

Wool Weekly

LANDMARK

Friday, 9 February 2018

Wool Market Movements

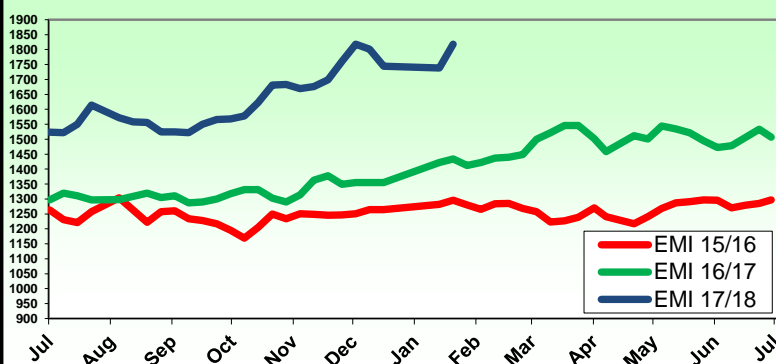
- After drifting lower in the past three weeks, prices in the Australian wool market surged this week as a lower Australian dollar sparked a spike in demand. All microns in both Merino and Crossbred wool experienced strong gains. Cardings, which had been out of favour, found excellent support. There were large gains on Wednesday before the market settled a little on Thursday. The EMI finished the week 80 cents higher at 1818 c/kg, equalling the record set four weeks ago. The AUD fell sharply against the USD, down more than 2 UScents. As a result, the EMI lifted by just 24 USc to 1423 USc/kg. 39,582 bales were offered and the pass-in rate fell to 2.1%.
- The two-day sale in Sydney was a designated superfine sale with 12,571 bales on offer. It started with a bang on Wednesday, with buyers competing hard and pushing prices up sharply. While all microns saw excellent gains of at least 30 cents, the ultra-fine end saw the best gains of up to 150 cents. Thursday's sale saw continued solid competition, particularly for the limited supply of 21-22 micron wool. The superfine lots on offer were more variable in quality, and price rises were more subdued. Crossbred wools continued to enjoyed good support and prices rose. Oddments were in demand and prices lifted, recovering some of the recent losses.
- 19,886 bales were on offer at the two-day sale in Melbourne. Prices surged on Wednesday as buyers re-entered the market in force after three weeks of uncertainty. Merino wools gained at least 50 cents, with larger increases for superfine and ultrafine lots. Crossbreds were 30-60 cents dearer. It was a choppy market on Thursday in Melbourne, with some gains and some losses across the Merino micron range. Crossbred wools gained more ground, up by 10-20 cents. After increases of 80-100 cents on Wednesday, Oddments were more variable on Thursday, with Merino Lambs climbing sharply, Stains firm but Locks/Crutchings lower.
- Fremantle had an excellent week, with strong gains on both sale days. With only 7,125 bales on offer and keen buyers, prices started climbing from the opening on Wednesday. Finer wools posted the best gains, up by 90-100 cents. Broader micron were 70-85 cents higher. Thursday saw a similar pattern, with strong gains for all microns, particularly the well specc'ed and stylish offering of 22 micron wool. Oddments did well on both days, gaining 50-100 cents on Wednesday and a further 50-80 cents on Thursday.

AWEX WEEKLY WOOL PRICES

| Regional Indicator | North | Wkly Chg | South | Wkly Chg | West | Wkly Chg |
|---------------------|-------|----------|-------|----------|-------|----------|
| c/kg clean | 1909 | +80 | 1760 | +79 | 1921 | +102 |
| MICRON PRICE GUIDES | | | | | | |
| 16.5 | 2966n | +138 | 2963n | +153 | - | - |
| 17 | 2815 | +110 | 2761n | +84 | - | - |
| 17.5 | 2651 | +121 | 2583 | +68 | - | - |
| 18 | 2428 | +98 | 2361 | +43 | 2333n | +115 |
| 18.5 | 2256 | +61 | 2274 | +75 | 2224 | +120 |
| 19 | 2165 | +75 | 2144 | +58 | 2167 | +117 |
| 19.5 | 2069 | +75 | 2057 | +58 | 2089 | +105 |
| 20 | 1999 | +98 | 1987 | +74 | 1993 | +91 |
| 21 | 1893n | +104 | 1891 | +93 | 1889 | +91 |
| 22 | - | - | - | - | 1849n | +125 |
| 23 | - | - | - | - | - | - |
| 24 | - | - | - | - | - | - |
| 25 | 1255n | +71 | 1274n | +78 | - | - |
| 26 | 1098n | +59 | 1108n | +59 | - | - |
| 28 | 791 | +73 | 785 | +54 | - | - |
| 30 | 603 | +61 | 576 | +37 | - | - |
| 32 | - | - | 430n | +52 | - | - |
| MC | 1356 | +56 | 1298n | +70 | 1394n | +120 |

