

Wool Weekly

LANDMARK

Friday, 17 August 2018

Wool Market Movements

- A thrilling week for Australian wool sales as the benchmark EMI soared to a new record level. With the number of bales on offer reduced by nearly 30% from last week, buyers were eager to secure wool. Increasing uncertainty regarding wool production due to continuing dry conditions around the country together with a favourable exchange rate, generated strong competition between buyers. This drove a 99 cent rise in the EMI rise on the first sale day which was the largest daily increase in 16 years. Although the market was more restrained on day 2, the EMI continued to climb reaching 2,116 c/kg clean. This was the largest weekly rise in 16 years with the EMI exceeding the previous record level set 2 months ago in June 2018. The low pass in rate of just 1.5%, saw 35,759 of the 36,302 bales offered sold. A recess in Fremantle next week will see a further reduction in the offering, with 29,813 bales currently rostered for sale in Sydney and Melbourne.
- The Sydney sales opened strong and remained so with considerable gains across all micron categories and descriptions. Fine micron wools gained between 128 and 204 cents with medium wools adding between 131 and 148 cents. Crossbred types rose between 61 and 77 cents with Merino cardings increasing by 49 cents on the previous sale. Just 1.3% of 12,871 bales on offer were passed in as the positive buyer sentiment echoed across the skirtings and oddments.
- The Melbourne sales were exceptional with 98.5 % of the 18,971 bales on offer sold. Substantial gains were made across the entire micron range. Increases of up to 179 cents in the finer types lead the way with the gain in medium micron types ranging between 113 and 157 cents. Despite the strength in the market, buyers were still prepared to chase best style lots with high measured performance. Skirtings with low VM (< 5%) were highly sought after.
- Just 4,460 bales on offer at the one-day Fremantle sale generated intense buyer competition and pushed the Western Market Indicator and all micron prices guides to new all-time highs. The 98% clearance rate reflected the rush to secure sufficient bales from the limited selection. All Merino types were at least 138 cents dearer than the previous sale. Merino cardings increased by 31 cents.

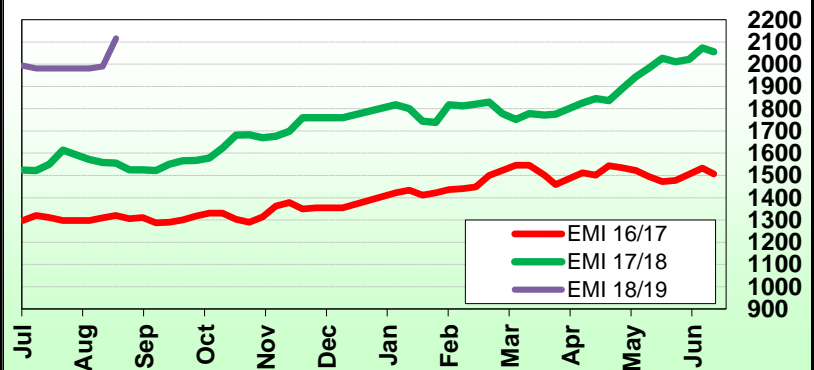
AWEX WEEKLY WOOL PRICES

Regional Indicator	North	Wkly Chg	South	Wkly Chg	West	Wkly Chg
c/kg clean	2163	+136	2087	+120	2279	+121

MICRON PRICE GUIDES						
16.5	3187n	+128	-	-	-	-
17	3007	+191	3006	+175	-	-
17.5	2832	+194	2830	+178	-	-
18	2682	+204	2659	+179	2580n	+163
18.5	2568	+172	2556	+163	2521	+152
19	2465	+173	2459	+131	2472	+148
19.5	2398	+148	2429	+157	2423	+155
20	2376	+144	2387	+141	2388	+141
21	2341	+131	2367	+137	2357	+136
22	-	-	2350	+149	-	-
23	-	-	2308n	+113	-	-
24	-	-	2153n	-	-	-
25	1801n	-	-	-	-	-
26	1507	+77	1554	-	-	-
28	944	+73	984	+98	-	-
30	709	+61	736	+63	-	-
32	-	-	513n	+62	-	-
MC	1515	+49	1558n	+81	1534n	+42

