

Superfine Wool Report

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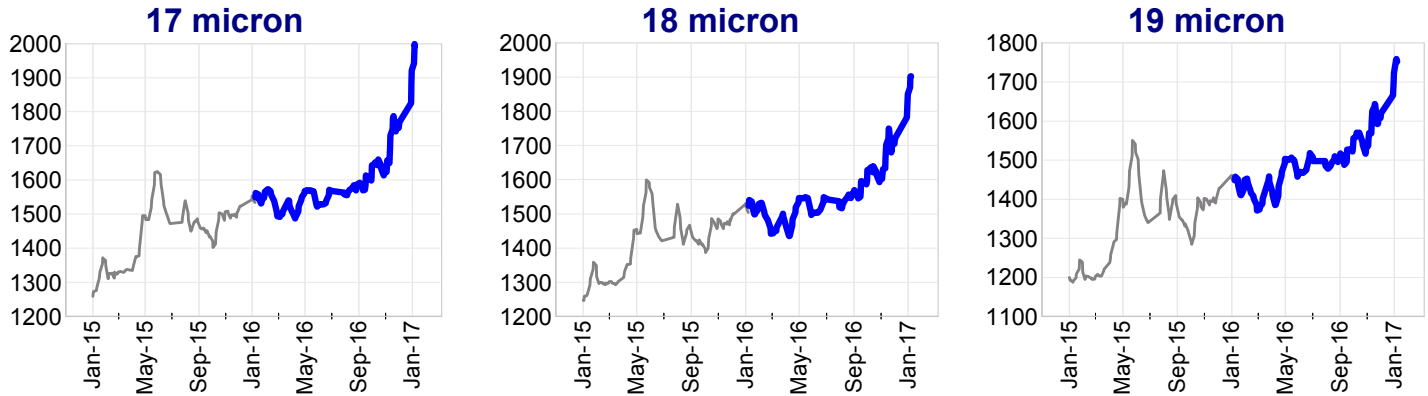
Thursday, 19 January, 2017 (8:25 pm AEST)

Compared to Thursday, 12 January, 2017



we know wool

AWEX Superfine Indicators



2 year charts (North/South average). Blue line = last 12 months.

Regional Indicators (¢/kg clean)

| Region | North | | South | | West | |
|-----------|-------|-------|--------|--------|--------|-------|
| Indicator | 1,506 | (+16) | 1,387 | (+10) | 1,476 | (-22) |
| 16.5 MPG | 2,035 | (+66) | 2,015n | (+102) | | |
| 17 MPG | 2,016 | (+73) | 1,970 | (+71) | | |
| 17.5 MPG | 1,988 | (+86) | 1,955 | (+82) | | |
| 18 MPG | 1,931 | (+70) | 1,874 | (+35) | 1,873n | (+24) |
| 18.5 MPG | 1,858 | (+55) | 1,817 | (+41) | 1,822n | (+24) |
| 19 MPG | 1,761 | (+28) | 1,743 | (+31) | 1,713 | (-11) |

Offering Analysis (19.5 micron & finer)

| Region | Sale ID | Bales | Bales | Passed | AM | VMB% | Best | Average Price (YTD) | |
|------------------------------|---------|---------------|---------------|------------|-------------|-------------|-----------------|---------------------|--------------|
| | | Offered | Sold | In % | % | > 1% | Style & Better% | \$/bale | c/kg clean |
| Northern | S29 | 7,843 | 7,676 | 2.1 | 80.5 | 54.5 | 46.5 | 2,250 | |
| Southern | M29 | 10,016 | 9,700 | 3.2 | 81.1 | 32.6 | 64.0 | 2,084 | |
| Western | F29 | 5,577 | 5,316 | 4.7 | 78.7 | 33.4 | 19.8 | 2,193 | |
| Total | | 23,436 | 22,692 | 3.2 | 80.3 | 40.1 | 47.7 | 1,938 | 1,672 |
| Less than 17.6 micron | | 5,730 | 5,608 | 2.1 | 81.9 | 34.5 | 60.1 | 2,198 | 2,039 |
| 17.6 - 18.5 micron | | 8,004 | 7,767 | 3.0 | 78.8 | 39.1 | 47.1 | 2,639 | 1,890 |
| 18.6 - 19.5 micron | | 9,702 | 9,317 | 4.0 | 80.7 | 44.3 | 40.8 | 2,084 | 1,741 |