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

Currently: 1818 c/kg clean



Upcoming Auction Volumes

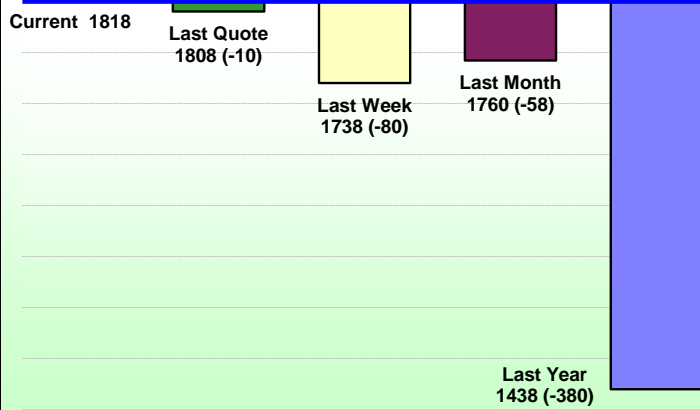
| | 12/02/2018 | 19/02/2018 | 26/02/2018 |
|--------------|---------------|---------------|---------------|
| Northern | S33 | S34 | S35 |
| Sydney | 9,056 | 10,430 | 11,540 |
| Southern | M33 | M34 | M35 |
| Melbourne | 23,875 | 20,480 | 19,371 |
| Western | F33 | F34 | F35 |
| Fremantle | 10,101 | 8,550 | 8,250 |
| Total | 43,032 | 39,460 | 39,161 |

THIS WEEK'S SALES STATISTICS

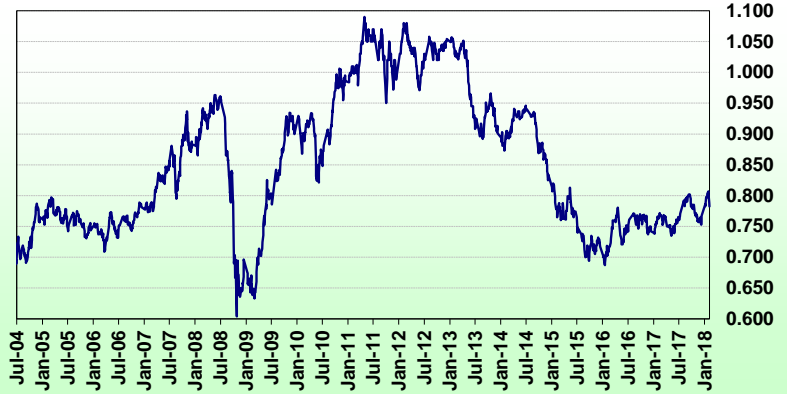
| Centre | Bales Originally | Bales Offered | Bales Sold | Pass in Rate |
|--------------|------------------|---------------|---------------|--------------|
| Northern | 11,120 | 12,571 | 12,411 | 1.3% |
| Southern | 20,400 | 19,886 | 19,387 | 2.5% |
| Western | 8,800 | 7,125 | 6,957 | 2.4% |
| TOTAL | 40,320 | 39,582 | 38,755 | 2.1% |

Average Nth-Sth MPG's as reported on 8 Feb 2018

AWEX Weekly Eastern Market Indicator



AUD vs USD from 06-Jul-04 to 08-Feb-18



| Micron | EMI | 16.5 | 17 | 17.5 | 18 | 18.5 | 19 | 19.5 | 20 | 21 | 22 | 23 | 25 | 28 | AUD |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|--------|
| Current MPG's | 1818 | 2965 | 2788 | 2617 | 2395 | 2265 | 2155 | 2063 | 1993 | 1892 | 1724 | 1679 | 1265 | 788 | 0.783 |
| 10 year Average | 1023 | 1648 | 1481 | 1486 | 1359 | 1299 | 1230 | 1169 | 1113 | 1071 | 1040 | 1013 | 827 | 587 | 0.847 |
| This time last year | 1437 | 2080 | 2060 | 2035 | 1970 | 1892 | 1783 | 1667 | 1559 | 1444 | 1387 | 1359 | 1040 | 667 | 0.763 |
| 10 year High | 1822 | 2965 | 2788 | 2630 | 2401 | 2265 | 2163 | 2072 | 1993 | 1892 | 1724 | 1679 | 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% | 0% | 11% | 57% |
| Diff b/w High & Current | 4 | 0 | 0 | 13 | 7 | 0 | 8 | 9 | 0 | 0 | 0 | 0 | 16 | 188 | 0.308 |
| Diff b/w Ave & Current | 795 | 1316 | 1307 | 1131 | 1035 | 966 | 924 | 894 | 880 | 821 | 684 | 666 | 438 | 201 | -0.065 |

