

Wool Weekly

LANDMARK

Friday, 19 January 2018

Wool Market Movements

- The Australian wool market dipped this week, the first weekly fall since November, as a combination of a large offering and a stronger Australian dollar caused a more cautious approach by buyers. There were some gains at the ultra-fine end, but prices for other microns fell as buyers became more selective. The EMI slid by 17 cents to close at 1801 c/kg. The AUD lifted by almost 1 USc to 79.6 USc and the EMI increased by 3 UScents to 1434 USc/kg. 53,517 bales were offered, with 3.1% passed-in.
- The three-day sale in Sydney fared best, opening on Tuesday on a firm base and Merino and Crossbred lots at around last week's close. Buyers were more selective on Wednesday, favouring Merino lots with better specs and better prepared Crossbred lots. Prices for Merino wool broader than 17 micron fell, in some cases by up to 40 cents. Crossbred wools were mixed, while Oddments fell back. The Merino market stabilised on Thursday, with small rises for well spec'ed fine Merino wool and steady prices for broader Merino wools. Fine Crossbreds fell by 15-20 cents. Oddments were lower again.
- The three-day sale in Melbourne opening brightly on Tuesday as keen buyers initially pushed prices for Merino wool higher, notably for ultra-fine lots. Fine Crossbreds did well, but broader lots eased. Wednesday saw some uncertainty creep into the market for Merino wool as broader microns eased and buyers became more selective. Broader Crossbred wools lifted with renewed buyer interest. Thursday's sale saw the market go into reverse. Buyers sought low mid-break Merino lots and discounted those lots with high mid-break. This pushed prices down by up to 35 cents, notably for 19 and 20 micron wool. Prices for Crossbred wool also dropped by 15-25 cents. Locks, Skirtings and Crutchings fell by 50-70 cents over the week, with the largest falls on Thursday.
- Fremantle hosted a two-day sale this week, with prices falling on both days. The sale opened on Wednesday with noticeably less intense competition amongst buyers. Prices for all Merino wools were lower, with the exception of the limited offering of 17.5 micron wool. Prices for Oddments dropped back by 30-60 cents. Thursday's sale saw even sharper falls for fine Merino wools, with prices down by 20 to 60 cents for wool finer than 21 micron. Medium Merino lots were firm. Prices for Oddments were lower again, by 15-30 cents.

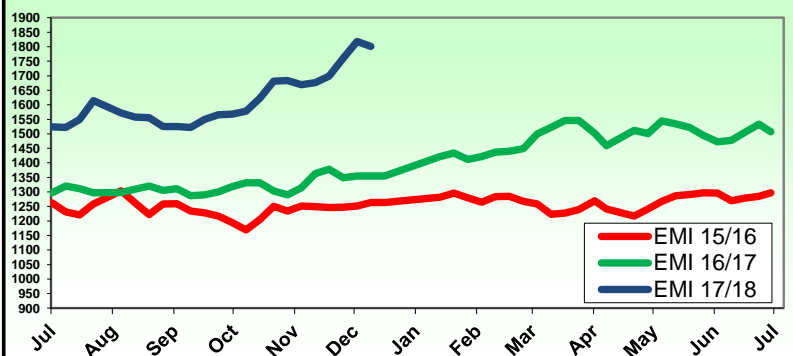
AWEX WEEKLY WOOL PRICES

| Regional Indicator | North | Wkly Chg | South | Wkly Chg | West | Wkly Chg |
|--------------------|-------|----------|-------|----------|------|----------|
| c/kg clean | 1901 | -7 | 1739 | -22 | 1860 | -28 |

| MICRON PRICE GUIDES | | | | | | |
|---------------------|-------|-----|-------|-----|-------|-----|
| 16.5 | 2787 | +14 | 2777n | +41 | - | - |
| 17 | 2672 | +37 | 2657n | +16 | - | - |
| 17.5 | 2514 | +5 | 2493 | 0 | - | - |
| 18 | 2374 | -15 | 2358 | -5 | 2299n | -60 |
| 18.5 | 2249 | -10 | 2250 | -2 | 2189 | -66 |
| 19 | 2137 | -27 | 2150 | -11 | 2092 | -65 |
| 19.5 | 2044 | -35 | 2029 | -36 | 2008 | -50 |
| 20 | 1942 | -34 | 1931 | -30 | 1911 | -43 |
| 21 | 1786 | -22 | 1778 | -22 | 1802 | -12 |
| 22 | 1709n | -12 | 1699 | -24 | 1714n | -2 |
| 23 | - | - | 1661 | +35 | - | - |
| 24 | - | - | 1421n | - | - | - |
| 25 | 1241n | - | 1225n | -41 | - | - |
| 26 | 1128 | -15 | 1135n | -21 | - | - |
| 28 | 808 | -10 | 813 | -12 | - | - |
| 30 | 594 | -4 | 591 | -5 | - | - |
| 32 | 381n | 0 | 398n | +2 | - | - |
| MC | 1513n | -31 | 1501n | -58 | 1503n | -61 |