AWEX Commentary

Despite another large national offering of over 56,000 bales the wool market continued to rally this week, pushing the AWEX Eastern Market Indicator to an all-time high of 1439 cents mid-week. The sale started off strongly at the single-centre Melbourne sale on Tuesday, adding to the rises from the previous week. The finer microns outperformed the rest of the market, jumping by 40 to 50 cents, however there were softening signals showing in the broader microns where prices eased back slightly. Wednesday saw a further strengthening when Sydney and Fremantle came into the mix and pushed the EMI to a record high. Melbourne lost more ground in the broader microns with a 5 cent dip, although the ultrafine microns sustained further increases. The rise in price of the finer microns and the falls in price of the medium and broad microns has seen the price differentials stretch out to more traditional levels, currently the gap between 18 to 21 micron is out to over 400 cents. Although the Southern and Northern Indicators rose for the week the Western Indicator fell by 22 cents. Selling last on Thursday a predominately medium to broad offering continued to deteriorate as the sale progressed pushing some microns down by over 40 cents and in the final hour of selling there was evidence of a true falling market.

The skirting market has again mirrored the fleece market with the finer microns attracting excellent buyer support and recording increases in some fine microns of over 100 cents while the medium to broad microns managed to just hold their ground.

The crossbred market continues to struggle compared to the merino sector, prices were 5 to 20 cents lower than last week, except 32 microns which were 40 cents lower and 28 micron which managed a small increase. All carding indicators rose again this week, pushing carding indicators in all three centres further into record territory.

Sales resume next week in Sydney, Melbourne and Fremantle with a reduced national offering of just over 47,000 bales.

Certified 1PP Lots Offered for Current Season 16-17

| | Price (Greasy) | Price (Clean) | Sale | Brand | Micron | VMB | Nkt | Lgth | AWEX ID | Broker | Sale Result | Buyer |
|---|-------------------|------------------|------|---------------------------|--------|-----|-----|------|---------|--------|----------------|-------|
| 1 | 5,194 | 6,501 | S22 | CSS/MULGOWAN/TRAPROCK | 14.2 | 0.2 | 45 | 70 | ASF1E. | AWNS | SP | NENM |
| 2 | 4,972 | 6,350 | S22 | CSS/MULGOWAN/TRAPROCK | 14.6 | 0.1 | 43 | 78 | ASF1E. | AWNS | SP | NENM |
| 3 | | | M21 | KINGSTON/TASMANIA/ASWGA | 14.7 | 0.1 | 48 | 74 | ASF1E. | AWNS | WD | |
| 4 | | | M21 | KINGSTON/TASMANIA/ASWGA | 15.7 | 0.1 | 47 | 80 | ASF1E. | AWNS | WD | |
| 5 | 2,797 | 3,800 | S19 | OAK HILLS/PYRAMUL/ASWGA/I | 16.3 | 0.2 | 47 | 80 | ASF1E. | AWNS | SP | NENM |
| 6 | | | S13 | CSS/MULGOWAN/TRAPROCK | 14.9 | 0.2 | 46 | 85 | ASF1E. | AWNS | WD | |
| 7 | | | S13 | CSS/MULGOWAN/TRAPROCK | 15.9 | 0.1 | 56 | 79 | ASF1E. | AWNS | WD | |
| 8 | | | S06 | RYWUNG/NEW ENGLAND | 15.4 | 0.3 | 44 | 80 | ASF1E. | AWNS | WD | |

Major Auction Buyers by Micron Range for Current Sale Week

| | Buyer | Bales |
|-------------------------------|---------------------------|-------|
| 15.0 microns and finer | Lempriere (Aust) | 50 |
| | Fox & Lillie | 17 |
| | Tianyu Wool | 16 |
| 15.1 - 16.5 micron | Techwool Trading | 214 |
| | Australian Merino Exports | 184 |
| | Kathaytex Aust | 151 |
| 16.6 - 18.5 micron | Techwool Trading | 2058 |
| | Fox & Lillie | 1373 |
| | Chinatex (Aust) | 1202 |

Top 5 Australian Auction Prices for Sale Week (Sold Only)

| | Price (Greasy) | Price (Clean) | Sale | Brand | Micron | VMB | Nkt | Lgth | AWEX ID | Broker | Buyer |
|---|-------------------|------------------|------|----------------|--------|-----|-----|------|---------|--------|-------|
| 1 | 6,100 | 8,221 | M29 | GIPPSLAND WOOL | 17.9 | 0.2 | 42 | 100 | MF3E. | ESMG | MODM |
| 2 | 2,500 | 3,356 | M29 | GIPPSLAND WOOL | 18.5 | 0.3 | 37 | 108 | MF4E. | ESMG | TECM |
| 3 | 1,746 | 2,213 | M29 | EEF/OMEQ | 16.0 | 0.2 | 40 | 83 | ASF3E. | ESMG | NENM |
| 4 | 1,709 | 2,097 | S29 | AA/DUNDEE/NE | 17.0 | 0.4 | 40 | 82 | ASF3E. | SBBN | NENM |
| 5 | 1,700 | 2,144 | S29 | BONDS/MUDGE | 15.4 | 0.6 | 47 | 79 | MF4S. | AWNS | GSAS |

