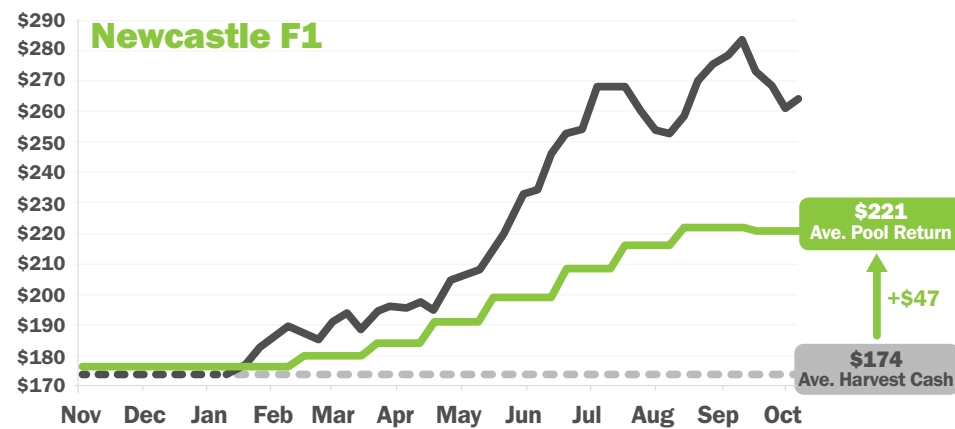
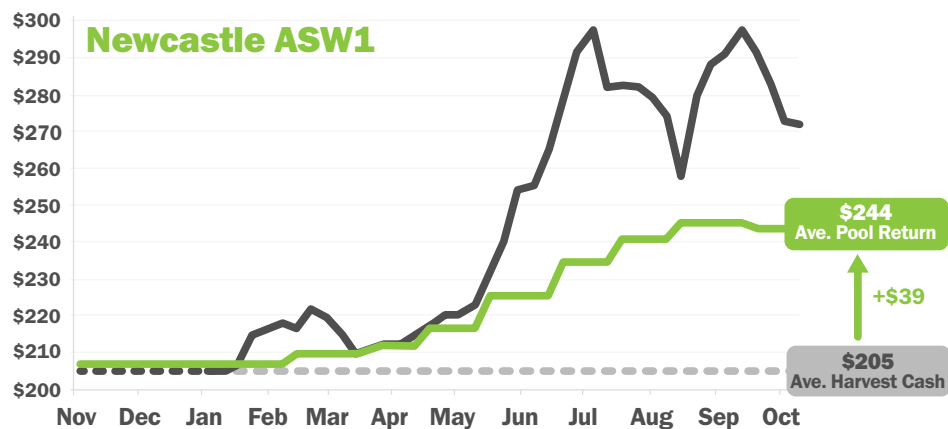
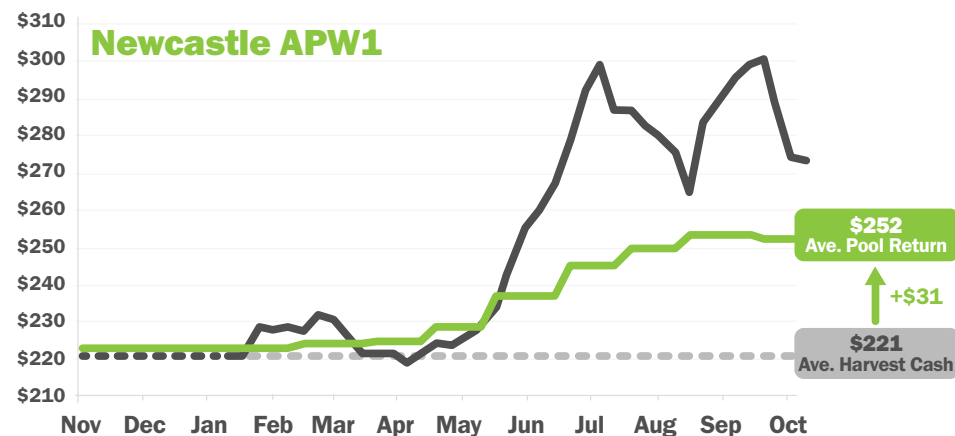
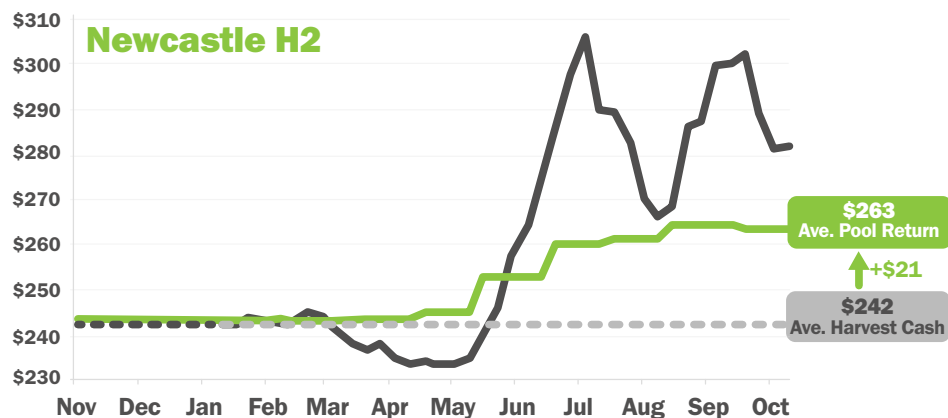


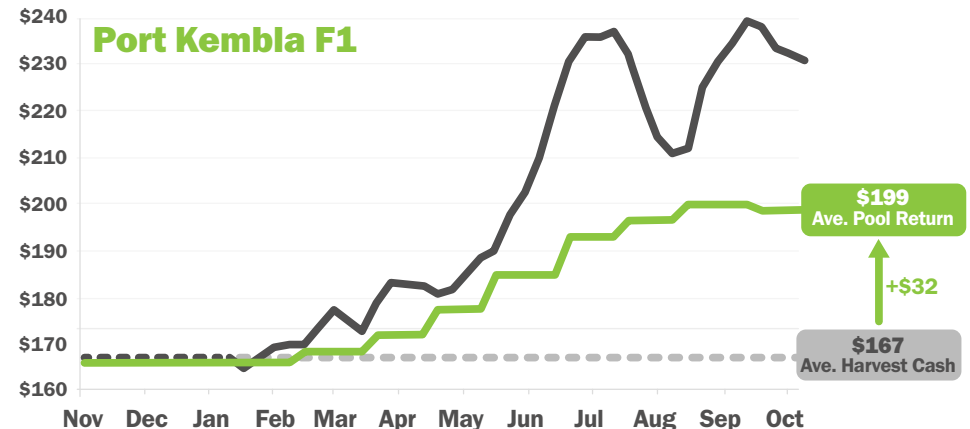
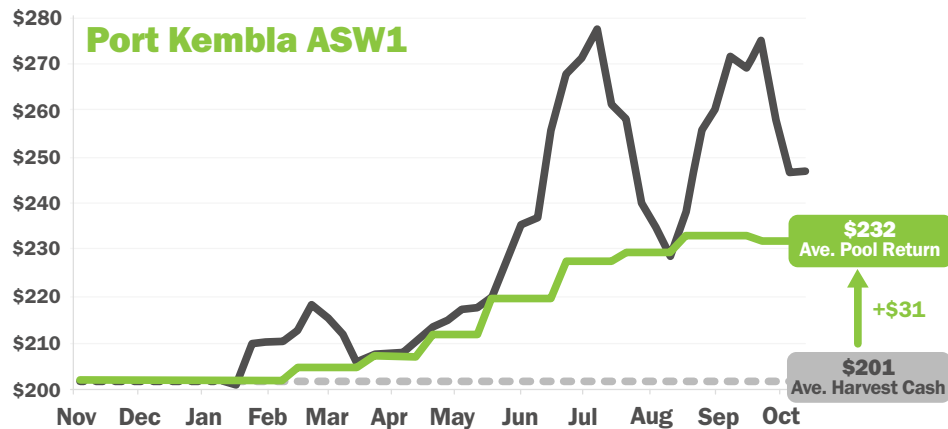
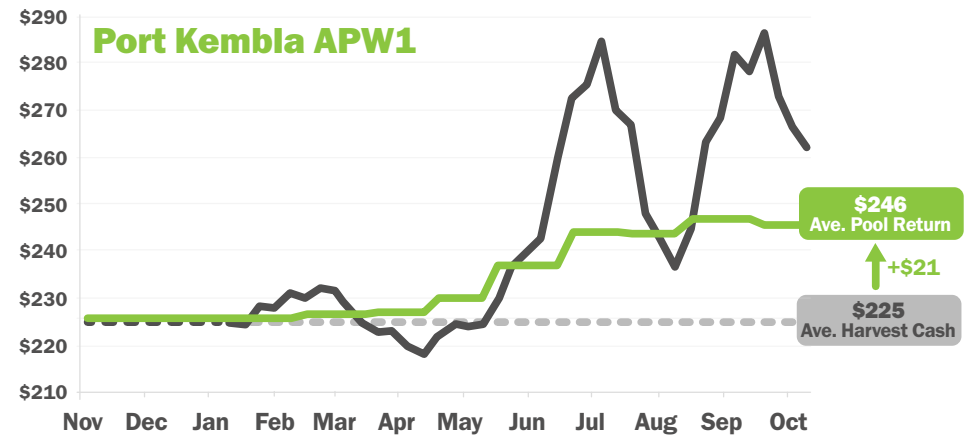
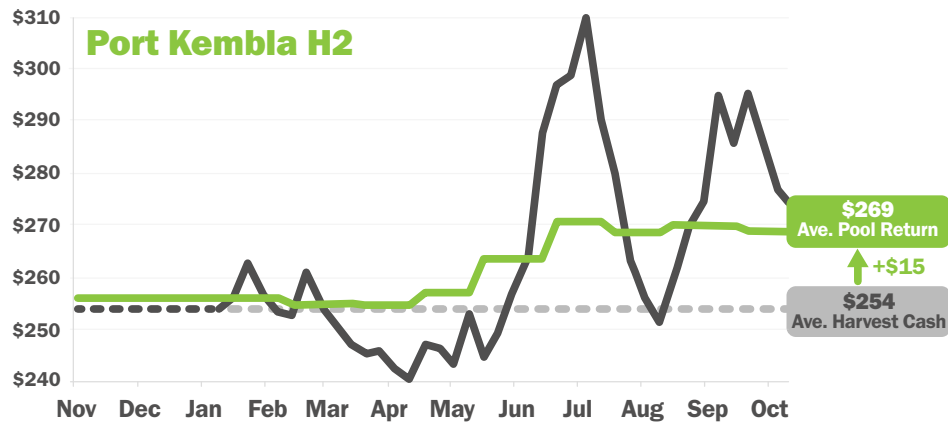
# NSW Returns

The Strategic Pool implemented a post-harvest hedging strategy to protect downside price risk using the wide carries in the US futures market to help offset our physical carry costs. Domestically, the key strategy employed was to 'sell and replace' our position within Port Kembla to maximise our opportunities for post-harvest basis appreciation. At harvest time, the premium for APW1 over ASW1 was historically very wide, stretching to -\$32/t in January. Considering basis was still too low, we sold the APW1 and replaced the position in ASW1 which was then hedged and held post-harvest. The spread between the two grades narrowed through the season to around \$5-10/t depending on site. NSW sites were trading a premium to other port zones through the season which also provided a number of good selling opportunities through the year.



— Net pool value progression   
 — Cash price (net of carry costs)   
 - - - Weighted average harvest price

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