

# WOOL MARKET WEEKLY REPORT

FRIDAY 19th April 2013



SALE WEEK	
Week No.	42
Sale days	Tue, Wed, Thu
Locations	Syd, Mel, Fre

OFFERING	
Bales offered	43,708
Passed-In (%)	9.4%
Re-offer (%)	7.0%

CURRENCY MOVEMENTS	
AU:USD	1.0305 -2.03%
AU:CYN	6.3687 -2.29%
AU:EUR	0.7897 -1.86%

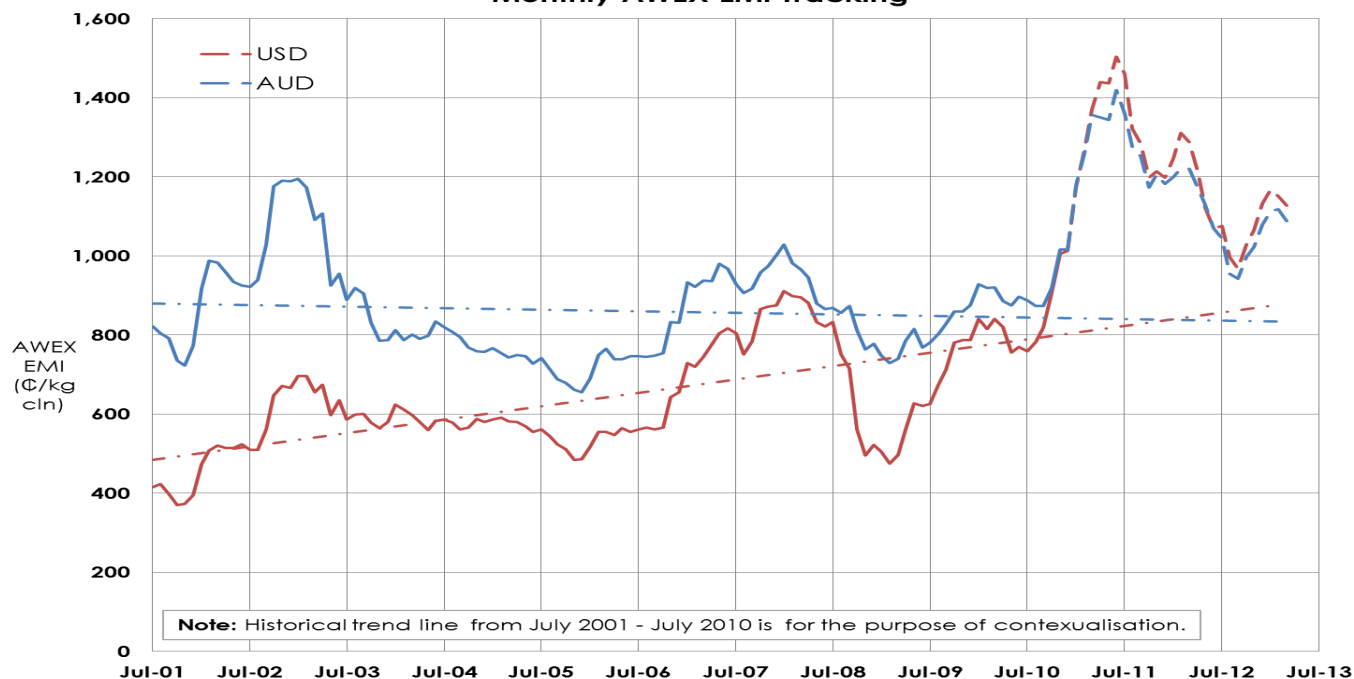
MPG	North	South	West
17	1304 +20	1320 +41	-
18	1196 +14	1199 +16	1203 +25
19	1177 +19	1168 +19	1173 +15
20	1141 +20	1139 +15	1142 +21
21	1124 +13	1121 +7	1123 +17
22	1102 +14	1099 +14	-
23	-	1073 +2	-
24	-	989	-
25	-	858	-
26	-	751 -36	-
28	600 +5	590 -6	-
30	557 +3	560 +0	-
32	471 +5	472 +8	-
MC	715 +0	710 -2	702 -9

AWEX EMI			
AUD	1005 c/kg cln	+6 c/kg	+0.60%
USD	1036 c/kg cln	-15 c/kg	-1.44%
CYN	6401 c/kg cln	-111 c/kg	-1.70%

Forecast offering: current season on last season		
Week 43	46,340 bales	38,103 bales
Week 44	44,655 bales	42,540 bales
Week 45	44,900 bales	33,168 bales

Wool Forwards				
	19 um	20 um	21 um	22 um
19/06/13	-	-	1,095	-
10/07/13	-	-	1,100	-
21/08/13	-	1,135	-	-

### Monthly AWEX EMI Tracking



### COMMENTARY

Wool auction sales were held this week with all three centres operating across Australia. An original offering of nearly 50,000 bales was reduced substantially prior to selling, as many woolgrowers refused to accept the prices currently being offered. As a result, a presale withdrawn figure of over 10% occurred and during the course of the week a further 10% approximately was passed in. By the weeks end that led to a sold figure of just over 39,000 bales, representing a 20% decreased flow of wool into the buyers possession.

Initial market signals on Tuesday at the stand alone Melbourne sale, indicated no change of sentiment in the market trend, and all the types and descriptions on offer struggled to even maintain the established quotations and most price levels continued to become cheaper. Trade talk of renewed interest and forward bookings from the larger Indian users late on Tuesday gave some expectation of a better market, and even though the Wednesday auction had a far better tone to it, and more export houses commenced to compete stronger, no real price gains were posted. By the commencement of selling on Thursday, it was common knowledge amongst buyers of a real surge in forward bookings interest, this time more significantly from China as well as continued enquiry from the sub continent. The market reacted immediately and the final day of selling saw prices appreciate rapidly, moreso due to short covering of old contracts at advantageous levels, rather than any execution of new business.

For the long suffering sellers of Superfine wool, this week may hopefully prove to be a turning point in their fortunes, with the largest rises occurring at the finest end of the Merino fleece selection. All wools on offer that were finer than 17.0 micron made significant gains of up to 70cents, with the better types most affected. The 17 to 18.5 micron area posted an increase of up to 25cents. Coming off some very high prices comparing to their fleece counterparts, the Superfine skirting types in this area were not as well sought and by weeks end were largely unchanged to slightly easier.

Fine and medium Merino fleece types 19 to 22.5 micron closed the week at levels 20cents dearer than the previous week, but in fact a 35cents gain was achieved on the final day alone, after 15cents had been lost over the first two days of the selling week. The market in this area closed in a very strong manner. A good offering of skirting types 19 to 21 micron were well sought throughout the week, but prices closed for the series being quoted as generally unchanged at best.

Strong Merino types of 23 to 25 micron remain very short in supply and continued at very similar levels. Practically nil strong Merino skirting types were available.

Comeback and crossbred types of all descriptions remain very solid in price, in the large offerings of this type group. Some small price gains were made at the tail end of the week, with the coarser type bracket most affected.

Sales will be restricted to just two days selling next week on the Tuesday and Wednesday selling roster. This is due to a national holiday on Thursday to celebrate Anzac Day. With the positive tone set at the end of this week and a weaker USD v AUD foreign exchange rate, a continuation of the price recovery should be expected.

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