

# Wool Weekly

# LANDMARK

Friday, 27 May 2016

## Wool Market Movements

- It was a good, solid week in the Australian wool market this week, with prices continuing the upward trend. National auction offerings were sharply lower, with only Sydney and Melbourne operating. A total of 27,403 bales were offered, with a pass-in rate of just 5.2%. Prices for Merino wool of 17.5 micron and broader lifted, as did Merino cardings. The largest price increases over the week were for Crossbred wool. The EMI rose by 6 cents to 1297 Ac/kg, the highest level since mid-July 2015. After several weeks of declines, the A\$ was steady this week at 72.1 UScents. The EMI in US\$ lifted by 4 cents lower to 935 USc/kg.
- The two-day sale in Sydney this week saw solid buyer interest which resulted in generally firm prices for Merino wool and higher prices for Crossbred wool and Oddments. Prices for 19 to 20 micron wool were steady on Wednesday, then lifted by 5 cents on Thursday. Finer and broader Merino wool were unchanged. The small offering of Crossbred wool attracted good buying interest and prices lifted. The best gains were for 28 to 30 micron wool, with prices increasing by 15 to 25 cents. Prices for Locks fell by 5 cents on Wednesday, which was regained on Thursday. Stains and Crutchings rose 10 cents for the week.
- Melbourne hosted a two day sale this week and recorded increased prices for most wool types. The opening day on Wednesday saw essentially steady prices for Merino wool, with the best results for medium wools. Good demand on Thursday pushed Merino wool prices up by 5 to 10 cents, with 18-20 micron wool gaining the most. Ultra-fine prices eased. Strong demand for Crossbred wool, particularly 30 micron, saw prices increase on Wednesday and then steady on Thursday. Crossbred wool prices rose by up to 20 cents for the week. Locks increased by 20 cents while Crutchings lifted by 5-10 cents.
- There were no sales this week in Fremantle.

## AWEX WEEKLY WOOL PRICES

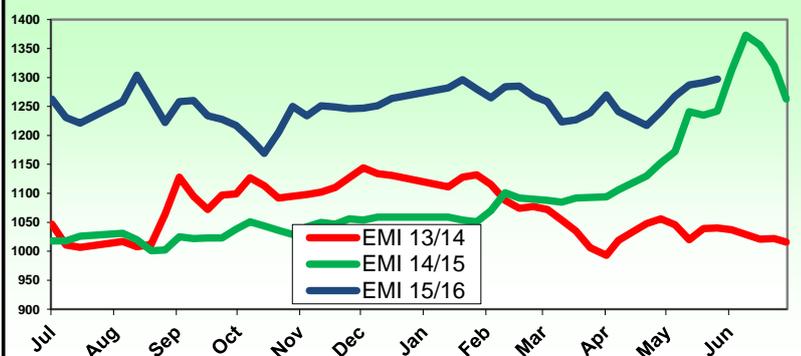
| Regional Indicator | North | Wkly Chg | South | Wkly Chg | West | Wkly Chg |
|--------------------|-------|----------|-------|----------|------|----------|
| c/kg clean         | 1327  | +5       | 1278  | +8       | -    | -        |

| MICRON PRICE GUIDES |       |     |       |     |   |   |
|---------------------|-------|-----|-------|-----|---|---|
| 16.5                | 1592n | -8  | 1558n | -1  | - | - |
| 17                  | 1583  | 0   | 1555  | -1  | - | - |
| 17.5                | 1575  | 0   | 1554  | +5  | - | - |
| 18                  | 1557  | +2  | 1541  | +6  | - | - |
| 18.5                | 1534  | 0   | 1520  | +10 | - | - |
| 19                  | 1509  | +4  | 1504  | +6  | - | - |
| 19.5                | 1483  | +4  | 1474  | +6  | - | - |
| 20                  | 1441  | +3  | 1434  | +8  | - | - |
| 21                  | 1404  | 0   | 1404  | +5  | - | - |
| 22                  | 1386n | 0   | 1381  | +4  | - | - |
| 23                  | 1357n | 0   | 1367n | +5  | - | - |
| 24                  | -     | -   | -     | -   | - | - |
| 25                  | 1181n | +10 | -     | -   | - | - |
| 26                  | 1098n | +8  | 1093n | +3  | - | - |
| 28                  | 826   | +22 | 819   | +7  | - | - |
| 30                  | 715n  | +19 | 709   | +20 | - | - |
| 32                  | 603n  | +4  | 589n  | +2  | - | - |
| MC                  | 1096  | +7  | 1106  | +18 | - | - |

