

# Wool Weekly

# LANDMARK

Friday, 6 September 2019

## Wool Market Movements

- This week's sales started slowly but gained momentum as the sales progressed and buyer confidence returned to the market. Gains in most Merino Price Guides (MPGs) on Thursday boosted the EMI by 22 cents, and it closed the week at 1,365 c/kg clean just 10 lower than last week. Increased demand in the Merino carding sector pushed the Northern, Southern and Western carding indicators into positive territory. The national pass-in rate was 11.5%. Next week 27,923 bales are on offer.
- While price reductions continued in Sydney on Wednesday, they were significantly lower than last week. Thursday's sale saw increases in all MPGs, up by 27 to 43 cents. Best and Good style Merino fleece lots with favourable additional measurements held their value on Wednesday and gained between up to 60 cents on Thursday. Wednesday's Merino Skirtings market lost ground early but strengthened as the sale progressed with some lots gaining ground on the last sale. Thursday saw further gains of up to 30 cents. Broader (> 28 µm) crossbred lots gained ground on Wednesday and held that level on Thursday. Oddment lots eased on Wednesday but gained 20 to 30 cents on Thursday. The Northern Regional Indicator gained 3 cents to 1,408 c/kg clean and the Northern Merino Carding Indicator rose 8 cents to 814 c/kg clean. The Sydney pass-in rate was 14.9%.
- The Melbourne Merino fleece market opened easier on Wednesday but strengthened as the sale progressed. The positive momentum continued Thursday with upward movement in most MPGs. Non-mulesed lots again performed strongly and maintained last week's levels. Merino skirtings lost ground on Wednesday, particularly those with >5% VM. Low VM lots (<4%) increased by up to 20 cents on Thursday. Well-prepared crossbred lots maintained their value. Oddment lots eased on Wednesday but strengthened somewhat on Thursday. The Southern Regional Indicator fell 18 cents to 1,338 c/kg clean and the Southern Merino Carding Indicator gained 26 cents to 821 c/kg clean. The Melbourne pass-in rate was 9.4%.
- A single day sale in Fremantle with a limited selection of just 2,119 Merino fleece bales available as 32% of the offering was withdrawn prior to sale. The Merino MPGs lost between 26 to 39 cents, although the sale did strengthen as the day progressed. Merino Skirtings lost up to 70 cents with those carrying >5% VM least affected. The few available oddments lots gained up to 15 cents. The Western Regional Indicator ended the sale at 1,383 c/kg clean down 33 cents. The Western Merino Carding Indicator gained 12 cents to 855 c/kg clean. The Fremantle pass-in rate was 11.9%.

## AWEX WEEKLY WOOL PRICES

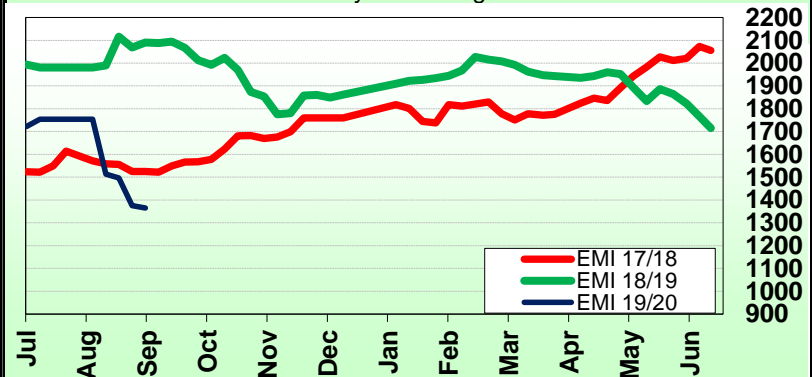
| Regional Indicator | North | Wkly Chg | South | Wkly Chg | West | Wkly Chg |
|--------------------|-------|----------|-------|----------|------|----------|
| c/kg clean         | 1408  | +3       | 1338  | -18      | 1383 | -33      |

| MICRON PRICE GUIDES |       |     |       |     |      |     |
|---------------------|-------|-----|-------|-----|------|-----|
| 16.5                | 1880  | 0   | 1882n | +25 | -    | -   |
| 17                  | 1842  | -3  | 1823  | +4  | -    | -   |
| 17.5                | 1810  | -8  | 1808  | -7  | -    | -   |
| 18                  | 1783  | -12 | 1747  | -7  | 1577 | -26 |
| 18.5                | 1714  | -4  | 1679  | -9  | 1553 | -29 |
| 19                  | 1578  | -15 | 1582  | -29 | 1510 | -39 |
| 19.5                | 1530  | -14 | 1518  | -16 | 1477 | -30 |
| 20                  | 1497  | -18 | 1481  | -23 | 1451 | -26 |
| 21                  | 1487n | -12 | 1477  | -26 | 1438 | -35 |
| 22                  | -     | -   | 1478n | -8  | -    | -   |
| 23                  | -     | -   | -     | -   | -    | -   |
| 24                  | -     | -   | -     | -   | -    | -   |
| 25                  | -     | -   | -     | -   | -    | -   |
| 26                  | 1100n | -   | -     | -   | -    | -   |
| 28                  | 853n  | +10 | 849   | +3  | -    | -   |
| 30                  | -     | -   | 703   | +5  | -    | -   |
| 32                  | -     | -   | 456n  | -8  | -    | -   |
| MC                  | 814n  | +8  | 821n  | +26 | 855  | +12 |

