

WEEKLY WOOL MARKET REPORT

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Wk 50 09/06/2016. The AWEX EMI closed at 1270c at auction sales in Australia posting a 26c loss for the week. Whilst the week's price trend was clearly negative, the primary cause for the downward correction was related to a combination of poor fiscal data out of the US, coupled with stronger global commodity prices, and topping this off, the better than expected data in Australia. This fuelled the AUD currency exchange rate to rise over 2c for the week touching 75 usc.

The positive news emerging from the week was the continued increase in the EMI in USD which gained 9c to close on 948c the third highest EMI price in USD terms. The offering of 27,231 bales was the smallest weekly selection for 12 months which was met with buyer caution on the opening sale day, and whilst there were falls of up to 40c posted, Thursdays sale was a mixed bag with the Sydney offering fully firm to slightly dearer whilst Melbourne continued to drift slowly lower.

The offering quality (or lack of) came under scrutiny as buyers sought out the limited offering of best style (spinners) fleece types, all other fleece types lost between 20-24c, with the medium merino types showing some resilience to the underlying trend. Skirtings posted lower price levels for the week however the closing prices showed some positive signs of good support at this level with the low VM and best style skirtings attracted good competition. Crossbreds mirrored the Merino fleece trends whilst cardings took a 20c hit.

Next week we see Fremantle sales reappear to the roster, the national offering 34,711 bales. With three sale weeks remaining before the 30th June the YOY bales offered season to date reflect a 9% reduction, an alarming loss in our wool production.

Mike Avery from Southern Aurora Wool reports:- "Poor data over the weekend out of the US send their dollar down, sending both exporters and their clients into a "wait and see mode" ahead of the auction. Better than expected trade data locally put a further rate cut temporarily off the table resulting in an AUD heading to 75 cents. Bidding returned to the forward offer boards on Thursday but levels reflected the 30 cents the market lost on most Merino types for the week. July levels pulled back on 21.0 to 1350 and Spring to 1300. On the finer wool bidding remains around 1400 for the Spring indicating that a steadying in the currency would likely see prices stabilise". ~ Marty Moses

Region	Centre	09/06/2016	02/06/2016	Variance	Bales Offered	Bales Sold	Pass-in %	Next Sale Offering
Northern	Sydney	1,292	1,323	-31	12,314	10,714	11.7%	10,016
Southern	Melbourne	1,255	1,278	-23	15,097	12,975	14.1%	18,676
Western	Fremantle	No Sale	1,370	~	~	~	~	6,019
National	AWEX EMI	1,270	1,296	-26	27,231	23,689	13.0%	34,711

MPG Summary

MPG North	Percentile	2/06/2016	16/05/2016	Variance	5 Year Average	5 year var	5 year % var
17	83.2%	1,574	1,583	-9	1,467	107	7.3%
18	89.0%	1,553	1,557	-4	1,379	174	12.6%
19	91.8%	1,506	1,509	-3	1,305	201	15.4%
20	97.2%	1,436	1,441	-5	1,251	185	14.8%
21	97.3%	1,404	1,404	0	1,236	168	13.6%
22	97.6%	1,386	1,386	0	1,167	219	18.8%
30	89.0%	715	715	0	628	87	13.8%