

Wool Weekly

LANDMARK

Friday, 18 November 2016

Wool Market Movements

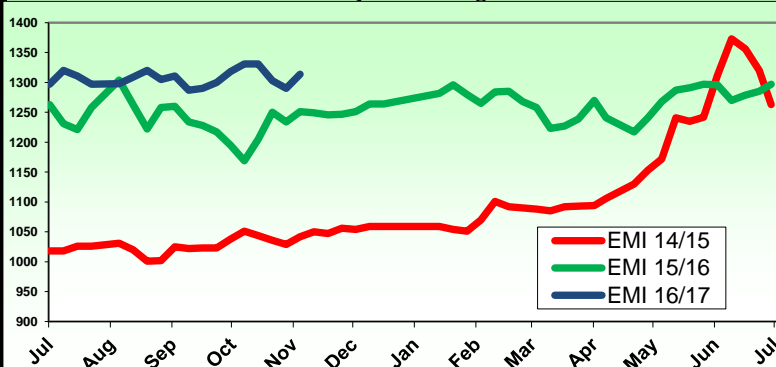
- Merino wool prices rebounded in the Australian wool market this week, with strong buyer interest from the first sale day on Tuesday, which gathered momentum on Wednesday and Thursday after the A\$ fell. In contrast, the decline in fine Crossbred wool prices seen over the past seven weeks continued. The Eastern Market Indicator moved back well above the 1300 c/kg level to 1314 c/kg, up 24 c/kg for the week. The A\$ fell by 1.9 UScents to 74.8 UScents, the lowest in nine weeks. As a result, the EMI fell by 6 USc/kg to 983 USc/kg. 47,190 bales were offered across the three selling centres with a clearance rate of 94.2%.
- The two day sale in Sydney saw strong demand for Merino wool on both days, with robust competition for lower spec types at first then the focus shifted to fine Merino wool. Crossbred wools lost ground on Wednesday before more positive buyer interest pushed prices for broader microns higher on Thursday. Demand for Oddments picked up on Thursday, pushing prices 10-15 cents higher over the week.
- The largest Melbourne offering since January was sold over three days. The sale started well for Merino wool on Tuesday and this carried through the week. While medium and fine Merino wools did best, all types had their moments in the sun. Buyers were more selective for the Crossbred wool on offer, favouring the broader types while fine microns fell sharply. After a firm start, prices for Locks and Crutchings picked up on Thursday.
- Fremantle opened strongly on Wednesday and price gains gathered pace over the two days. All Merino fleece wool enjoyed large gains for the week, with the best seen for fine Merino wools on Thursday. Demand for skirtings was vigorous and prices lifted. Prices for Oddments increased on both days, with the largest increases seen on Thursday.
- Forward prices rebounded with the market this week, with Basis contracts for 19 mic bid at 1550 for Dec/Jan and 21 mic Bid at 1400. If you have interest in taking some cover please speak to your Landmark representative or call the Landmark help line below.

AWEX WEEKLY WOOL PRICES

| Regional Indicator | North | Wkly Chg | South | Wkly Chg | West | Wkly Chg |
|---------------------|-------|----------|-------|----------|-------|----------|
| c/kg clean | 1359 | +28 | 1285 | +21 | 1382 | +29 |
| MICRON PRICE GUIDES | | | | | | |
| 16.5 | 1678 | +42 | - | - | - | - |
| 17 | 1667 | +41 | 1648n | +35 | - | - |
| 17.5 | 1658 | +37 | 1637 | +33 | - | - |
| 18 | 1636 | +26 | 1626 | +29 | 1626n | +40 |
| 18.5 | 1611 | +30 | 1604 | +27 | 1604n | +43 |
| 19 | 1570 | +40 | 1569 | +40 | 1551 | +35 |
| 19.5 | 1515 | +30 | 1516 | +47 | 1513 | +38 |
| 20 | 1451 | +31 | 1451 | +35 | 1436 | +32 |
| 21 | 1383 | +17 | 1373 | +13 | 1380 | +28 |
| 22 | 1368n | +20 | 1353n | +6 | 1359n | +22 |
| 23 | - | - | 1344n | +5 | - | - |
| 24 | - | - | - | - | - | - |
| 25 | - | - | 1069n | -48 | - | - |
| 26 | 985n | -11 | 990n | -26 | - | - |
| 28 | 668n | -6 | 673 | +2 | - | - |
| 30 | 560 | +5 | 558 | +7 | - | - |
| 32 | 445 | +15 | 439n | - | - | - |
| MC | 1103n | +11 | 1103 | +17 | 1111n | +26 |

