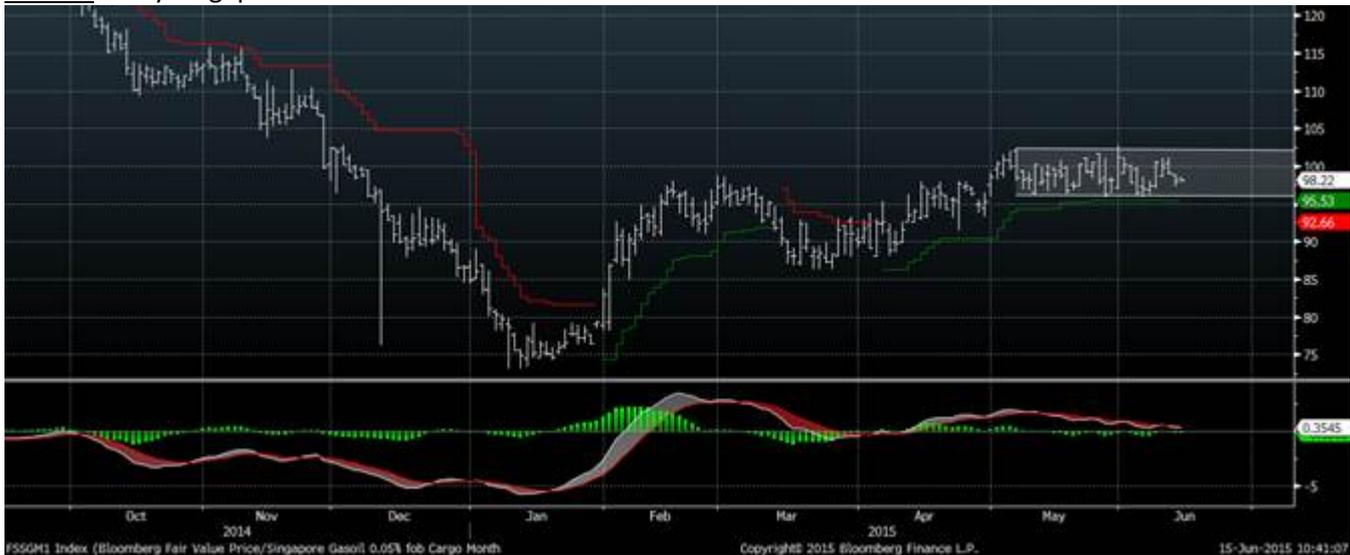


Headline: Domestic diesel prices will continue to range at current levels this week.

Domestic Fuel Market: As expected, the domestic price for diesel at the terminal gate fell week-on-week by 1.0cpl in most capitals, Melbourne was slightly lower falling 1.1cpl. We expect prices to maintain current levels this week, with a slight downward bias. Both the international oil prices and the Australian dollar have been moving lower, offsetting each other and holding prices steady.

Chart 1: Daily Singapore Gasoil in Australian Dollars



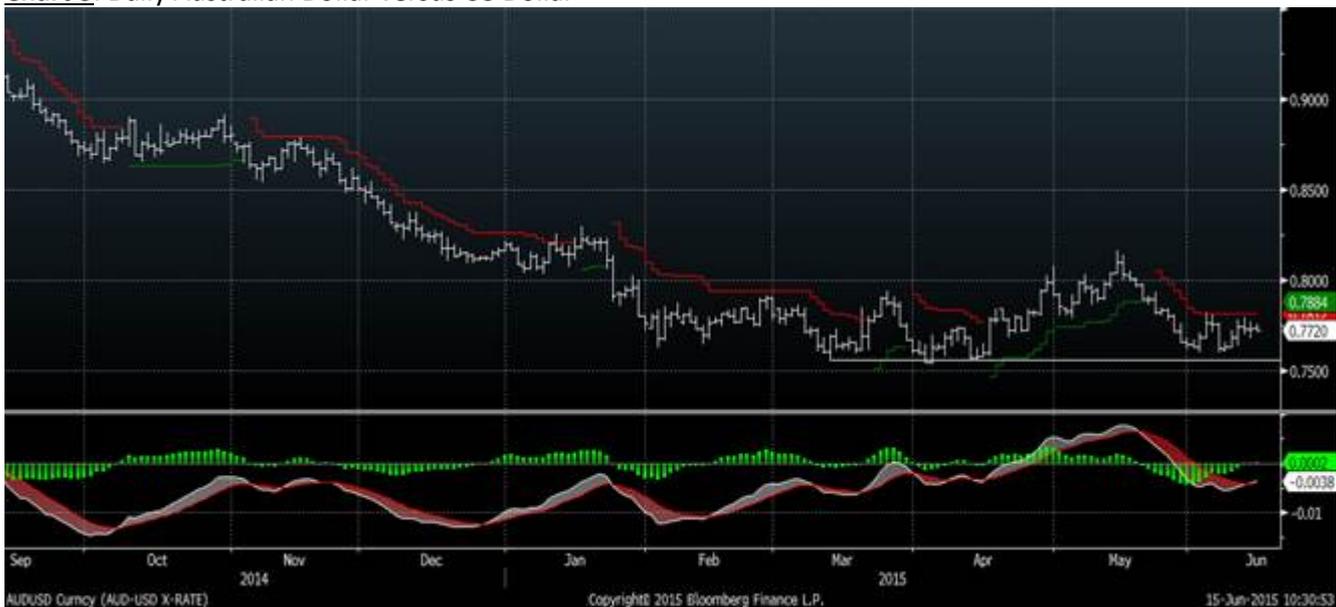
Global Oil Market: The benchmark prices were under pressure into the close of last week as the supply overhang continues to weigh on the market. Saudi Arabia have said that they will increase production, while Libya is pumping 500kbpd and with Iran potentially having export sanctions lifted the supply situation remains healthy. The global macro picture has also deteriorated with Greece and the EU-IMF unable to agree on a deal, pushing up the US Dollar and weighing on commodities and potential demand destruction.

Chart 2: Daily Brent Oil



Currency: Greece and the EU-IMF creditors failed to come to an agreement overnight moving the Hellenic State closer to defaulting and potentially exiting the Eurozone. Greece have enough funds to see them through to the end of the month and a default could have broader consequences for Europe’s fragile pact. We would expect a Greek default to see “flight-to-safety” cash flows into US treasuries, supporting the US Dollar against its major currency cross rates in the short term. The longer term impact of a Greek default and exit from the Eurozone on global demand and growth is unknown, however if the years post 2008 are a guide it may be supportive the Australian Dollar.

Chart 3: Daily Australian Dollar versus US Dollar



Indicative Forward Curve

FORWARD PRICING TABLE				
	Jun-15	Jul-15	Q315	Q415
Ultra Low Sulphur Diesel (ACPL Incl. Excise & GST)	1.3220	1.3268	1.3328	1.3491