## AWEX EMI 2013/14 & 2014/15 Season v's Current

Currently: 1297 c/kg clean



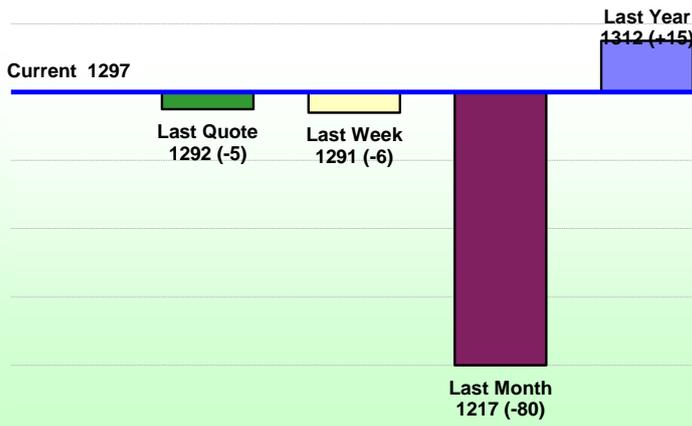
## Upcoming Auction Volumes

|              | 30-05-16      | 06-06-16      | 13-06-16      |
|--------------|---------------|---------------|---------------|
| Northern     | S49           | S50           | S51           |
| Sydney       | 8,101         | 9,685         | 10,120        |
| Southern     | M49           | M50           | M51           |
| Melbourne    | 15,758        | 15,510        | 18,950        |
| Western      | F49           | F50           | F51           |
| Fremantle    | 9,607         | No Sale       | 7,200         |
| <b>Total</b> | <b>33,466</b> | <b>25,195</b> | <b>36,270</b> |

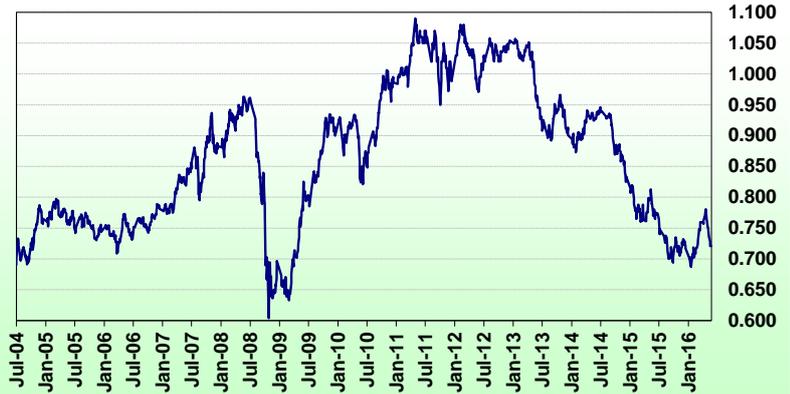
## THIS WEEK'S SALES STATISTICS

| Centre       | Bales Originally | Bales Offered | Bales Sold    | Pass in Rate |
|--------------|------------------|---------------|---------------|--------------|
| Northern     | 10,500           | 11,405        | 10,837        | 5.0%         |
| Southern     | 19,600           | 17,998        | 17,011        | 5.5%         |
| Western      | -                | -             | -             | -            |
| <b>TOTAL</b> | <b>30,100</b>    | <b>29,403</b> | <b>27,848</b> | <b>5.3%</b>  |

### AWEX Weekly Eastern Market Indicator Quote Comparisons



### AUD vs USD from 06-Jul-04 to 26-May-16



| Micron                             | EMI  | 16.5 | 17   | 17.5 | 18   | 18.5 | 19   | 19.5 | 20   | 21   | 22   | 23   | 25   | 28    | AUD    |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|--------|
| <b>Current MPG's</b>               | 1297 | 1575 | 1569 | 1565 | 1549 | 1527 | 1507 | 1479 | 1438 | 1404 | 1384 | 1362 | 1181 | 822.5 | 0.721  |
| <b>10 year Average</b>             | 963  | 1575 | 1405 | 1400 | 1281 | 1223 | 1159 | 1101 | 1050 | 1014 | 986  | 959  | 783  | 566   | 0.858  |
| <b>This time last year</b>         | 1312 | 1585 | 1544 | 1532 | 1524 | 1491 | 1473 | 1452 | 1427 | 1416 | 1377 | 1299 | 1176 | 925   | 0.770  |
| <b>10 year High</b>                | 1436 | 2680 | 2497 | 2339 | 2174 | 1944 | 1773 | 1674 | 1589 | 1527 | 1467 | 1389 | 1219 | 976   | 1.090  |
| <b>10 year Low</b>                 | 632  | 1259 | 1073 | 1087 | 881  | 833  | 777  | 736  | 686  | 659  | 654  | 646  | 549  | 339   | 0.604  |
| <b>%Reported above current</b>     | 4%   | 27%  | 14%  | 14%  | 9%   | 7%   | 6%   | 3%   | 2%   | 2%   | 2%   | 1%   | 0%   | 7%    | 89%    |
| <b>Diff b/w High &amp; Current</b> | 139  | 1105 | 928  | 774  | 625  | 417  | 266  | 196  | 152  | 123  | 83   | 27   | 38   | 154   | 0.369  |
| <b>Diff b/w Ave &amp; Current</b>  | 334  | 0    | 164  | 165  | 268  | 304  | 348  | 377  | 388  | 390  | 398  | 403  | 398  | 256   | -0.137 |