## AWEX EMI 2017/18 & 2018/19 Seasons vs Current

Currently: 1365 c/kg clean



760

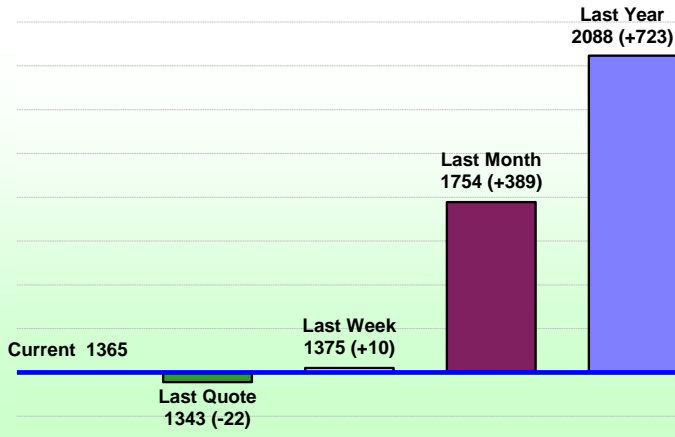
|              | 10/09/2019    | 17/09/2019    | 24/09/2019    |
|--------------|---------------|---------------|---------------|
| Northern     | S11           | S12           | S13           |
| Sydney       | 6,289         | 8,950         | 7,670         |
| Southern     | M11           | M12           | M13           |
| Melbourne    | 16,237        | 18,765        | 14,484        |
| Western      | F11           | F12           | F13           |
| Fremantle    | 5,397         | 7,500         | 6,500         |
| <b>Total</b> | <b>27,923</b> | <b>35,215</b> | <b>28,654</b> |

## THIS WEEK'S SALES STATISTICS

| Centre       | Bales Originally | Bales Offered | Bales Sold    | Pass in Rate |
|--------------|------------------|---------------|---------------|--------------|
| Northern     | 10,260           | 7,039         | 5,990         | 14.9%        |
| Southern     | 19,755           | 11,619        | 10,529        | 9.4%         |
| Western      | 7,450            | 3,036         | 2,675         | 11.9%        |
| <b>TOTAL</b> | <b>37,465</b>    | <b>21,694</b> | <b>19,194</b> | <b>11.5%</b> |

Average Nth-Sth MPG's as reported on 5 Sep 2019

### AWEX Weekly Eastern Market Indicator Quote Comparisons



### AUD vs USD from 06-Jul-04 to 05-Sep-19



| Micron                             | EMI  | 16.5 | 17   | 17.5 | 18   | 18.5 | 19   | 19.5 | 20   | 21   | 22   | 23   | 25   | 28   | AUD    |
|------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--------|
| <b>Current MPG's</b>               | 1365 | 1881 | 1833 | 1809 | 1765 | 1697 | 1580 | 1524 | 1489 | 1482 | 1478 | -    | -    | 851  | 0.682  |
| <b>10 year Average</b>             | 1273 | 1847 | 1751 | 1692 | 1630 | 1565 | 1499 | 1444 | 1397 | 1365 | 1331 | 1264 | 1133 | 1003 | 0.867  |
| <b>This time last year</b>         | 2088 | 3055 | 2946 | 2771 | 2643 | 2542 | 2429 | 2358 | 2310 | 2272 | 2259 | 2237 | 1766 | 971  | 0.717  |
| <b>10 year High</b>                | 2116 | 3187 | 3007 | 2831 | 2683 | 2569 | 2462 | 2414 | 2391 | 2371 | 2350 | 2308 | 2153 | 1323 | 1.090  |
| <b>10 year Low</b>                 | 766  | 1265 | 1172 | 1137 | 1077 | 1019 | 945  | 856  | 793  | 776  | 764  | 753  | 727  | 432  | 0.670  |
| <b>% Reported above current</b>    | 28%  | 37%  | 32%  | 33%  | 32%  | 31%  | 32%  | 28%  | 27%  | 23%  | 19%  | 0%   | 0%   | 17%  | 99%    |
| <b>Diff b/w High &amp; Current</b> | 751  | 1306 | 1174 | 1022 | 918  | 872  | 882  | 890  | 902  | 889  | 872  | -    | -    | 472  | 0.408  |
| <b>Diff b/w Ave &amp; Current</b>  | 92   | 34   | 81   | 117  | 135  | 132  | 81   | 80   | 92   | 117  | 147  | -    | -    | -152 | -0.185 |

