

Wool Weekly

LANDMARK

Friday, 11 May 2018

Wool Market Movements

- It was an excellent week in the Australian wool market as prices for Merino wool lifted strongly, continuing the momentum seen in Fremantle last Thursday. All sale centres recorded strong gains on Wednesday and then further increases on Thursday. Crossbred wool prices were firm, with some ups and downs in each centre. The EMI closed at a new record of 1891 c/kg, up by 55 cents for the week. The increase in demand and wool prices was helped by a lower AUD. The EMI was 33 UScents higher at 1414 USc/kg. 37,842 bales were offered nationally and the pass-in rate dropped to 3.0%.
- Sydney hosted a two-day sale with just 9,157 bales offered. Buyers were keen to buy Merino wool, particularly 19 microns and finer. The more plentiful lower spec types were in demand after having been discounted in recent weeks, and those discounts all but disappeared. Prices rose sharply on Wednesday and rose again on Thursday, bringing the weekly gain to as much as 90 cents. Demand for Crossbred wool of 28 microns and finer were firm over the week while prices for broad Crossbred wool eased a little. The restricted offering of Oddments saw prices lift by 15-30 cents, with good gains on both days.
- The two-day sale in Melbourne saw 21,532 bales offered. Wednesday's sale opened strongly for Merino wools with all microns and specifications lifting by 40-60 cents. Buyers focused on the well-prepared Crossbred lots which recorded 10 cents increases, while the less well-prepared lots lifted by 5 cents. Strong demand for Oddments saw prices lift by 15 cents and more. There was a greater proportion of lower style Merino wools on Thursday, but buyers continued to compete strongly, pushing prices up by a further 25-30 cents. Buyers' preference for well-prepared Crossbred lots continued on Thursday, pushing prices for 29 micron and finer up. Low VM Oddments lifted again.
- The impetus established in Fremantle last Thursday continued at the two-day sale this week. Buyers bid strongly for the 6,449 bales on offer, lifting prices into record territory for many of the micron categories. There were gains of 70-90 cents and the WMI smashed through the 2000 cent barrier to close at 2018 c/kg. Both sale days saw strong increases across the micron range as buyers scrambled to secure supplies. There was less heat in the Oddment market but prices still rose over the week by 20-40 cents.

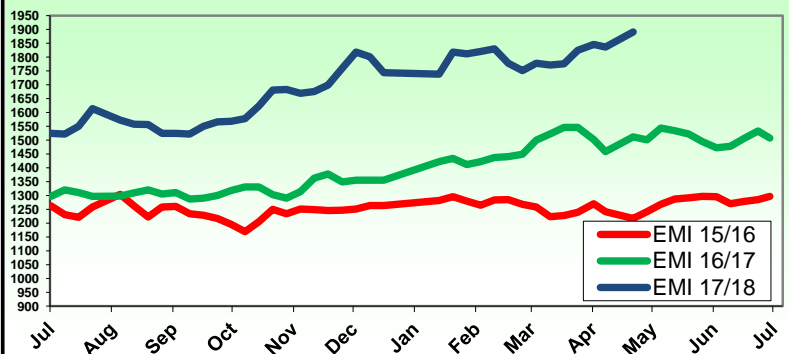
AWEX WEEKLY WOOL PRICES

Regional Indicator	North	Wkly Chg	South	Wkly Chg	West	Wkly Chg
c/kg clean	1940	+48	1859	+59	2018	+66

MICRON PRICE GUIDES						
16.5	-	-	-	-	-	-
17	2771n	+19	2726n	+14	-	-
17.5	2591	+60	2583n	+60	2508n	-
18	2389	+44	2383	+37	2346n	+90
18.5	2238	+61	2241	+58	2238n	+85
19	2154	+68	2163	+77	2171	+78
19.5	2101	+82	2105	+88	2113	+70
20	2074	+94	2072	+83	2076	+72
21	2044	+80	2048	+78	2036	+67
22	-	-	2018	+63	2029n	+82
23	-	-	1986n	+55	-	-
24	-	-	1849n	+45	-	-
25	1542n	-	1573n	+42	-	-
26	1344	+3	1330n	+4	-	-
28	999	+1	999	+10	-	-
30	703	-5	706	0	-	-
32	466n	-7	466n	+1	-	-
MC	1397n	+20	1426n	+36	1409n	+23

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

Currently: 1891 c/kg clean



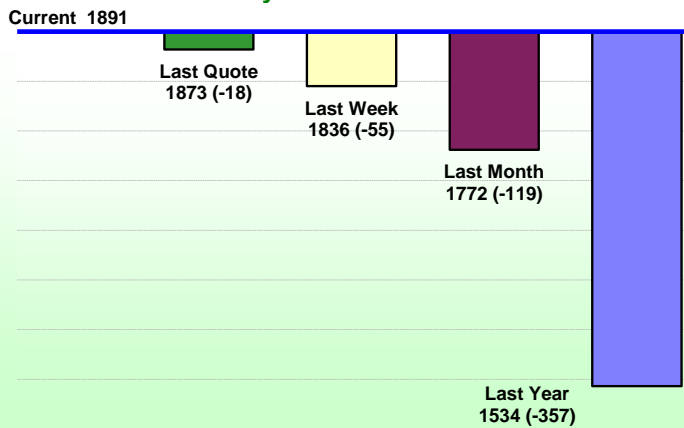
Upcoming Auction Volumes

	14-05-18	21-05-18	28-05-18
Northern	S46	S47	S48
Sydney	11,281	10,120	9,465
Southern	M46	M47	M48
Melbourne	19,251	18,402	18,650
Western	F46	F47	F48
Fremantle	6,964	6,449	6,500
Total	37,496	34,971	34,615

