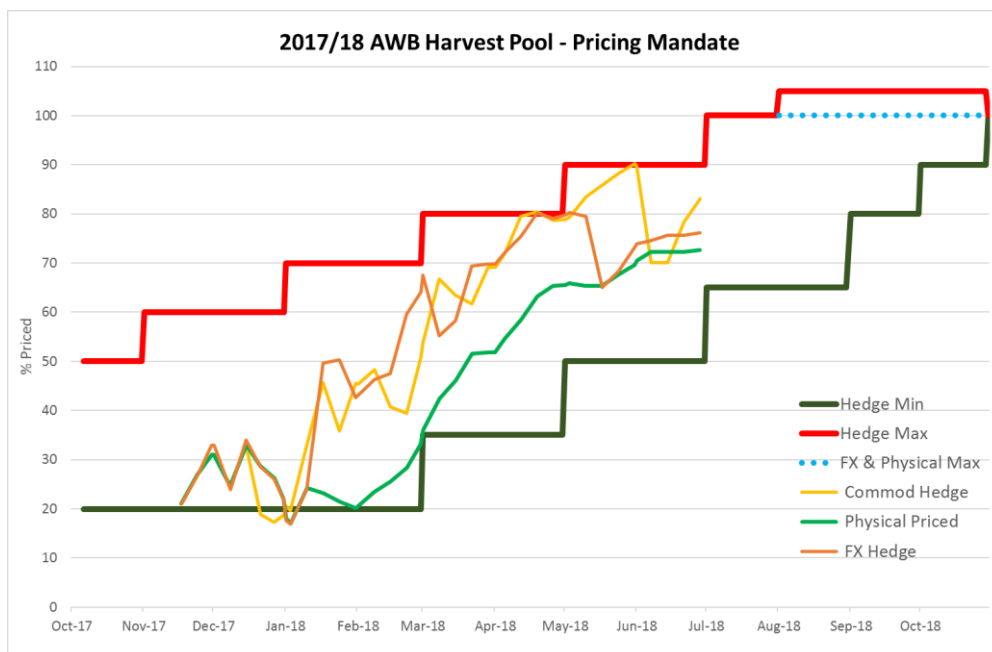
Since our last update at the end of May, Australian wheat prices have plateaued at the highs, while global prices have retreated amongst the escalating trade dispute between the world's two largest economies - United States and China. Against a reduced forecast for the all-important Russian crop, we have seen CBOT December wheat futures values fall \$15-20 per tonne for the month as supply and demand takes a back seat to the political turmoil and US harvest pressure.

Regarding new crop prospects, conditions have improved across WA but rainfall has been patchy at best on the East Coast, and with root zone available soil moisture below average for most of the cropping belt, rainfall will need to be timely and consistent to get the crop through spring. Reducing confidence of that happening was the Bureau of Meteorology maintaining a dry bias for the three month outlook and increasing the odds of a Spring El Nino to around double that of normal.

Over the month we have slightly increased physical sales to 72% with the strengthening basis and reduced our futures hedging levels circa 10%, anticipating the futures price will potentially base at current levels in the short term. And we remain slightly underweight on AUD hedges so we can continue to benefit from ongoing global political issues and the subsequent weakening AUD/USD.

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	\$ 360.00	↑ \$8.5	-	-	-	-
APH2	\$ 345.00	↑ \$8	\$ 336.00	↑ \$5	\$ 331.00	↑ \$5
H2	\$ 334.00	↑ \$5.5	\$ 321.00	↑ \$5	\$ 316.00	↑ \$5
AUH2	\$ 331.00	↑ \$5.5	\$ 316.00	↑ \$5.5	\$ 311.00	↑ \$5.5
APW1	\$ 330.00	↑ \$5	\$ 316.00	↑ \$5.5	\$ 311.00	↑ \$5.5
ASW1	\$ 328.00	↑ \$5	\$ 313.00	↑ \$5.5	\$ 308.00	↑ \$5.5
AGP1	\$ 328.00	↑ \$5	\$ 308.00	↑ \$5.5	\$ 303.00	↑ \$5.5
SFW1	\$ 326.00	↑ \$5	\$ 303.00	↑ \$5	\$ 298.00	↑ \$5
FED1	\$ 324.00	↑ \$5	\$ 303.00	↑ \$5.5	\$ 298.00	↑ \$5.5

NEW SOUTH WALES					
Grade	NEWCASTLE		PORT KEMBLA		
APH1	\$ 358.00	↑ \$6.5	\$ 356.00	↑ \$9	
APH2	\$ 343.00	↑ \$6	\$ 339.00	↑ \$6	
H1	-	-	\$ 334.00	↑ \$10.5	
H2	\$ 324.00	↑ \$6.5	\$ 320.00	↑ \$8.5	
AUH2	\$ 309.00	↑ \$6	\$ 302.00	↑ \$8	
APW1	\$ 307.00	↑ \$6.5	\$ 302.00	↑ \$8	
ASW1	\$ 294.00	↑ \$6.5	\$ 289.00	↑ \$8.5	
AH9	\$ 292.00	↑ \$6.5	\$ 289.00	↑ \$8.5	
AGP1	\$ 291.00	↑ \$6.5	\$ 286.00	↑ \$8.5	
SFW1	\$ 288.00	↑ \$6	\$ 280.00	↑ \$8	
FED1	\$ 285.00	↑ \$6	\$ 275.00	↑ \$8.5	