#### Percentile Bands

|            |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |
|------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| <b>95%</b> | 1960 | 2983 | 2760 | 2578 | 2438 | 2353 | 2299 | 2276 | 2260 | 2240 | 2222 | 2146 | 1504 | 1026 | 1.050 |
| <b>90%</b> | 1835 | 2613 | 2523 | 2474 | 2361 | 2244 | 2158 | 2088 | 2072 | 2067 | 2033 | 1679 | 1258 | 933  | 1.040 |
| <b>80%</b> | 1525 | 2463 | 2348 | 2243 | 2138 | 2011 | 1868 | 1741 | 1626 | 1535 | 1467 | 1386 | 1174 | 836  | 1.010 |
| <b>75%</b> | 1424 | 2317 | 2234 | 2172 | 2072 | 1889 | 1748 | 1652 | 1546 | 1470 | 1417 | 1357 | 1127 | 813  | 0.985 |
| <b>60%</b> | 1267 | 1825 | 1672 | 1599 | 1550 | 1507 | 1473 | 1428 | 1379 | 1343 | 1310 | 1265 | 1011 | 734  | 0.913 |
| <b>50%</b> | 1207 | 1578 | 1536 | 1517 | 1484 | 1445 | 1397 | 1362 | 1323 | 1294 | 1253 | 1205 | 943  | 678  | 0.872 |
| <b>40%</b> | 1112 | 1517 | 1438 | 1394 | 1361 | 1332 | 1298 | 1271 | 1235 | 1220 | 1197 | 1155 | 911  | 659  | 0.786 |
| <b>25%</b> | 1038 | 1406 | 1327 | 1282 | 1258 | 1233 | 1199 | 1169 | 1146 | 1136 | 1122 | 1082 | 881  | 619  | 0.756 |
| <b>10%</b> | 915  | 1331 | 1250 | 1206 | 1171 | 1136 | 1082 | 1017 | 971  | 946  | 924  | 892  | 705  | 470  | 0.717 |

#### Indicative Basis Contract Prices

| Date     | MPG | 17   | 17.5 | 18   | 18.5 | 19   | 19.5 | 20   | 21   | 22   | 23   | 28  |
|----------|-----|------|------|------|------|------|------|------|------|------|------|-----|
| Sep-2019 |     | 1595 | 1590 | 1560 | 1550 | 1530 | 1520 | 1455 | 1450 | 1420 | 1350 | 810 |
| Oct-2019 |     | 1595 | 1590 | 1560 | 1550 | 1530 | 1520 | 1465 | 1460 | 1430 | 1360 | 780 |
| Nov-2019 |     | 1595 | 1590 | 1560 | 1550 | 1530 | 1520 | 1475 | 1470 | 1440 | 1370 | 780 |
| Dec-2019 |     | 1595 | 1590 | 1560 | 1550 | 1530 | 1520 | 1465 | 1460 | 1430 | 1360 | 780 |
| Jan-2020 |     | 1565 | 1560 | 1530 | 1520 | 1500 | 1490 | 1445 | 1440 | 1410 | 1340 | 750 |
| Feb-2020 |     | 1515 | 1510 | 1480 | 1470 | 1450 | 1440 | 1405 | 1400 | 1370 | 1300 | 730 |
| Mar-2020 |     | 1465 | 1460 | 1430 | 1420 | 1400 | 1390 | 1385 | 1380 | 1350 | 1280 | 710 |
| Apr-2020 |     | 1445 | 1440 | 1410 | 1400 | 1380 | 1370 | 1365 | 1360 | 1330 | 1260 | 690 |
| May-2020 |     | 1425 | 1420 | 1390 | 1380 | 1360 | 1350 | 1345 | 1340 | 1310 | 1240 | 670 |
| Jun-2020 |     | 1405 | 1400 | 1370 | 1360 | 1340 | 1330 | 1325 | 1320 | 1290 | 1220 | 650 |
| Jul-2020 |     | 1385 | 1380 | 1350 | 1340 | 1320 | 1310 | 1305 | 1300 | 1270 | 1200 | 630 |
| Aug-2020 |     | 1365 | 1360 | 1330 | 1320 | 1300 | 1290 | 1285 | 1280 | 1250 | 1180 | 610 |
| Sep-2020 |     | 1345 | 1340 | 1310 | 1300 | 1280 | 1270 | 1265 | 1260 | 1230 | 1160 | 590 |
| Oct-2020 |     | 1325 | 1320 | 1290 | 1280 | 1260 | 1250 | 1245 | 1240 | 1210 | 1140 | 570 |
| Nov-2020 |     | 1305 | 1300 | 1270 | 1260 | 1240 | 1230 | 1225 | 1220 | 1190 | 1120 | 550 |

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.