

Wool Weekly

LANDMARK

Friday, 13 January 2017

Wool Market Movements

- Merino wool prices surged this week as the Australian wool market resumed after the three-week Christmas recess. Prices for fine Merino wool lifted by well over 100 cents while medium and broad Merino wool prices were 60-100 cents higher. Crossbred fleece and crossbred lamb and carding prices continue to wallow. With higher auction offerings in coming weeks it is hard to see prices for these wools recovering quickly. The EMI jumped by 67 cents to 1422 c/kg, the highest since June 2011. A total of 51,379 bales were offered, of which 95% was sold.
- During the wool sale recess, the AUD fell below 72 cents against the USD. This instigated a lot of Chinese enquiry and exporters sold from stock. Some also took foreign exchange cover at the lower level and this allowed them to sell at higher levels as the AUD recovered to 74.6 UScents. The rise in Merino prices this week has also lifted forward hedge prices, with some attractive levels now available for the first 5-6 months of 2017.
- Melbourne hosted a three-day sale, starting on Tuesday. Merino prices rose sharply and continued to rise on both Wednesday and Thursday, although by Thursday buyers were a little more selective. Crossbred wool found less support and prices weakened, notably for broader microns. Locks and Crutchings lifted over the week, but steadied on Thursday.
- The Sydney sale opened on Wednesday and followed Melbourne's lead. Merino prices lifted strongly, particularly for fine microns, and this continued on Thursday. Crossbred wool fared better than in Melbourne, and prices for finer microns rose a little. Oddments lifted on Wednesday, before stabilising on Thursday.
- Strong buyer demand pushed prices higher on both sale days in Fremantle this week. The finer microns did best, gaining 120-140 cents for the week, although there were strong gains for all microns. Prices for Locks, Crutchings and Stains rose sharply on Wednesday and were firm on Thursday.

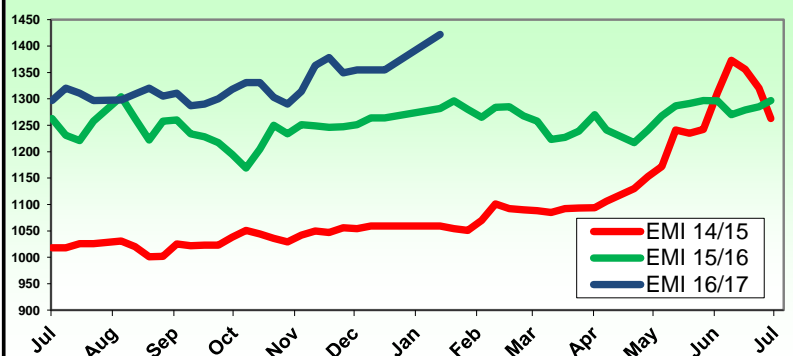
AWEX WEEKLY WOOL PRICES

Regional Indicator	North	Wkly Chg	South	Wkly Chg	West	Wkly Chg
c/kg clean	1490	+78	1377	+59	1498	+77

MICRON PRICE GUIDES						
16.5	1969	+162	1913n	+140	-	-
17	1943	+155	1899n	+146	-	-
17.5	1902	+138	1873	+133	-	-
18	1861	+129	1839	+125	1849n	+137
18.5	1803	+111	1776	+109	1798n	+118
19	1733	+109	1712	+92	1724	+104
19.5	1662	+98	1664	+101	1669	+108
20	1587	+91	1576	+91	1588	+103
21	1495	+80	1479	+69	1481	+72
22	1444n	+63	1436n	+62	1463n	+84
23	-	-	-	-	-	-
24	-	-	-	-	-	-
25	1052n	+6	1049n	-1	-	-
26	941n	+2	939n	-11	-	-
28	662	+4	663	-3	-	-
30	579	-19	568	-37	-	-
32	470n	0	461n	-19	-	-
MC	1164	+32	1163	+29	1171n	+40

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

Currently: 1422 c/kg clean



Upcoming Auction Volumes

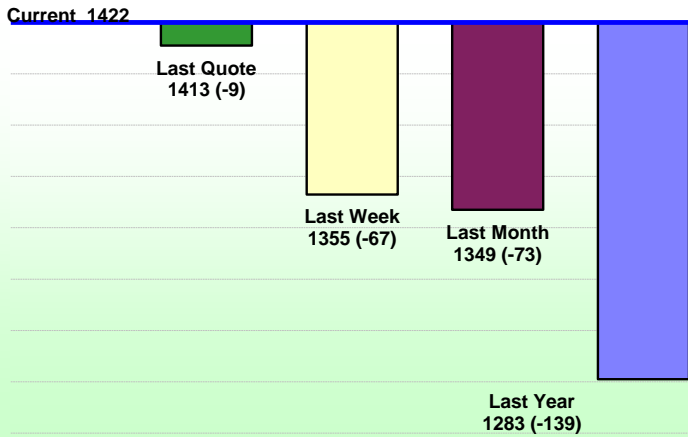
	16-01-17	23-01-17	30-01-17
Northern	S29	S30	S31
Sydney	15,472	11,240	11,050
Southern	M29	M30	M31
Melbourne	27,983	23,593	21,095
Western	F29	F30	F31
Fremantle	11,939	8,550	9,450
Total	55,394	43,383	41,595

