

WOOL MARKET WEEKLY REPORT

FRIDAY 15 February 2013



SALE WEEK	
Week No.	33
Sale days	Wed, Thu
Locations	Syd, Mel, Fre

OFFERING	
Bales offered	49,426
Passed-In (%)	9.4%
Re-offer (%)	5.3%

CURRENCY MOVEMENTS	
AU:USD	1.0352 +0.33%
AU:CYN	6.4519 +0.30%
AU:EUR	0.7703 +0.86%

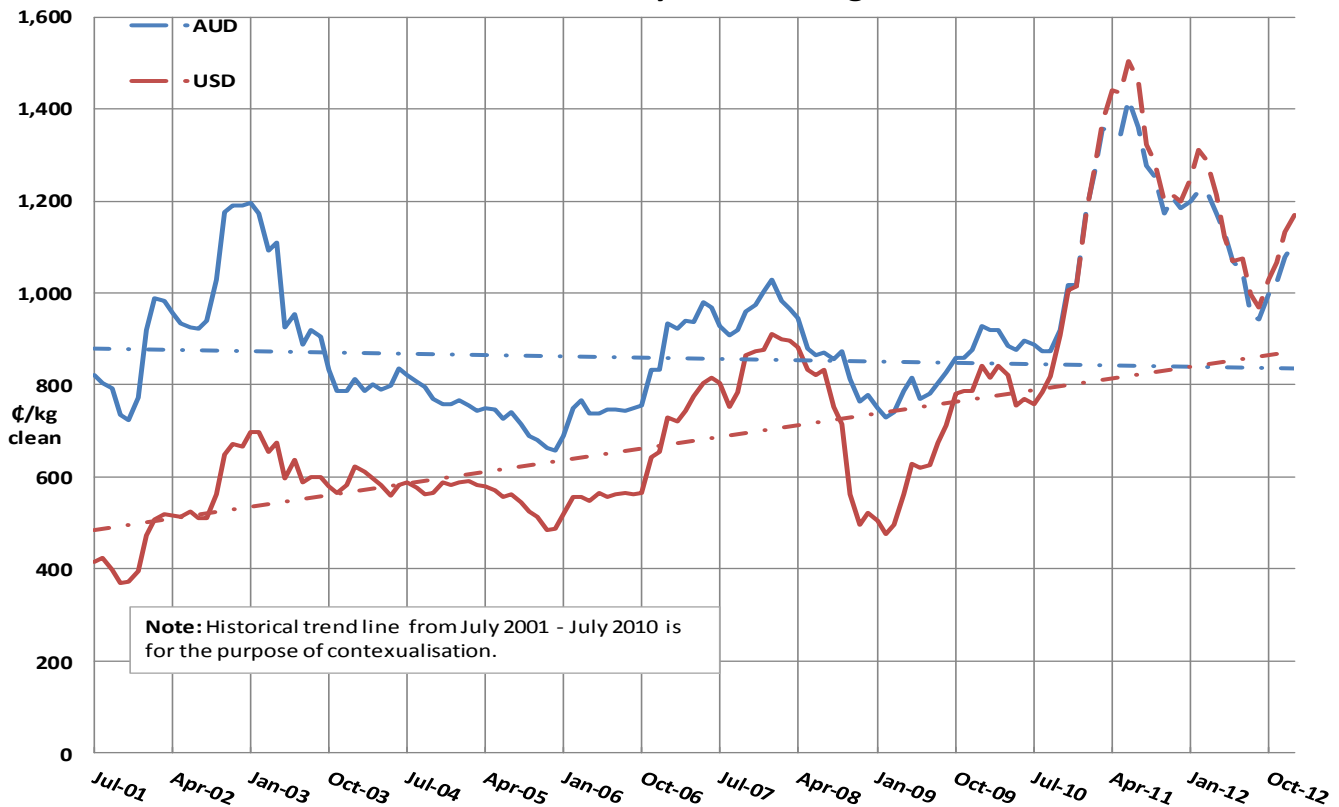
MPG	North	South	West
17	1482 -28	1445 -31	-
18	1394 -9	1380 -23	1363 +5
19	1331 -9	1318 -15	1321 +10
20	1245 -4	1231 -19	1252 +6
21	1226 -7	1232 +0	1218 +1
22	1208 -12	1207 -9	1203 +7
23	1184 -12	1177 -19	-
24	-	1068	-
25	-	903	-
26	808 -6	796 -24	-
28	623 +6	621 -10	-
30	585 +5	584 +3	-
32	489	488 -2	-
MC	756 +7	738 -11	717 +8

AWEX EMI		
AUD	1117 c/kg cln	-0.98%
USD	1156 c/kg cln	-0.65%
CYN	7207 c/kg cln	-0.68%

Forecast offering: current season on last season		
Week 34	54,543 bales	52,427 bales
Week 35	46,200 bales	47,102 bales
Week 36	52,300 bales	49,723 bales

Wool Forwards				
	18 um	19 um	21 um	23 um
20/03/13	-	1,310	1,205	-
10/04/13	-	1,320	1,210	-
24/04/13	-	1,315	1,210	-

Monthly EMI Tracking



COMMENTARY

The wool markets across Australia continued unsurprisingly this week in a pattern similar to that set in the previous series. Under the volume of 50,000 bales offered, most levels of price opened under a cheapening tone for the initial period, but thence firmed strongly on the final day. The exception to this was the large specialty Superfine Merino types of 18.5 micron and finer which tracked in the reverse, by opening dearer on the first day in Melbourne thence softening towards the close. This was largely due to the good Tasmanian sourced wools offering in Melbourne of 9000 bales, which featured some excellent spinners and best top making types at the start of the week, which were extremely well sought by numerous buying interests.

Large volumes of 18.5 micron Superfine Merino types have made up a large percentage of the selection since the commencement of the calendar year. Most expectations in the past few weeks from the trade has been for these types to falter and reduce in price under the weight of supply. Contrary to this view, the market has been remarkably resilient in this area, and indeed the better types have managed to post small, but respectable gains. It was noted though this week towards the close, that the lesser types between 16.0 and 18.5 micron were waning in demand, and were being quoted at up to 25cents cheaper for the week.

Merino types of 18.5 to 23.0 micron were less abundant this week, but again price levels slipped a further 10 to 15cents for the series. Whilst this may appear to be a cheapening trend, in fact all prices actually rose by 10cents across the spectrum of these types on the final days selling, taking back some ground from the initial falls of 25cents, which had occurred on the first 2 days of selling. The very strong competition on the final day came from mainly the indent operators acting on behalf of Chinese interests, whom had shown some reluctance to purchase earlier in the week. Somewhat against the trend set in the two Eastern Australian centres was the Western Australian market in Fremantle, which posted weekly gains of 5 to 10cents for all quoted types.

Comeback and crossbred fleece and lamb types remain steady in demand and were generally unchanged. All types in Sydney were slightly dearer and in Melbourne slightly cheaper, thus finishing the week in general alignment in price levels between the centres.

With the Chinese still on holidays this week celebrating their New Year, the wool markets have shown some real strength again, as several of the largest buyers were expecting a much cheaper market than what has occurred over the two week break for the Chinese. With the full complement of buying nations back in business next week we can expect a firm market with a hopeful expectation from our wool growers of a strengthening.

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