



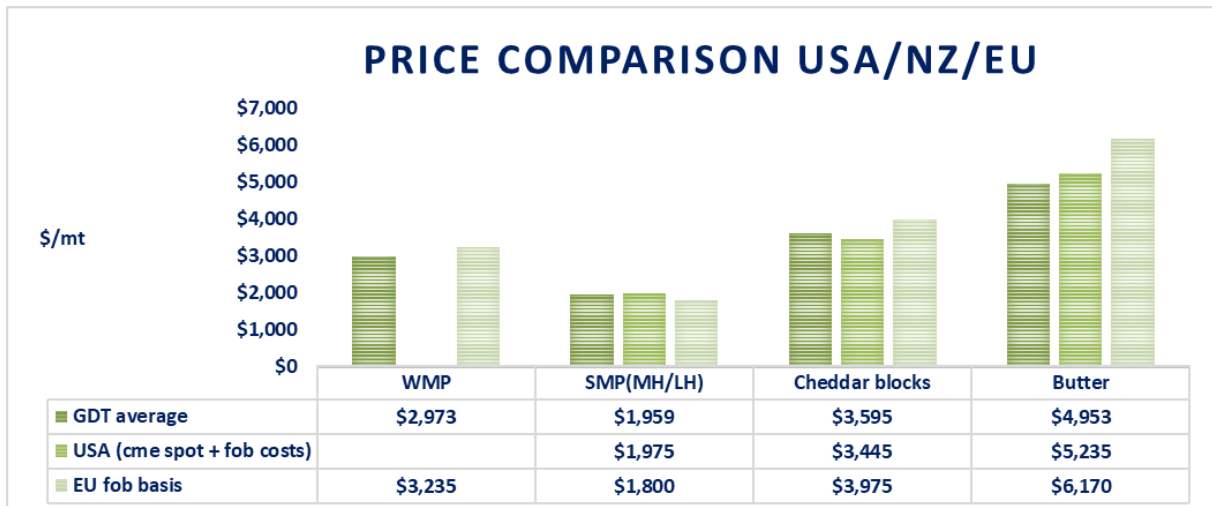
## GDT event 217 heads-up

Event 217 is held against the background of a very quiet market and is the first event offering larger volumes than the previous as New Zealand slowly comes into season. With strong production in June (+ 12%), poor exports and accumulating stocks, availability is ample.

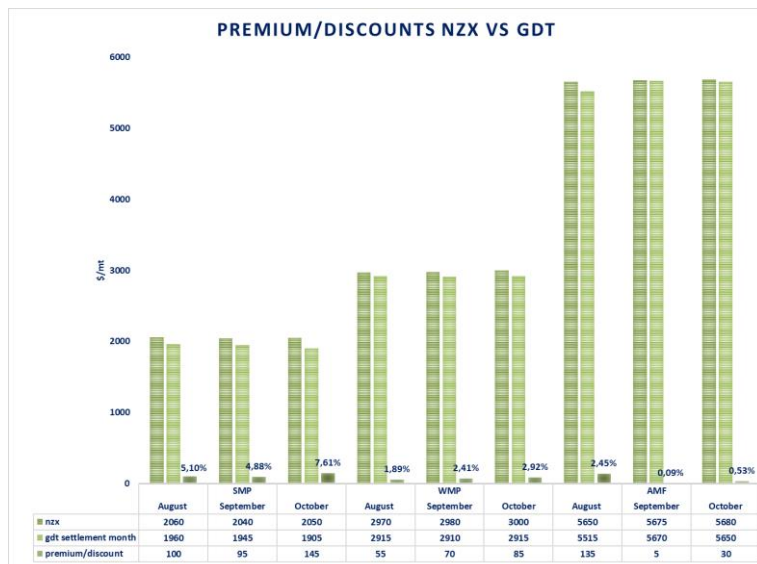
On offer on today's GDT event 217;

GDT Event 217							
	C1	C2	C3	C4	C5	C6	Total volume
WMP	500	6,320	5,145	3,545	2,375	400	18,285
SMP	250	2,350	1,900	1,850	1,375	350	8,075
AMF	265	1,275	1,010	900	460	110	4,020
Butter	185	820	820	710	395	85	3,015
Cheddar	60	400	470	450	100	0	1,480
<b>Total volume offered</b>							<b>34,875</b>

The total quantity on offer is 34.295 mt, 8.365 mt more than what was offered in the last event and 1.600 mt more than what was offered in the same event last year.



Fonterra remains the most competitive for WMP and for SMP EU is the most competitive. The gap between USA and NZ has widened for Cheddar while in Butter NZ is the cheapest option.



- Across the board, futures trade at premiums vs the last GDT event.
- One reason is GDT being very competitive in WMP.
- Another reason is a slight change in sentiment fueled by hot and dry weather in US (Ca) and Europe which is perceived to cause reductions in milk production.
- Current NZX Futures prices would suggest an increase on the GDT index today of + 3,00%
- Very weak Dairy exports in June and a very strong percental increase in milk production sees stock levels however increase so that there doesn't seem to be an immediate risk of non-availability.
- Based on current demand and market inactivity we would believe the GDT index to go up but more modestly than current Futures prices would suggest. Given the current sentiment around weather in Europe and US however, this is likely to spur more buying activity.
- We would expect a result today between 3% to 5% up

In our weekly Dairy Market Report of coming Wednesday, we will report with an analysis of event 217. As usual, this will be on top of the Global export, import, price, production, consumption & stock situation. As always, we will comment on any other matters that may have an impact on dairy price developments.

For a subscription on Greenmark's weekly Dairy Market Report, email us at [r.schorsij@greenmarkdairy.com](mailto:r.schorsij@greenmarkdairy.com)