THIS WEEK'S SALES STATISTICS

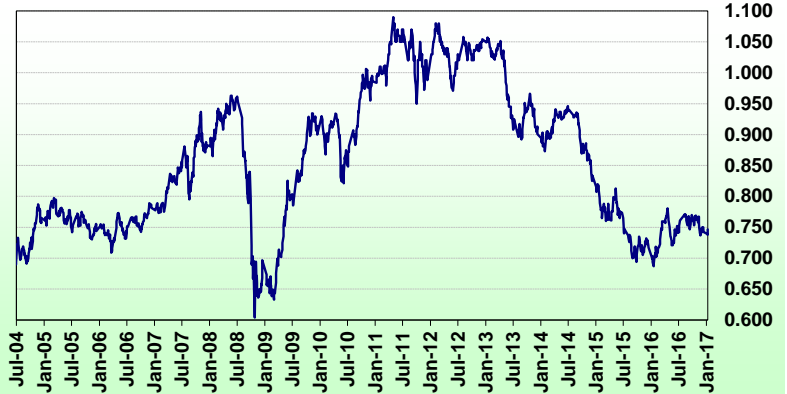
Centre	Bales Originally	Bales Offered	Bales Sold	Pass in Rate
Northern	14,568	14,055	13,150	6.4%
Southern	27,653	25,326	24,157	4.6%
Western	12,161	11,998	11,501	4.1%
TOTAL	54,382	51,379	48,808	5.0%

Average Nth-Sth MPG's as reported on 12 Jan 2017

AWEX Weekly Eastern Market Indicator Quote Comparisons



AUD vs USD from 06-Jul-04 to 12-Jan-17



Micron	EMI	16.5	17	17.5	18	18.5	19	19.5	20	21	22	23	25	28	AUD
Current MPG's	1422	1941	1921	1888	1850	1790	1723	1663	1582	1487	1440	1364	1051	663	0.746
10 year Average	979	1578	1415	1412	1295	1239	1176	1119	1068	1032	1004	978	800	574	0.853
This time last year	1282	1554	1543	1535	1520	1483	1450	1410	1390	1385	1371	1340	1065	830	0.694
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	0%	9%	6%	7%	4%	4%	1%	0%	0%	1%	1%	3%	12%	25%	81%
Diff b/w High & Current	14	739	576	451	324	155	50	11	8	40	56	97	205	314	0.344
Diff b/w Ave & Current	443	363	506	476	555	551	547	544	514	455	436	386	250	89	-0.107

Percentile Bands

95%	1314	2463	2175	2070	1830	1684	1590	1490	1433	1402	1382	1355	1348	838	1.050
90%	1276	1909	1693	1655	1568	1522	1491	1445	1387	1359	1326	1298	1309	783	1.030
80%	1193	1670	1540	1542	1466	1434	1386	1355	1306	1274	1248	1209	1225	677	0.976
75%	1123	1594	1501	1512	1424	1359	1312	1282	1245	1233	1207	1175	1144	664	0.939
60%	1027	1531	1391	1402	1311	1260	1208	1170	1137	1125	1101	1074	1051	598	0.893
50%	964	1491	1344	1335	1253	1210	1146	1106	1062	1001	956	925	997	502	0.835
40%	906	1453	1285	1302	1200	1151	1093	1020	976	939	909	883	932	480	0.781
25%	782	1398	1240	1234	1125	1057	1000	923	849	805	771	753	803	465	0.756
10%	728	1316	1171	1180	1020	989	926	862	798	745	715	696	744	446	0.719

Indicative Basis Contract Prices

Date	MPG	17	17.5	18	18.5	19	19.5	20	21	22	23	28	
Feb-2017		1869	1835	1798	1737	1670	1626	1545	1450	1403	1327	620	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.
Mar-2017		1859	1825	1788	1727	1660	1626	1545	1450	1403	1327	600	
Apr-2017		1839	1805	1768	1707	1640	1616	1535	1440	1393	1317	580	
May-2017		1829	1795	1758	1697	1630	1606	1525	1430	1383	1307	560	
Jun-2017		1854	1821	1783	1723	1656	1596	1515	1420	1373	1297	550	
Jul-2017		1844	1811	1773	1713	1646	1586	1505	1410	1363	1287	586	
Aug-2017		1834	1801	1763	1703	1636	1576	1495	1400	1353	1277	576	
Sep-2017		1829	1796	1758	1698	1631	1571	1490	1395	1348	1272	571	
Oct-2017		1824	1791	1753	1693	1626	1566	1485	1390	1343	1267	566	
Nov-2017		1819	1786	1748	1688	1621	1561	1480	1385	1338	1262	561	
Dec-2017		1809	1776	1738	1678	1611	1551	1470	1375	1328	1252	551	
Jan-2018		1799	1766	1728	1668	1601	1541	1460	1365	1318	1242	541	
Feb-2018		1799	1766	1728	1668	1601	1541	1460	1365	1318	1242	541	
Mar-2018		1799	1766	1728	1668	1601	1541	1460	1365	1318	1242	541	
Apr-2018		1799	1766	1728	1668	1601	1541	1460	1365	1318	1242	541	

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