AWEX EMI 2016/17 & 2017/18 Season vs Current

Currently: 2116 c/kg clean



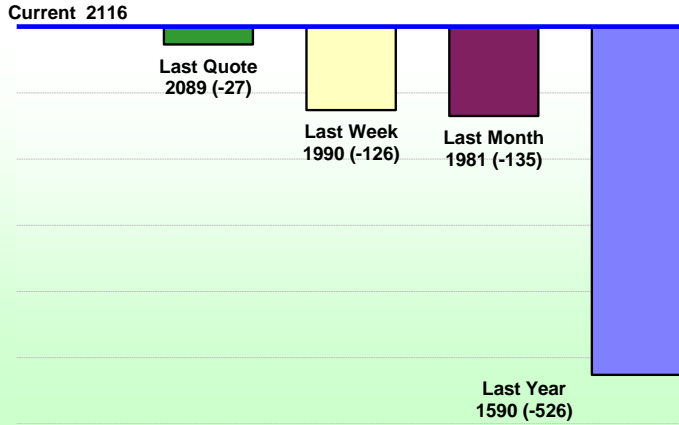
Upcoming Auction Volumes

	21/08/2018	28/08/2018	4/09/2018
Northern	S08	S09	S10
Sydney	10,447	11,145	10,930
Southern	M08	M09	M10
Melbourne	19,366	17,730	21,200
Western	F08	F09	F10
Fremantle	RECESS	6,600	6,760
Total	29,813	35,475	38,890

THIS WEEK'S SALES STATISTICS

Centre	Bales Originally	Bales Offered	Bales Sold	Pass in Rate
Northern	11,090	12,871	12,705	1.3%
Southern	18,262	18,971	18,681	1.5%
Western	6,600	4,460	4,373	2.0%
TOTAL	35,952	36,302	35,759	1.5%

AWEX Weekly Eastern Market Indicator



AUD vs USD from 06-Jul-04 to 16-Aug-18



Micron	EMI	16.5	17	17.5	18	18.5	19	19.5	20	21	22	23	25	28	AUD
Current MPG's	2116	3187	3007	2831	2671	2562	2462	2414	2382	2354	2350	2308	1801	964	0.726
10 year Average	1166	1747	1642	1580	1516	1449	1379	1317	1263	1230	1200	1169	940	659	0.868
This time last year	1614	2336	2289	2254	2190	2088	2088	2088	2088	2088	2088	2088	2088	897	0.794
10 year High	2116	3187	3007	2831	2671	2562	2462	2414	2382	2354	2350	2308	2153	1050	1.090
10 year Low	721	1259	1152	1092	1021	955	887	802	723	672	662	647	631	423	0.604
% Reported above current	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	88%
Diff b/w High & Current	0	0	0	0	0	0	0	0	0	0	0	0	-	86	0.364
Diff b/w Ave & Current	950	1440	1365	1251	1154	1113	1083	1097	1119	1124	1150	1139	-	305	-0.142

Percentile Bands

95%	1774	2896	2685	2509	2325	2179	2083	2005	1925	1839	1723	1662	1426	911	1.050
90%	1535	2553	2400	2277	2158	2030	1888	1754	1633	1544	1478	1442	1603	843	1.040
80%	1340	2215	2176	2045	1931	1807	1634	1513	1461	1414	1384	1355	1366	790	1.010
75%	1296	1941	1768	1688	1625	1579	1530	1472	1409	1382	1361	1327	1321	762	0.985
60%	1210	1592	1550	1524	1484	1447	1398	1362	1325	1298	1255	1220	1234	678	0.913
50%	1113	1539	1464	1433	1376	1333	1299	1272	1236	1223	1199	1165	1132	659	0.873
40%	1059	1478	1379	1332	1302	1259	1221	1188	1168	1157	1144	1124	1079	634	0.795
25%	980	1396	1291	1258	1211	1175	1130	1100	1067	1055	1036	1006	979	553	0.761
10%	848	1315	1240	1189	1153	1101	1029	953	873	832	816	802	875	457	0.719

Indicative Basis Contract Prices

Date	MPG	17	17.5	18	18.5	19	19.5	20	21	22	23	28
Aug-2018		2560	2450	2380	2310	2270	2255	2245	2240	2210	2170	930
Sep-2018		2540	2445	2375	2305	2260	2235	2225	2220	2190	2150	920
Oct-2018		2525	2430	2360	2300	2250	2225	2215	2210	2180	2140	920
Nov-2018		2515	2420	2350	2280	2240	2215	2205	2200	2170	2130	910
Dec-2018		2505	2410	2340	2270	2230	2195	2185	2180	2150	2110	900
Jan-2019		2495	2390	2320	2250	2200	2165	2155	2150	2120	2080	880
Feb-2019		2470	2380	2310	2240	2170	2135	2125	2120	2080	2030	870
Mar-2019		2445	2340	2270	2200	2140	2115	2105	2100	2060	2010	860
Apr-2019		2430	2330	2260	2190	2100	2095	2085	2080	2040	1990	830
May-2019		2415	2320	2250	2180	2100	2055	2045	2040	2000	1950	800
Jun-2019		2400	2320	2250	2180	2100	2015	2005	2000	1960	1910	750
Jul-2019		2385	2300	2230	2160	2100	1995	1985	1980	1940	1890	720
Aug-2019		2370	2270	2200	2130	2090	1965	1955	1950	1910	1860	700
Sep-2019		2355	2270	2200	2130	2090	1965	1955	1950	1910	1860	700
Oct-2019		2355	2270	2200	2130	2080	1965	1955	1950	1910	1860	700

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.