VICTORIA						
Grade	MELBOURNE		GEELONG		PORTLAND	
H1	\$ 317.00	↑ \$5	\$ 317.00	↑ \$5	\$ 312.00	↑ \$5.5
H2	\$ 285.00	↑ \$5	\$ 285.00	↑ \$5	\$ 281.00	↑ \$5.5
AUH2	\$ 267.00	↑ \$5	\$ 267.00	↑ \$5	\$ 263.00	↑ \$4.5
APW1	\$ 267.00	↑ \$5	\$ 267.00	↑ \$5	\$ 263.00	↑ \$4.5
ASW1	\$ 256.00	↑ \$4.5	\$ 256.00	↑ \$4.5	\$ 251.00	↑ \$4.5
AH9	\$ 251.00	↑ \$5	\$ 250.00	↑ \$5	\$ 245.00	↑ \$5
AGP1	\$ 251.00	↑ \$5	\$ 250.00	↑ \$5	\$ 245.00	↑ \$5
SFW1	\$ 243.00	↑ \$5.5	\$ 243.00	↑ \$5.5	\$ 238.00	↑ \$5.5
FED1	\$ 241.00	↑ \$5	\$ 241.00	↑ \$5	\$ 236.00	↑ \$5

SOUTH AUSTRALIA										
Grade	PORT ADELAIDE		PORT GILES		WALLAROO		PORT LINCOLN		THEVENARD	
H1	\$ 298.00	↑ \$3.5	\$ 295.00	↑ \$1.5	\$ 288.00	↑ \$1.5	\$ 298.00	↑ \$2	\$ 284.00	↑ \$1.5
H2	\$ 263.00	↑ \$3	\$ 259.00	↑ \$1.5	\$ 252.00	↑ \$2	\$ 264.00	↑ \$3	\$ 245.00	↑ \$2.5
AUH2	\$ 253.00	↑ \$7	\$ 249.00	↑ \$5	\$ 245.00	↑ \$5.5	\$ 253.00	↑ \$7	\$ 242.50	↑ \$5.5
APW1	\$ 250.00	↑ \$4	\$ 246.00	↑ \$2	\$ 241.00	↑ \$2	\$ 250.00	↑ \$5	\$ 238.00	↑ \$2.5
ASW1	\$ 240.00	↑ \$4	\$ 236.00	↑ \$2	\$ 230.00	↑ \$2	\$ 240.00	↑ \$4	\$ 228.00	↑ \$2
AGP1	\$ 231.00	↑ \$3.5	\$ 228.00	↑ \$2	\$ 222.00	↑ \$2	\$ 231.00	↑ \$3.5	\$ 220.00	↑ \$2
SFW1	\$ 228.00	↑ \$3	\$ 225.00	↑ \$2.5	\$ 220.00	↑ \$3	-	-	-	-
FED1	\$ 225.00	↑ \$3	\$ 223.00	↑ \$3	\$ 217.00	↑ \$3	\$ 225.00	↑ \$3	\$ 212.00	↑ \$2.5

WESTERN AUSTRALIA									
Grade	KWINANA		ALBANY		ESPERANCE		GERALDTON		
H1	\$ 317.00	↑ \$2.5	\$ 314.00	↑ \$2.5	\$ 310.00	↑ \$2	\$ 315.00	↑ \$2	
H2	\$ 287.00	↑ \$4	\$ 285.00	↑ \$2.5	\$ 276.00	↑ \$3	\$ 285.00	↑ \$3.5	
AUH2	\$ 276.00	↑ \$5	\$ 274.00	↑ \$5	\$ 267.00	↑ \$5.5	\$ 274.50	↑ \$5	
APW1	\$ 275.00	↑ \$5	\$ 273.00	↑ \$5	\$ 266.00	↑ \$5	\$ 274.00	↑ \$5.5	
APW2	\$ 268.00	↑ \$3	\$ 264.00	↑ \$3	\$ 258.00	↑ \$2.5	\$ 265.00	↑ \$2.5	
ASW1	\$ 259.50	↑ \$5	\$ 256.50	↑ \$5	\$ 251.00	↑ \$5	\$ 256.50	↑ \$5	
AGP1	\$ 253.50	↑ \$4	\$ 250.50	↑ \$4	\$ 241.50	↑ \$4	\$ 250.00	↑ \$4	
ANW1	\$ 338.00	↑ \$5	\$ 334.00	↑ \$5	-	-	\$ 336.00	↑ \$5	
ANW2	\$ 296.00	↑ \$1	\$ 293.00	↑ \$1	-	-	\$ 298.00	↑ \$1	
FED1	\$ 246.50	↑ \$5	\$ 243.50	↑ \$5	\$ 234.50	↑ \$5	\$ 243.50	↑ \$5	

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