AWEX EMI 2014/15 & 2015/16 Season vs Current

Currently: 1314 c/kg clean



Upcoming Auction Volumes

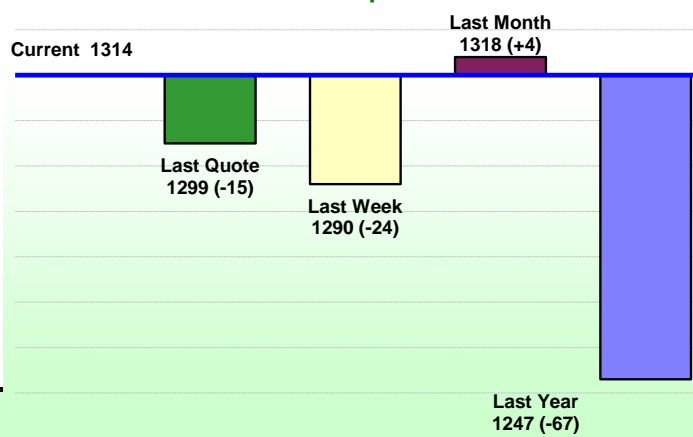
| | 21-11-16 | 28-11-16 | 05-12-16 |
|--------------|---------------|---------------|---------------|
| Northern | S21 | S22 | S23 |
| Sydney | 12,935 | 12,030 | 10,620 |
| Southern | M21 | M22 | M23 |
| Melbourne | 26,428 | 25,270 | 26,011 |
| Western | F21 | F22 | F23 |
| Fremantle | 9,919 | 8,020 | 8,120 |
| Total | 49,282 | 45,320 | 44,751 |

THIS WEEK'S SALES STATISTICS

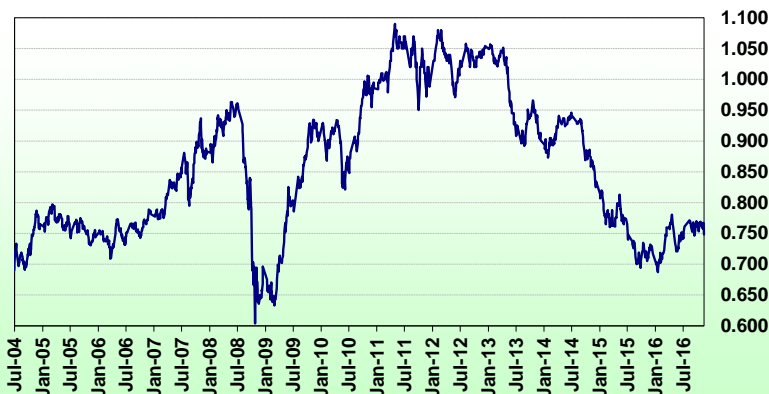
| Centre | Bales Originally | Bales Offered | Bales Sold | Pass in Rate |
|--------------|------------------|---------------|---------------|--------------|
| Northern | 11,440 | 12,258 | 11,784 | 3.9% |
| Southern | 24,380 | 26,930 | 25,131 | 6.7% |
| Western | 8,120 | 8,002 | 7,516 | 6.1% |
| TOTAL | 43,940 | 47,190 | 44,431 | 5.8% |

Average Nth-Sth MPG's as reported on 17 Nov 2016

AWEX Weekly Eastern Market Indicator Quote Comparisons



AUD vs USD from 06-Jul-04 to 17-Nov-16



| Micron | EMI | 16.5 | 17 | 17.5 | 18 | 18.5 | 19 | 19.5 | 20 | 21 | 22 | 23 | 25 | 28 | AUD |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|--------|
| Current MPG's | 1314 | 1678 | 1658 | 1648 | 1631 | 1608 | 1570 | 1516 | 1451 | 1378 | 1361 | 1344 | 1069 | 671 | 0.748 |
| 10 year Average | 974 | 1575 | 1411 | 1407 | 1291 | 1234 | 1171 | 1114 | 1063 | 1027 | 1000 | 974 | 797 | 573 | 0.855 |
| This time last year | 1249 | 1518 | 1502 | 1496 | 1470 | 1448 | 1397 | 1366 | 1331 | 1316 | 1308 | 1296 | 1101 | 861 | 0.717 |
| 10 year High | 1436 | 2680 | 2497 | 2339 | 2174 | 1944 | 1773 | 1674 | 1589 | 1527 | 1496 | 1461 | 1255 | 976 | 1.090 |
| 10 year Low | 632 | 1259 | 1073 | 1087 | 881 | 833 | 777 | 736 | 686 | 659 | 654 | 646 | 549 | 339 | 0.604 |
| %Reported above current | 4% | 18% | 11% | 9% | 6% | 6% | 5% | 2% | 3% | 7% | 7% | 5% | 9% | 22% | 81% |
| Diff b/w High & Current | 122 | 1002 | 840 | 691 | 543 | 337 | 203 | 159 | 138 | 149 | 136 | 117 | 186 | 306 | 0.342 |
| Diff b/w Ave & Current | 340 | 103 | 247 | 240 | 340 | 374 | 399 | 401 | 388 | 351 | 361 | 370 | 272 | 98 | -0.106 |