#### Percentile Bands

|            |      |      |      |      |      |      |      |      |      |      |      |      |      |     |       |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-------|
| <b>95%</b> | 1288 | 2483 | 2196 | 2118 | 1831 | 1677 | 1565 | 1456 | 1392 | 1369 | 1341 | 1310 | 1322 | 839 | 1.050 |
| <b>90%</b> | 1243 | 1914 | 1687 | 1631 | 1535 | 1483 | 1442 | 1400 | 1357 | 1325 | 1294 | 1261 | 1276 | 778 | 1.034 |
| <b>80%</b> | 1133 | 1670 | 1508 | 1517 | 1436 | 1389 | 1328 | 1293 | 1254 | 1238 | 1219 | 1186 | 1158 | 670 | 0.985 |
| <b>75%</b> | 1099 | 1582 | 1483 | 1480 | 1399 | 1329 | 1287 | 1252 | 1220 | 1203 | 1184 | 1153 | 1123 | 653 | 0.945 |
| <b>60%</b> | 1015 | 1518 | 1380 | 1383 | 1292 | 1251 | 1197 | 1153 | 1120 | 1096 | 1073 | 1048 | 1037 | 581 | 0.899 |
| <b>50%</b> | 945  | 1482 | 1331 | 1322 | 1245 | 1192 | 1136 | 1093 | 1041 | 987  | 945  | 915  | 975  | 491 | 0.853 |
| <b>40%</b> | 889  | 1446 | 1279 | 1289 | 1190 | 1143 | 1084 | 1001 | 942  | 920  | 901  | 876  | 918  | 478 | 0.787 |
| <b>25%</b> | 777  | 1396 | 1236 | 1230 | 1107 | 1049 | 984  | 916  | 844  | 786  | 764  | 739  | 796  | 464 | 0.758 |
| <b>10%</b> | 727  | 1314 | 1168 | 1179 | 1015 | 985  | 924  | 858  | 796  | 743  | 714  | 695  | 743  | 445 | 0.717 |

#### Indicative Basis Contract Prices

| Date     | MPG | 17   | 17.5 | 18   | 18.5 | 19   | 19.5 | 20   | 21   | 22   | 23   | 28  |
|----------|-----|------|------|------|------|------|------|------|------|------|------|-----|
| Jun-2016 |     | 1563 | 1551 | 1535 | 1513 | 1493 | 1465 | 1424 | 1390 | 1370 | 1310 | 771 |
| Jul-2016 |     | 1553 | 1541 | 1525 | 1503 | 1483 | 1455 | 1414 | 1380 | 1360 | 1300 | 761 |
| Aug-2016 |     | 1533 | 1521 | 1505 | 1483 | 1463 | 1435 | 1394 | 1360 | 1340 | 1280 | 741 |
| Sep-2016 |     | 1523 | 1511 | 1495 | 1473 | 1453 | 1425 | 1384 | 1350 | 1330 | 1270 | 731 |
| Oct-2016 |     | 1513 | 1501 | 1485 | 1463 | 1443 | 1415 | 1374 | 1340 | 1320 | 1260 | 721 |
| Nov-2016 |     | 1508 | 1496 | 1480 | 1458 | 1438 | 1410 | 1369 | 1335 | 1315 | 1255 | 716 |
| Dec-2016 |     | 1503 | 1491 | 1475 | 1453 | 1433 | 1405 | 1364 | 1330 | 1310 | 1250 | 711 |
| Jan-2017 |     | 1498 | 1486 | 1470 | 1448 | 1428 | 1400 | 1359 | 1325 | 1305 | 1245 | 706 |
| Feb-2017 |     | 1493 | 1481 | 1465 | 1443 | 1423 | 1395 | 1354 | 1320 | 1300 | 1240 | 701 |
| Mar-2017 |     | 1488 | 1476 | 1460 | 1438 | 1418 | 1390 | 1349 | 1315 | 1295 | 1235 | 696 |
| Apr-2017 |     | 1478 | 1466 | 1450 | 1428 | 1408 | 1380 | 1339 | 1305 | 1285 | 1225 | 686 |
| May-2017 |     | 1468 | 1456 | 1440 | 1418 | 1398 | 1370 | 1329 | 1295 | 1275 | 1215 | 676 |
| Jun-2017 |     | 1468 | 1456 | 1440 | 1418 | 1398 | 1370 | 1329 | 1295 | 1275 | 1215 | 676 |
| Jul-2017 |     | 1468 | 1456 | 1440 | 1418 | 1398 | 1370 | 1329 | 1295 | 1275 | 1215 | 676 |
| Aug-2017 |     | 1468 | 1456 | 1440 | 1418 | 1398 | 1370 | 1329 | 1295 | 1275 | 1215 | 676 |

All prices on this sheet are listed in c/kg clean. Basis Contract prices are indicative only. The levels are published to use purely as a guide. For more information regarding forward contracts or to submit a GTC or Target order, contact your local Landmark wool manager, or call Landmark Risk Management on 1800 629 396.

Please use above figures as a guide to submit your GTC or Target orders. Call 1800 629 396.