Top 5 Auction Prices for Season 16-17

| | Price (Greasy) | Price (Clean) | Sale | Brand | Micron | VMB | Nkt | Lgth | AWEX ID | Broker | Buyer |
|---|-------------------|------------------|------|-----------------------|--------|-----|-----|------|---------|--------|-------|
| 1 | 6,100 | 8,221 | M29 | GIPPSLAND WOOL | 17.9 | 0.2 | 42 | 100 | MF3E. | ESMG | MODM |
| 2 | 1,800 | 2,242 | S13 | CSS/MULGOWAN/TRAPROCK | 15.5 | 0.2 | 44 | 82 | ASF2E. | AWNS | NENM |
| 3 | 1,750 | 2,229 | S13 | CSS/MULGOWAN/TRAPROCK | 15.0 | 0.2 | 51 | 70 | ASF2E. | AWNS | NENM |
| 4 | 1,746 | 2,213 | M29 | EEF/OMEQ | 16.0 | 0.2 | 40 | 83 | ASF3E. | ESMG | NENM |
| 5 | 1,741 | 2,285 | M06 | DM/MIENA/ASWGA/T/545 | 17.6 | 0.2 | 36 | 88 | MF4E. | EPWL | NENM |

Finest Micron Sold for Season 16-17

| | Price (Greasy) | Price (Clean) | Sale | Brand | Micron | VMB | Nkt | Lgth | AWEX ID | Broker | Buyer |
|---|-------------------|------------------|------|-------------------------|--------|-----|-----|------|-------------|--------|-------|
| 1 | 1,110 | 1,667 | S09 | B&G/F | 12.1 | 0.5 | 32 | 71 | MWF5E.H1F1U | EPWB | GSAS |
| 2 | 1,166 | 1,722 | S09 | B&G/F | 12.2 | 0.1 | 31 | 97 | MF4E.R1 | EPWB | GSAS |
| 3 | 1,199 | 1,819 | M18 | WAKEFIELD | 12.6 | 0.9 | 26 | 66 | MWF4E.M | NZMZC | GSNZC |
| 4 | 1,290 | 1,883 | S24 | ROCKVALE NORTH/ARMIDALE | 13.2 | 4.1 | 39 | 69 | ASWP4S. | AWNS | FOXM |
| 5 | 870 | 1,596 | M10 | SOMERTON PARK | 13.2 | 6.1 | 0 | 0 | MP4S.60W1 | NZMZC | LEMM |

Superfine Point of Micron (ASF4/MF4)

| Micron | Strength (Nkt) | | | | |
|-------------|----------------|------|------|------|------|
| | 40 | 35 | 28 | 21 | 14 |
| 15.4 | 2144 | | | | |
| 15.6 | 2120 | | | | |
| 15.7 | 2085 | 2064 | | | |
| 15.9 | | | 2092 | 1980 | |
| 16.0 | 2026 | 2019 | | | |
| 16.1 | | 2040 | 1971 | | |
| 16.2 | 2095 | 2048 | 2024 | | |
| 16.3 | 2035 | 2011 | 2036 | 1989 | |
| 16.4 | 2031 | 2033 | 1985 | | |
| 16.5 | 2011 | 2010 | 2016 | | 1949 |
| 16.6 | | | 1962 | 1957 | |
| 16.7 | 2065 | 1951 | 1977 | 1958 | |
| 16.8 | | 1988 | 1991 | 1929 | |
| 16.9 | 2048 | 1998 | 1981 | 1948 | |
| 17.0 | 1993 | 2003 | 1957 | 1912 | |
| 17.1 | 2021 | 1923 | 1982 | 1938 | |
| 17.2 | 1997 | 1981 | 1945 | | 1887 |
| 17.3 | | 1966 | 1964 | | |
| 17.4 | 2035 | 1989 | | 1953 | |
| 17.5 | 2003 | 2017 | 1962 | | |
| 17.6 | 2051 | 1871 | 1935 | | |
| 17.7 | 2077 | | 1845 | 1848 | 1889 |
| 17.8 | 1766 | 1937 | 1904 | 1849 | |
| 17.9 | 1955 | 1926 | 1864 | 1827 | |
| 18.0 | 1943 | 1871 | 1805 | | |
| 18.1 | 1910 | 1872 | 1872 | | |
| 18.2 | 1906 | 1827 | 1845 | | |
| 18.3 | 1976 | 1822 | | 1793 | |
| 18.4 | 1933 | 1885 | | | |
| 18.5 | 1915 | | | | |

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