



Pricing update

28 January 2010

SQP NewGen canola contract update

SQP's New Gen canola contract was released for the first time this 09/10 season. Following the closing of tonnage commitments on 6 November 2009, the pricing period commenced on Thursday 12 November 2009. Updates, based on figures at close of business on 28th January 2010, for the three pricing strategies are available below:

Average floor

During the 52 days that the New Gen canola contract has been trading, markets have experienced periods of volatility and in recent weeks have weakened considerably. Despite the weakening market the floor component of the average floor, CAD\$376.60, still has not been triggered. The average floor benchmark now sits at AUD\$441.99/mt FIS July-10. The daily currency hedging program has produced a rate of CAD 0.9403.

75/25

The weakening market has seen the 75/25 benchmark lowered to AUD\$449.10. The highest price traded in July-10 futures to date has been recorded at CAD\$435.20. The average of the daily highs during the 52 day trading period is CAD\$417.99. The daily currency hedging program has produced a rate of CAD 0.9403.

Swap

Indicatively the current July-10 swap price is AUD\$415.77/mt, as at 28th January 2010. We have seen Australian basis levels firm in recent weeks as the Canadian market weakens. Victorian cash prices are currently around AUD\$410 (FIS) July-10, representing a basis of AUD-\$5.

Average floor		
	Canadian dollar (\$C)	Australian dollar (\$A)
Cost	\$10.00	\$10.63
Floor	\$376.60	\$400.51
Currency	0.9403	0.9403
Daily average	\$415.60	N/A
Benchmark	N/A	\$441.99
Pricing Days Futures	52	52
Total pricing days	117	117
Total percentage (%) priced	44.44%	44.44%

75/25		
	Canadian dollar (\$C)	Australian dollar (\$A)
Cost	\$22.70	\$24.14
Currency	0.9403	0.9403
Daily high	\$417.99	N/A
Absolute high	\$435.20	N/A
Benchmark	N/A	\$449.10
Pricing Days Futures	52	52
Total pricing days	117	117
Total percentage (%) priced	44.44%	44.44%

Note: All figures are correct at date of release. Unless stated otherwise, all prices are in Australian dollars (AUD) and are subject to change.

For more information on SQP's pool returns call 03 5331 4943 or visit www.sqpgrain.com.au

For further media information: Ben Fleay – 03 5331 4943 or 0427 465 796

Background information

SQP Pty Ltd is a leading Victorian independent grain marketing company offering a range of products to assist its grower customers maximise returns and manage grain market risks. SQP offers the range of pool and fixed price marketing alternatives and continues to develop products that meet the needs to its grower customers.

SQP has significantly changed the pool marketing landscape in Victoria. SQP broke new ground with the establishment of the pool based contract premiums as well as forced the industry to maintain payments for quality by enhancing the quality payments matrix applicable in the 2008/09 season.

For more information visit www.sqpgrain.com.au.

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