Percentile Bands

| | | | | | | | | | | | | | | | |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-------|
| 95% | 1304 | 2464 | 2176 | 2079 | 1822 | 1655 | 1567 | 1478 | 1423 | 1397 | 1376 | 1346 | 1341 | 838 | 1.050 |
| 90% | 1268 | 1909 | 1683 | 1636 | 1554 | 1510 | 1476 | 1435 | 1380 | 1346 | 1318 | 1285 | 1299 | 785 | 1.030 |
| 80% | 1185 | 1656 | 1536 | 1535 | 1461 | 1427 | 1377 | 1341 | 1286 | 1265 | 1238 | 1204 | 1217 | 676 | 0.978 |
| 75% | 1117 | 1587 | 1497 | 1498 | 1420 | 1346 | 1304 | 1274 | 1241 | 1226 | 1202 | 1169 | 1140 | 662 | 0.940 |
| 60% | 1023 | 1526 | 1390 | 1396 | 1306 | 1258 | 1205 | 1167 | 1134 | 1119 | 1094 | 1072 | 1048 | 595 | 0.894 |
| 50% | 961 | 1487 | 1339 | 1331 | 1252 | 1207 | 1142 | 1103 | 1057 | 999 | 954 | 924 | 995 | 498 | 0.838 |
| 40% | 903 | 1453 | 1283 | 1300 | 1197 | 1150 | 1091 | 1016 | 967 | 936 | 906 | 881 | 928 | 480 | 0.782 |
| 25% | 780 | 1397 | 1238 | 1234 | 1122 | 1054 | 997 | 919 | 847 | 799 | 769 | 751 | 798 | 465 | 0.757 |
| 10% | 728 | 1316 | 1171 | 1180 | 1018 | 987 | 926 | 861 | 797 | 744 | 715 | 695 | 744 | 446 | 0.719 |

Indicative Basis Contract Prices

| Date | MPG | 17 | 17.5 | 18 | 18.5 | 19 | 19.5 | 20 | 21 | 22 | 23 | 28 | |
|----------|-----|------|------|------|------|------|------|------|------|------|------|-----|---|
| Nov-2016 | | 1638 | 1628 | 1612 | 1588 | 1550 | 1538 | 1473 | 1400 | 1380 | 1320 | 655 | 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. |
| Dec-2016 | | 1638 | 1628 | 1612 | 1588 | 1550 | 1538 | 1473 | 1400 | 1380 | 1320 | 655 | |
| Jan-2017 | | 1638 | 1628 | 1612 | 1588 | 1550 | 1538 | 1473 | 1400 | 1380 | 1320 | 640 | |
| Feb-2017 | | 1568 | 1558 | 1542 | 1518 | 1480 | 1493 | 1428 | 1355 | 1335 | 1275 | 630 | |
| Mar-2017 | | 1568 | 1558 | 1542 | 1518 | 1480 | 1488 | 1423 | 1350 | 1330 | 1270 | 620 | |
| Apr-2017 | | 1568 | 1558 | 1542 | 1518 | 1480 | 1488 | 1423 | 1350 | 1330 | 1270 | 620 | |
| May-2017 | | 1620 | 1610 | 1593 | 1570 | 1532 | 1478 | 1413 | 1340 | 1320 | 1260 | 587 | |
| Jun-2017 | | 1615 | 1605 | 1588 | 1565 | 1527 | 1473 | 1408 | 1335 | 1315 | 1255 | 582 | |
| Jul-2017 | | 1610 | 1600 | 1583 | 1560 | 1522 | 1468 | 1403 | 1330 | 1310 | 1250 | 577 | |
| Aug-2017 | | 1605 | 1595 | 1578 | 1555 | 1517 | 1463 | 1398 | 1325 | 1305 | 1245 | 572 | |
| Sep-2017 | | 1595 | 1585 | 1568 | 1545 | 1507 | 1453 | 1388 | 1315 | 1295 | 1235 | 562 | |
| Oct-2017 | | 1585 | 1575 | 1558 | 1535 | 1497 | 1443 | 1378 | 1305 | 1285 | 1225 | 552 | |
| Nov-2017 | | 1585 | 1575 | 1558 | 1535 | 1497 | 1443 | 1378 | 1305 | 1285 | 1225 | 552 | |
| Dec-2017 | | 1585 | 1575 | 1558 | 1535 | 1497 | 1443 | 1378 | 1305 | 1285 | 1225 | 552 | |
| Jan-2018 | | 1585 | 1575 | 1558 | 1535 | 1497 | 1443 | 1378 | 1305 | 1285 | 1225 | 552 | |

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