AWEX EMI 2015/16 & 2016/17 Season vs Current

Currently: 1801 c/kg clean



Upcoming Auction Volumes

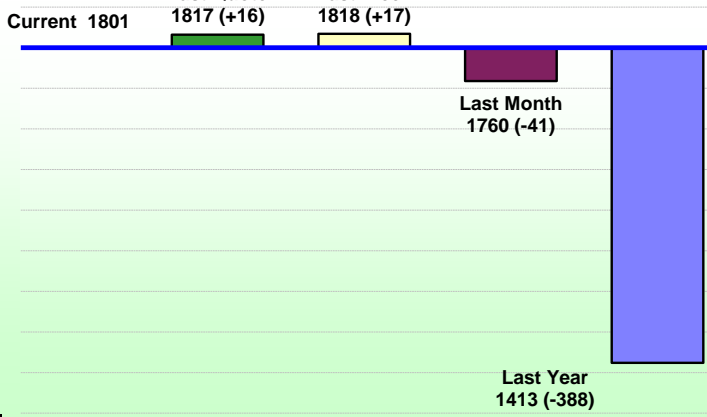
| | 22-01-18 | 29-01-18 | 05-02-18 |
|--------------|---------------|---------------|---------------|
| Northern | S30 | S31 | S32 |
| Sydney | 10,389 | 10,700 | 11,120 |
| Southern | M30 | M31 | M32 |
| Melbourne | 25,154 | 19,245 | 20,400 |
| Western | F30 | F31 | F32 |
| Fremantle | 7,754 | 9,230 | 8,800 |
| Total | 43,297 | 39,175 | 40,320 |

THIS WEEK'S SALES STATISTICS

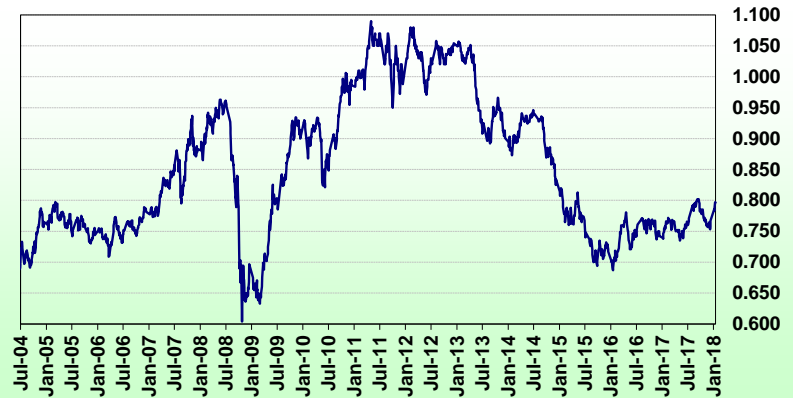
| Centre | Bales Originally | Bales Offered | Bales Sold | Pass in Rate |
|--------------|------------------|---------------|---------------|--------------|
| Northern | 11,375 | 15,714 | 15,195 | 3.3% |
| Southern | 23,555 | 29,025 | 26,519 | 8.6% |
| Western | 9,379 | 9,611 | 8,785 | 8.6% |
| TOTAL | 44,309 | 54,350 | 50,499 | 7.1% |

Average Nth-Sth MPG's as reported on 18 Jan 2018

AWEX Weekly Eastern Market Indicator



AUD vs USD from 06-Jul-04 to 18-Jan-18



| Micron | EMI | 16.5 | 17 | 17.5 | 18 | 18.5 | 19 | 19.5 | 20 | 21 | 22 | 23 | 25 | 28 | AUD |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|--------|
| Current MPG's | 1801 | 2782 | 2665 | 2504 | 2366 | 2250 | 2144 | 2037 | 1937 | 1782 | 1704 | 1661 | 1233 | 811 | 0.796 |
| 10 year Average | 1019 | 1643 | 1476 | 1481 | 1355 | 1295 | 1226 | 1165 | 1109 | 1068 | 1038 | 1010 | 825 | 587 | 0.847 |
| This time last year | 1434 | 2025 | 1993 | 1972 | 1903 | 1838 | 1752 | 1665 | 1579 | 1476 | 1426 | 1364 | 1049 | 665 | 0.752 |
| 10 year High | 1822 | 2785 | 2671 | 2513 | 2383 | 2264 | 2163 | 2072 | 1971 | 1809 | 1722 | 1676 | 1280 | 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% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 1% | 9% | 52% |
| Diff b/w High & Current | 21 | 3 | 6 | 9 | 17 | 14 | 19 | 36 | 35 | 27 | 18 | 15 | 47 | 166 | 0.294 |
| Diff b/w Ave & Current | 782 | 1139 | 1189 | 1023 | 1011 | 955 | 917 | 871 | 827 | 714 | 666 | 651 | 408 | 224 | -0.051 |

