

WOOL MARKET WEEKLY REPORT

FRIDAY 8 February 2013



SALE WEEK	
Week No.	32
Sale days	Tue, Wed, Thu
Locations	Syd, Mel, Fre

OFFERING	
Bales offered	53,518
Passed-In (%)	9.7%
Re-offer (%)	6.7%

CURRENCY MOVEMENTS	
AU:USD	1.0318 -0.73%
AU:CYN	6.4326 -0.48%
AU:EUR	0.7637 -0.30%

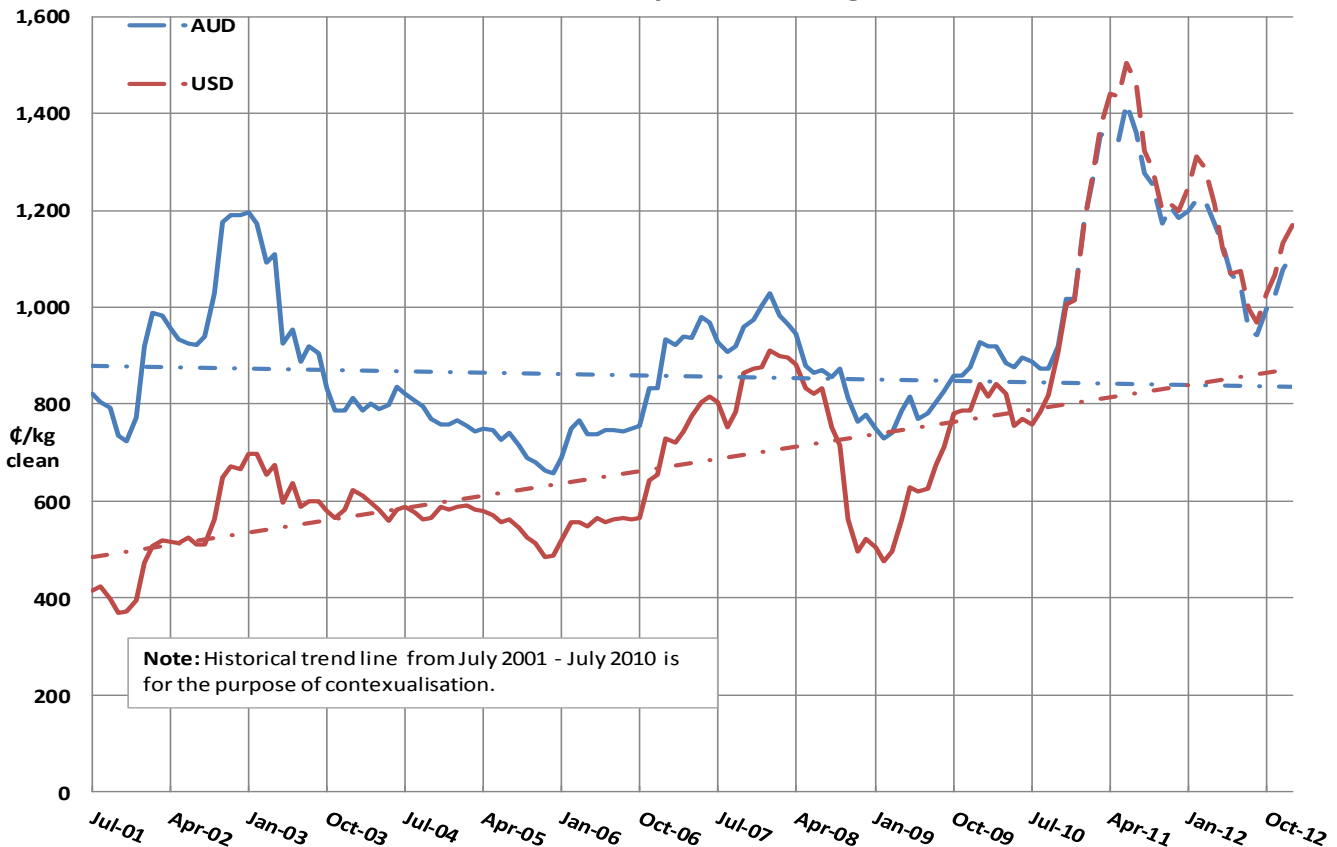
MPG	North	South	West
17	1510 +5	1476 -5	-
18	1403 -11	1403 -20	1358 -50
19	1340 -8	1333 -11	1311 -26
20	1249 -11	1250 -26	1246 -26
21	1233 -8	1232 -22	1217 -26
22	1220 -4	1216 -20	1196 -29
23	1196	1196 -10	-
24	-	-	-
25	-	-	-
26	814 +0	820 +3	-
28	617 -7	631 -6	-
30	580 -4	581 -1	-
32	-	490 +1	-
MC	749 +12	749 +26	709 +7

AWEX EMI		
AUD	1128 c/kg cln	-0.88%
USD	1164 c/kg cln	-1.60%
CYN	7256 c/kg cln	-1.36%

Forecast offering: current season on last season		
Week 33	50,612 bales	47,418 bales
Week 34	52,400 bales	52,427 bales
Week 35	45,900 bales	47,102 bales

Wool Forwards				
	18 um	19 um	21 um	23 um
06/03/13	-	1,320	1,230	-
20/03/13	-	1,342	-	-
10/04/13	-	1,345	1,223	-

Monthly EMI Tracking



COMMENTARY

Australian wool auction sales this week featured a relatively stable market across most wool types. Coming off the very strong gains of last week, the market showed quite some resilience to the downward pressure that was evident at the commencement of sales from the major buyers. A large offering of a very widespread type selection, ranging from some very nice Superfine spinners types right through to coarse downs wool, met with good competition, and whilst some loss of price levels were evident, these were minor compared to the gains extracted during the previous series.

Merino fleece types traded slowly to commence the week, with initial losses of 20 to 25cents in the first hour or so of selling. Prices were quick to recover though as some heavy volume Chinese indents came into play arresting the slide and turning the market back more towards the starting basis. The larger volume of these wools this week prevented any further rise in this area, as most forward selling buyers are operating on a loss minimization method of purchasing, and they were unwilling to take on the indent operators and force the price further away from their firm sold levels. By the close of selling, most types were being quoted for the series around the 10 to 15cents cheaper level. An exception to this were the 16.0 to 18.5 micron best top making and spinners descriptions which sold very firm to slightly dearer again in places, as the strong Italian and Indian orders remain in place. With the price differential between Superfine and medium Merino types now running at under 20% it is no wonder these Superfine types are being well sought.

Merino skirtings and cardings went against the cheapening Merino fleece trend, and all types were quoted fully firm to a few cents dearer for the week. Strong interest from the commercial top makers, looking for a "cheaper" raw material, led the market, and the robust appetite for these wools continues unabated.

Comeback and crossbred wool of all descriptions were again in good demand and price levels remained basically unchanged for the week. The finer end of 24.0 to 27.0 fleece and skirtings were the most popular, and some slight dearer tendency was evident.

Next weeks auctions will offer over 50,000 bales nationally and will feature a 9000 bale offering ex Tasmania selling in Melbourne. With many of our larger users in China off on holidays next week celebrating the New Year, the market may be placed under some pressure, but hopefully prices can remain strong. With some large forward commitments being executed and completed for the February shipment cut offs, it is anticipated the forward sellers may take the opportunity to reduce their buying, so it will be up to the indent buyers to determine which direction the market will take.

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