Percentile Bands

| | | | | | | | | | | | | | | | |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|-----|-------|
| 95% | 1519 | 2550 | 2366 | 2262 | 2131 | 1995 | 1847 | 1717 | 1605 | 1509 | 1456 | 1428 | 1582 | 839 | 1.048 |
| 90% | 1355 | 2330 | 2194 | 2173 | 1981 | 1834 | 1644 | 1520 | 1475 | 1430 | 1388 | 1357 | 1383 | 802 | 1.030 |
| 80% | 1247 | 1866 | 1618 | 1618 | 1530 | 1486 | 1448 | 1403 | 1362 | 1327 | 1296 | 1265 | 1271 | 708 | 0.960 |
| 75% | 1206 | 1728 | 1551 | 1561 | 1481 | 1444 | 1395 | 1361 | 1319 | 1292 | 1254 | 1219 | 1230 | 678 | 0.935 |
| 60% | 1052 | 1555 | 1428 | 1454 | 1349 | 1291 | 1236 | 1188 | 1165 | 1153 | 1138 | 1114 | 1073 | 628 | 0.880 |
| 50% | 995 | 1512 | 1369 | 1369 | 1273 | 1234 | 1178 | 1137 | 1094 | 1054 | 1011 | 975 | 1021 | 544 | 0.806 |
| 40% | 925 | 1470 | 1306 | 1314 | 1215 | 1172 | 1112 | 1059 | 1004 | 964 | 930 | 894 | 949 | 484 | 0.776 |
| 25% | 803 | 1406 | 1245 | 1249 | 1137 | 1072 | 1007 | 947 | 873 | 820 | 790 | 771 | 818 | 468 | 0.756 |
| 10% | 729 | 1332 | 1171 | 1183 | 1029 | 996 | 928 | 864 | 802 | 748 | 717 | 697 | 746 | 448 | 0.723 |

Indicative Basis Contract Prices

| Date | MPG | 17 | 17.5 | 18 | 18.5 | 19 | 19.5 | 20 | 21 | 22 | 23 | 28 |
|----------|-----|------|------|------|------|------|------|------|------|------|------|-----|
| Feb-2018 | | 2600 | 2550 | 2320 | 2230 | 2150 | 2030 | 1900 | 1800 | 1675 | 1600 | 785 |
| Mar-2018 | | 2580 | 2530 | 2300 | 2210 | 2140 | 2010 | 1890 | 1800 | 1650 | 1580 | 795 |
| Apr-2018 | | 2560 | 2500 | 2260 | 2180 | 2130 | 1980 | 1875 | 1775 | 1630 | 1550 | 805 |
| May-2018 | | 2530 | 2450 | 2250 | 2160 | 2100 | 1970 | 1850 | 1750 | 1620 | 1500 | 805 |
| Jun-2018 | | 2510 | 2400 | 2230 | 2080 | 1995 | 1950 | 1830 | 1730 | 1600 | 1470 | 805 |
| Jul-2018 | | 2500 | 2380 | 2210 | 2050 | 1970 | 1900 | 1780 | 1710 | 1580 | 1450 | 730 |
| Aug-2018 | | 2490 | 2340 | 2200 | 2030 | 1950 | 1850 | 1760 | 1680 | 1560 | 1400 | 700 |
| Sep-2018 | | 2480 | 2320 | 2150 | 2000 | 1940 | 1800 | 1740 | 1640 | 1500 | 1350 | 700 |
| Oct-2018 | | 2340 | 2200 | 2100 | 1980 | 1930 | 1750 | 1700 | 1620 | 1480 | 1320 | 700 |
| Nov-2018 | | 2250 | 2150 | 2050 | 1850 | 1720 | 1680 | 1680 | 1580 | 1450 | 1300 | 680 |
| Dec-2018 | | 2250 | 2150 | 2050 | 1850 | 1680 | 1650 | 1650 | 1550 | 1400 | 1280 | 680 |
| Jan-2019 | | 2250 | 2150 | 2050 | 1850 | 1680 | 1650 | 1630 | 1500 | 1400 | 1260 | 640 |
| Feb-2019 | | 2250 | 2150 | 2050 | 1850 | 1680 | 1650 | 1600 | 1500 | 1400 | 1240 | 640 |
| Mar-2019 | | 2250 | 2150 | 2050 | 1850 | 1680 | 1650 | 1600 | 1500 | 1380 | 1220 | 640 |
| Apr-2019 | | 2250 | 2150 | 2050 | 1800 | 1660 | 1600 | 1580 | 1470 | 1260 | 1180 | 640 |

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.