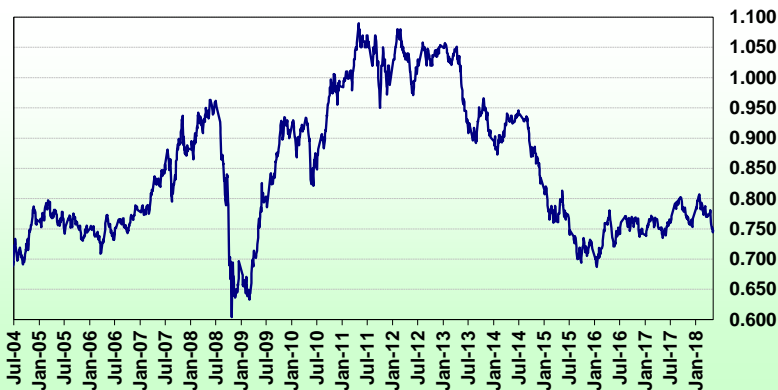
THIS WEEK'S SALES STATISTICS

Centre	Bales Originally	Bales Offered	Bales Sold	Pass in Rate
Northern	9,700	9,157	8,975	2.0%
Southern	20,735	22,032	21,532	2.3%
Western	7,950	6,653	6,449	3.1%
TOTAL	38,385	37,842	36,956	2.3%

AWEX Weekly Eastern Market Indicator



AUD vs USD from 06-Jul-04 to 10-May-18



Micron	EMI	16.5	17	17.5	18	18.5	19	19.5	20	21	22	23	25	28	AUD
Current MPG's	1891	3005	2749	2587	2386	2240	2159	2103	2073	2046	2018	1986	1558	999	0.748
10 year Average	1037	1678	1504	1509	1378	1315	1246	1184	1128	1087	1056	1028	837	593	0.846
This time last year	1534	2393	2328	2278	2206	2127	1951	1791	1628	1509	1431	1385	1136	757	0.735
10 year High	1891	3044	2804	2630	2401	2265	2170	2103	2073	2046	2018	1986	1558	999	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%	1%	1%	1%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	82%
Diff b/w High & Current	0	39	56	43	15	26	12	0	0	0	0	0	0	0	0.342
Diff b/w Ave & Current	854	1327	1244	1078	1008	924	913	919	945	959	962	958	721	406	-0.098

Percentile Bands

95%	1549	2600	2418	2330	2168	2050	1906	1769	1643	1552	1487	1451	1613	847	1.048
90%	1388	2416	2242	2216	2060	1874	1707	1602	1519	1447	1409	1368	1423	810	1.030
80%	1263	1908	1656	1654	1545	1497	1465	1418	1374	1338	1309	1276	1283	728	0.956
75%	1220	1781	1566	1577	1499	1455	1404	1369	1332	1304	1263	1230	1243	681	0.933
60%	1058	1563	1437	1465	1357	1297	1242	1193	1170	1157	1144	1124	1078	633	0.875
50%	1003	1517	1372	1377	1276	1238	1185	1143	1102	1069	1038	1013	1026	556	0.800
40%	928	1474	1310	1316	1219	1175	1115	1066	1011	968	933	896	953	485	0.776
25%	817	1410	1247	1252	1139	1076	1010	948	878	822	799	773	829	468	0.756
10%	730	1334	1177	1183	1030	996	928	865	805	748	717	697	747	449	0.723

Indicative Basis Contract Prices

Date	MPG	17	17.5	18	18.5	19	19.5	20	21	22	23	28
May-2018		2530	2350	2250	2150	2075	1995	1955	1950	1880	1780	850
Jun-2018		2520	2340	2240	2150	2075	2000	1960	1955	1885	1760	800
Jul-2018		2500	2320	2230	2140	2075	1960	1920	1915	1845	1730	800
Aug-2018		2460	2280	2140	2040	2010	1940	1900	1895	1825	1670	750
Sep-2018		2380	2200	2080	1950	1995	1920	1880	1875	1805	1630	740
Oct-2018		2320	2140	2000	1930	1945	1865	1825	1820	1750	1550	730
Nov-2018		2290	2110	1910	1840	1840	1860	1820	1810	1740	1450	720
Dec-2018		2270	2090	1890	1830	1840	1850	1810	1800	1730	1400	650
Jan-2019		2260	2080	1880	1800	1750	1840	1800	1790	1720	1320	640
Feb-2019		2240	2070	1870	1780	1730	1840	1800	1790	1720	1300	630
Mar-2019		2210	2050	1850	1760	1710	1815	1775	1765	1695	1280	630
Apr-2019		2150	2000	1800	1700	1660	1790	1750	1740	1670	1260	630
May-2019		2150	2000	1800	1700	1660	1765	1725	1715	1645	1240	630
Jun-2019		2150	2000	1800	1700	1660	1740	1700	1690	1620	1220	630
Jul-2019		2100	1950	1780	1680	1630	1690	1650	1640	1570	1180	630

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.