

# WOOLMARK

## WEEKLY REPORT

FRIDAY 11 January 2013



SALE WEEK	
Week No.	28
Sale days	Tues, Wed, Thu
Locations	Syd, Mel, Fre

OFFERING	
Bales offered	52,063
Passed-In (%)	3.8%
Re-offer (%)	5.8%

CURRENCY MOVEMENTS	
AU:USD	1.0549 -0.01%
AU:CYN	6.5646 -0.28%
AU:EUR	0.8087 +0.30%

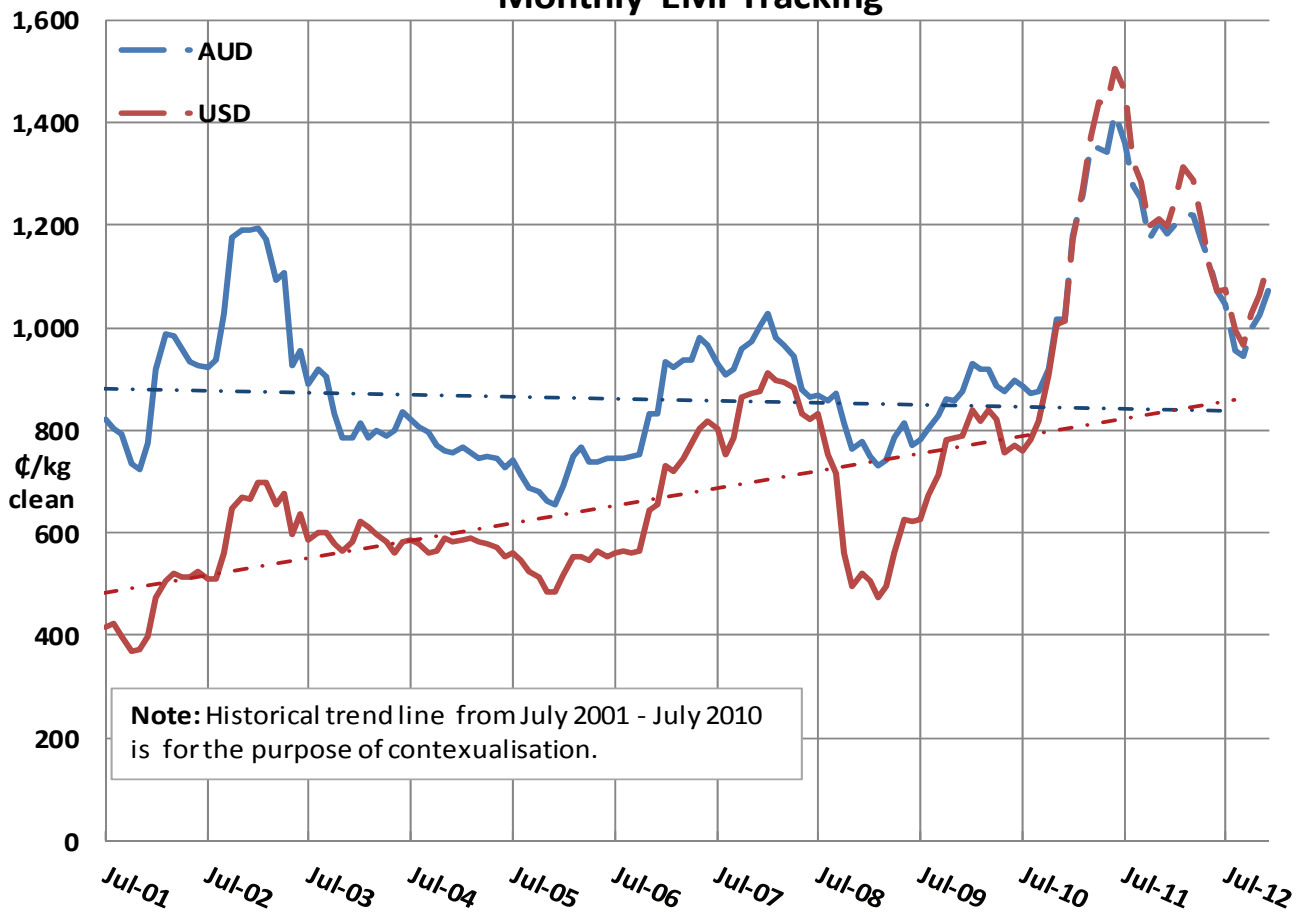
MPG	North	South	West
17	1447 +44	1446 +35	-
18	1360 +45	1348 +40	1357 +50
19	1333 +41	1322 +49	1333 +57
20	1259 +46	1264 +60	1273 +57
21	1240 +43	1232 +38	1242 +50
22	1211 +44	1204 +44	1213 +51
23	1189 +42	1189 +49	-
24	-	1058 +42	-
25	-	904 +19	-
26	808 +19	807 +13	-
28	613 +18	619 +31	-
30	576 +25	579 +29	-
32	498 +22	490 +9	-
MC	704 +28	704 +13	662 +15

AWEX EMI		
AUD	1111 c/kg cln	+3.64%
USD	1172 c/kg cln	+3.63%
CYN	7293 c/kg cln	+3.35%

Forecast offering: current season on last season		
Week 29	58,228 bales	58,409 bales
Week 30	49,750 bales	44,751 bales
Week 31	41,920 bales	37,382 bales

Wool Forwards				
	18 um	19 um	20 um	21 um
06/02/13	1,360	1,310	-	-
20/03/13	-	-	-	1,230
22/05/13	-	-	1,250	1,218

## Monthly EMI Tracking



### COMMENTARY

Wool auction sales resumed from a 21 day recess this week, with an offering of over 50,000 bales. Such a large offering following a break was expected to be met with stiff resistance from buyers and pre sale thoughts from the exporting fraternity were commonly expressed as the market "struggling to maintain the price levels" with buyers reporting of little or no significant business having been written during the recess. How wrong and quickly those pre sale sentiments proved to be was quite staggering.

Sales opened with the Melbourne selling centre operating on a standalone basis on the Tuesday. From the opening lot, prices commenced to escalate and competition from the indent buyers and forward sellers strengthened throughout the day. By the close of selling, all Merino types on offer were being quoted at levels generally 20 to 25cents dearer than pre Christmas prices. The large offering of crossbred wool also followed the dearer trend and appreciated by as much as 15cents.

As the two other wool auction centres of Sydney and Fremantle joined the selling on Wednesday and Thursday, there was no respite for auction buyers and exporters, with price levels continuing to extend the surge into positive territory. Interestingly to note was that the competition was far more widespread amongst the buyers than usual, with 5 or 6 companies intent on securing supply in the rising market. At the conclusion of selling all types 16.0 through to 24.0 micron were at levels 45 to 60cents above the opening and broader types 25.0 to 32.0 micron were closing at prices up to 30cents higher than at the commencement of selling.

The relatively small percentage of merino wool on offer at auction this week came under the most pressure and the price rises were not concentrated on a specific micron bracket, rather, across the entire merino breed. There does appear to be a thought amongst exporters of a dwindling volume of merino types coming onto the market and the official forecasts of a seasonally unchanged or slightly larger merino supply are becoming increasingly doubtful in their minds and strategy. The current unfavorable growing conditions and continuing dry spell across the country is also part of their considerations.

Our thoughts and best hopes are with our wool growing and farming communities suffering the effects of the bushfires being experienced across the nation and the terrible consequences of the infrastructure, stock and pasture losses.

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