

WOOL MARKET WEEKLY REPORT

FRIDAY 1 March 2013



SALE WEEK	
Week No.	35
Sale days	Tue, Wed, Thu
Locations	Newc, Mel, Fre

OFFERING	
Bales offered	47,686
Passed-In (%)	9.3%
Re-offer (%)	6.5%

CURRENCY MOVEMENTS	
AU:USD	1.0275 +0.33%
AU:CYN	6.3980 +0.09%
AU:EUR	0.7818 +1.27%

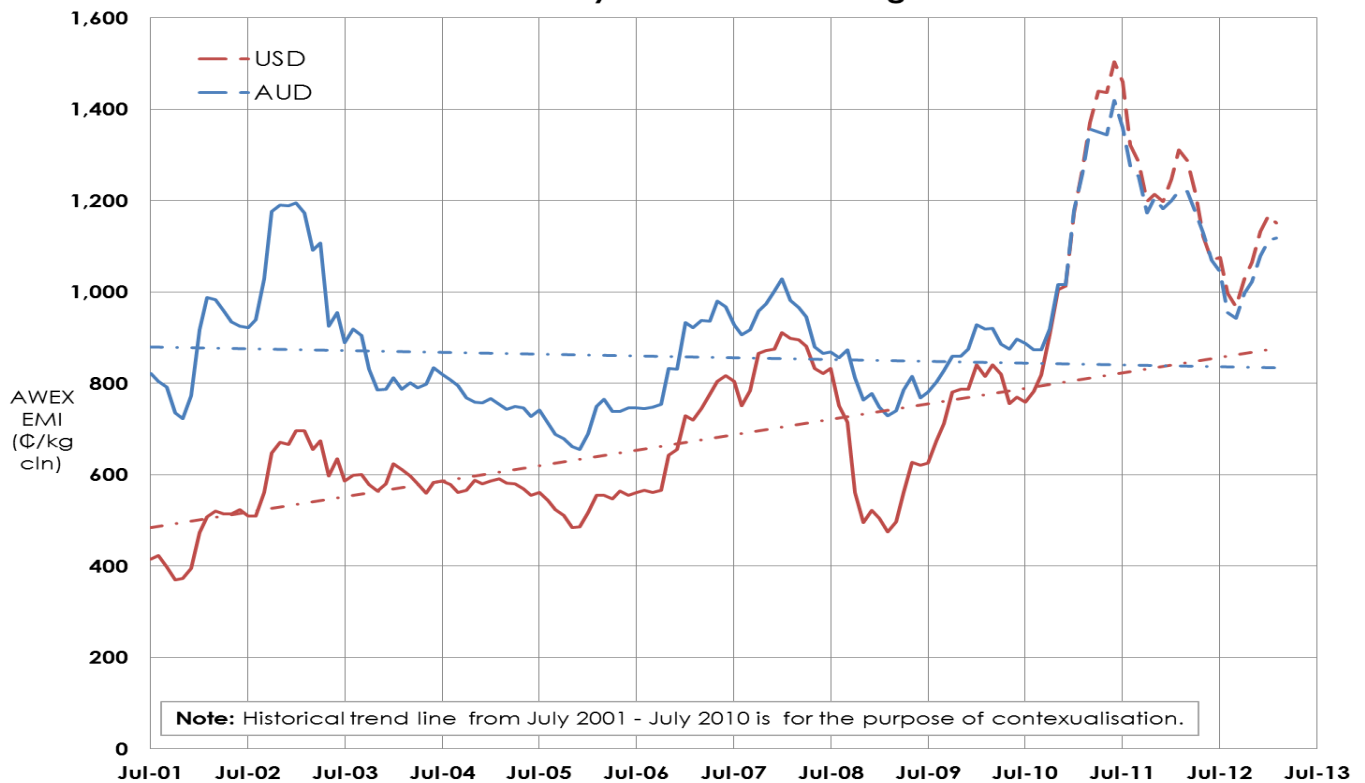
MPG	North	South	West
17	1448 +9	1435 -1	-
18	1368 -6	1352 -8	1328 -39
19	1302 -34	1299 -22	1283 -30
20	1226 -23	1229 -12	1223 -24
21	1218 -19	1215 -19	1202 -15
22	1196 -24	1202 -17	1188 -14
23	-	1185 -9	-
24	-	-	-
25	-	-	-
26	-	806 +2	-
28	626 +2	620 +6	-
30	581 +0	580 +4	-
32	-	492 +5	-
MC	758 +3	743 +2	719 -1

AWEX EMI		
AUD	1109 c/kg cln	-0.89%
USD	1139 c/kg cln	-0.56%
CYN	7095 c/kg cln	-0.80%

Forecast offering: current season on last season		
Week 36	56,868 bales	49,723 bales
Week 37	47,950 bales	41,560 bales
Week 38	50,800 bales	43,256 bales

Wool Forwards				
	18 um	19 um	21 um	23 um
24/04/13	-	-	1,200	-
10/07/13	-	-	1,200	-
-	-	-	-	-

Monthly AWEX EMI Tracking



COMMENTARY

Sales in Australian wool auctions this week featured over 52,000 bales up for sale, with quite a high percentage of fine and Superfine descriptions making up the bulk of the offering. As seems to be the "normal" market trend these days, prices were quite erratic during the course of selling through the series. Unlike the previous few weeks, the coarser edge of the Merino market sold to a somewhat subdued appetite, whilst the finest edge attracted some meaningful competition.

Superfine Merino types and descriptions finer than 18.5 micron were extremely well sought, with the Newcastle selling centre offering some magnificent, high quality spinners types. The Italian interests, of whom some were in attendance at the final Newcastle sale, were very keen to secure a large percentage of the superior wool types. This caused prices for these types to escalate quickly on the first day, with some rather handy premiums of up to 60cents being paid for the better style and strength types. Prices suffered somewhat during the final two days, as the Melbourne and Fremantle offering and a less stylish offering in Newcastle came onto the market. By the close, the overall consensus of the weekly result was of a strong but generally unchanged quotation basis for the series.

Fine and medium Merino types of 19 to 23 micron came under a little bit of pressure this week, with a large volume of these types selling on the final day, forcing prices back to levels of three weeks ago. The series commenced with a largely firm price for these descriptions, but by the weeks end, prices were being quoted at levels of 15 to 25cents cheaper than the previous week's closing basis. A weak Fremantle market mid week in Western Australia on the Wednesday had set the tone and this cheaper sentiment transferred to all markets for the Thursday auctions. Significantly, the last hour of selling saw a little recovery and prices firmed slightly.

All crossbred and comeback types sold very strongly from the outset and by the close, prices were being quotes at levels of 5cents dearer for the week, in a smaller offering than usual. Demand remains strong in this area, with the shorter types attracting the most attention.

Next week will see the 3 selling centres offering a total of over 56,000 bales, making it one of the largest bale totals for the season. Prices will be expected to come under pressure from the start, but talks of fresh sales having been made into China of 19 to 23 micron, may arrest or reduce the expected slide and hopefully levels can maintain or even improve.

This week saw the final ever Newcastle sale to be held. We wish the wool growers and buyers having sold and purchased there over the years the very best and hopefully they can now look forward to a new location and more frequency of being able to market the production from the New England and surrounding districts.

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