Percentile Bands

| | | | | | | | | | | | | | | | |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-------|
| 95% | 1507 | 2535 | 2352 | 2251 | 2122 | 1989 | 1838 | 1709 | 1599 | 1504 | 1449 | 1428 | 1570 | 839 | 1.049 |
| 90% | 1349 | 2318 | 2186 | 2165 | 1962 | 1817 | 1638 | 1517 | 1466 | 1416 | 1386 | 1356 | 1372 | 803 | 1.030 |
| 80% | 1243 | 1862 | 1609 | 1611 | 1529 | 1483 | 1445 | 1400 | 1357 | 1325 | 1295 | 1264 | 1270 | 706 | 0.960 |
| 75% | 1201 | 1708 | 1545 | 1559 | 1477 | 1441 | 1392 | 1360 | 1316 | 1285 | 1252 | 1217 | 1226 | 677 | 0.935 |
| 60% | 1051 | 1554 | 1424 | 1452 | 1348 | 1291 | 1233 | 1187 | 1163 | 1152 | 1136 | 1113 | 1073 | 627 | 0.880 |
| 50% | 995 | 1512 | 1368 | 1368 | 1272 | 1233 | 1176 | 1137 | 1092 | 1051 | 1007 | 964 | 1020 | 543 | 0.807 |
| 40% | 924 | 1470 | 1303 | 1313 | 1214 | 1171 | 1111 | 1056 | 1002 | 964 | 930 | 894 | 949 | 484 | 0.776 |
| 25% | 802 | 1405 | 1245 | 1247 | 1136 | 1072 | 1006 | 945 | 873 | 820 | 788 | 771 | 814 | 468 | 0.756 |
| 10% | 729 | 1331 | 1171 | 1183 | 1029 | 996 | 928 | 864 | 801 | 748 | 717 | 697 | 746 | 448 | 0.722 |

Indicative Basis Contract Prices

| Date | MPG | 17 | 17.5 | 18 | 18.5 | 19 | 19.5 | 20 | 21 | 22 | 23 | 28 |
|----------|-----|------|------|------|------|------|------|------|------|------|------|-----|
| Jan-2018 | | 2520 | 2440 | 2320 | 2220 | 2110 | 1980 | 1870 | 1750 | 1650 | 1550 | 815 |
| Feb-2018 | | 2500 | 2400 | 2300 | 2200 | 2110 | 1960 | 1860 | 1750 | 1630 | 1530 | 815 |
| Mar-2018 | | 2500 | 2400 | 2300 | 2200 | 2090 | 1920 | 1840 | 1750 | 1600 | 1500 | 815 |
| Apr-2018 | | 2450 | 2350 | 2300 | 2180 | 2080 | 1900 | 1800 | 1750 | 1580 | 1480 | 815 |
| May-2018 | | 2400 | 2320 | 2280 | 2160 | 2070 | 1890 | 1790 | 1720 | 1540 | 1440 | 815 |
| Jun-2018 | | 2380 | 2300 | 2250 | 2150 | 2020 | 1880 | 1780 | 1700 | 1500 | 1400 | 815 |
| Jul-2018 | | 2360 | 2260 | 2200 | 2140 | 1920 | 1860 | 1730 | 1640 | 1460 | 1320 | 700 |
| Aug-2018 | | 2260 | 2200 | 2150 | 2070 | 1880 | 1830 | 1680 | 1620 | 1400 | 1300 | 700 |
| Sep-2018 | | 2240 | 2160 | 2100 | 2050 | 1870 | 1800 | 1650 | 1600 | 1400 | 1300 | 700 |
| Oct-2018 | | 2200 | 2100 | 2060 | 1950 | 1850 | 1620 | 1600 | 1595 | 1400 | 1300 | 680 |
| Nov-2018 | | 2150 | 2050 | 2030 | 1940 | 1850 | 1600 | 1600 | 1500 | 1400 | 1280 | 680 |
| Dec-2018 | | 2150 | 2050 | 2000 | 1930 | 1850 | 1600 | 1600 | 1500 | 1400 | 1260 | 680 |
| Jan-2019 | | 2150 | 2050 | 2000 | 1900 | 1750 | 1600 | 1600 | 1500 | 1400 | 1240 | 680 |
| Feb-2019 | | 2150 | 2050 | 2000 | 1850 | 1750 | 1600 | 1600 | 1500 | 1380 | 1220 | 680 |
| Mar-2019 | | 2150 | 2050 | 2000 | 1750 | 1750 | 1600 | 1560 | 1470 | 1260 | 1180 | 680 |

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.