

WEEKLY WOOL MARKET REPORT

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Wk 52 23/06/2016. The AWEX EMI rose 6c, closing at 1285c at auction sales in Australia this week. The rise moved up with the currency exchange, resulting in a 21c rise for the EMI in USC. Fremantle did not offer this week impinging on the National offering to a new four year low, with short supply of low VM Merino fleece and skirting types that make up the respective MPG's.

It was also a popular settlement date (last Thursday in the month) for Forward contracts. The buying activity was more focussed on the traditional Merino Chinese types (19.5-22.5 μ) which posted positive price results ranging from 5 to 25c. The Superfine categories were able to hold their ground. Skirtings mirrored the fleece with a small selection being keenly sought with Prem fleece lots, best style skirtings and medium micron lots stealing the limelight. Crossbreds struggled under the appreciating currency exchange as did the Carding lots to some extent.

The positive emotion in the market place has been heavily influenced by the currency exchange, this link is weakening and a new force "low supply" is taking the reigns. A prominent exporter commented this week that for over a decade the trade have been telling the world that we have had reducing quantities in the June-July period and for almost all of these periods an unexpected wave of supply has swamped the market weeks surrounding the 30th June and the three week July sale recess. However it looks like the cupboard is bare in June 2016 with record low offerings the feature of the last three weeks.

Poor supply will be a temporary conundrum driven by widespread rains across Australia impinging any wool movement that may have been destined for the two post 30th June sales.

The forward contract markets fired up on the back of this week's positive result. Contracts were transacted as high as 1390 for 21 MPG August settlement which is the on the 95th percentile in the category and represents \$1600/bale. This extraordinary price does not carry too far past August as September and October degrade to 1350c and 1335c respectively.

32,000 bales will be offered next week as Fremantle returns to the rostrum with only 6000 bales gathered in the west over the past fortnight. ~ Marty Moses

Region	Centre	23/06/2016	16/06/2016	Variance	Bales Offered	Bales Sold	Pass-in %	Next Sale Offering
Northern	Sydney	1,303	1,300	+3	9,939	9,260	6.8%	9,623
Southern	Melbourne	1,272	1,266	+6	12,169	11,407	6.3%	16,290
Western	Fremantle	~	1,362	~	~	~	~	6,103
National	AWEX EMI	1,285	1,279	+6	22,108	20,667	6.5%	32,016

MPG Summary

MPG North	Percentile	23/06/2016	16/06/2016	Variance	5 Year Average	5 year var	5 year % var
17	78.0%	1,532	1,534	-2	1,467	65	4.4%
18	84.0%	1,505	1,512	-7	1,379	126	9.1%
19	89.5%	1,471	1,476	-5	1,306	165	12.7%
20	97.0%	1,435	1,420	15	1,252	183	14.6%
21	98.0%	1,423	1,398	25	1,237	186	15.0%
22	98.8%	1,402	1,379	23	1,167	235	20.1%
30	86.9%	686	703	-17	628	58	9.2%



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